IMPORTANT NOTICE

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached offering memorandum (the "Offering Memorandum") received by e-mail or otherwise received as a result of electronic communication, and you are therefore advised to read this disclaimer page carefully before reading, accessing or making any other use of the attached Offering Memorandum. In accessing the Offering Memorandum, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

Confirmation of Your Representation: By accepting the email and accessing the attached Offering Memorandum you will be deemed to have represented to each of Australia and New Zealand Banking Group Limited, Barclays Bank PLC, Singapore Branch, BNP Paribas, Citigroup Global Markets Singapore Pte. Ltd., Crédit Agricole Corporate and Investment Bank, Singapore Branch, DBS Bank Ltd., Deutsche Bank AG, Singapore Branch, First Abu Dhabi Bank PJSC, ING Bank N.V., Singapore Branch, J.P. Morgan Securities plc, Merrill Lynch (Singapore) Pte. Ltd., Morgan Stanley & Co. International plc, SMBC Nikko Capital Markets Limited, Société Générale, Standard Chartered Bank and The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch (collectively, the "Joint Lead Managers"), that (i) you are outside the United States and, to the extent you purchase the securities described in the attached Offering Memorandum, you will be doing so pursuant to Regulation S under the U.S. Securities Act of 1933, as amended (the "Securities Act") and (ii) that you consent to delivery of the attached Offering Memorandum and any amendments or supplements thereto by electronic transmission.

This Offering Memorandum has been sent to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of the Issuer, the Joint Lead Managers, the Trustee (as defined in this Offering Memorandum), the Agents (as defined in this Offering Memorandum) or any person who controls, or is a director, officer, employee, agent, representative or affiliate of, any such person accepts any liability or responsibility whatsoever in respect of any difference between the Offering Memorandum distributed to you in electronic form and the hard copy version available to you on request from the Joint Lead Managers.

Restrictions: The attached Offering Memorandum is being furnished in connection with an offering exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the securities described in the Offering Memorandum. You are reminded that the information in the attached document is not complete and may be changed. Any investment decision should be made on the basis of a complete final Offering Memorandum.

Nothing in this electronic transmission constitutes an offer of securities for sale in any jurisdiction where it is unlawful to do so.

THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND MAY NOT BE OFFERED OR SOLD WITHIN THE U.S., EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY APPLICABLE STATE OR LOCAL SECURITIES LAWS.

You are reminded that you have accessed the attached Offering Memorandum on the basis that you are a person into whose possession this Offering Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorized to deliver or forward this document, electronically or otherwise, to any other person. If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.

Actions that You May Not Take: You should not reply by e-mail to this electronic transmission, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected.

THE ATTACHED OFFERING MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED.

You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

SUBJECT TO COMPLETION
PRELIMINARY OFFERING MEMORANDUM DATED JANUARY 14, 2018 **CONFIDENTIAL**

TATA STEEL

TATA

ABJA Investment Co. Pte. Ltd.

(Incorporated in Singapore)
(Registration Number: 201309883M)

US$ [●] [●]% Notes Due [●]
US$ [●] [●]% Notes Due [●]

Each of the US$[●] [●]% Notes due [●] (the "[●] Notes") and the US$[●] [●]% Notes due [●] (the "[●] Notes" and, together with the [●] Notes, the "Notes") will be the unsecured senior obligations of ABJA Investment Co. Pte. Ltd. (the "Issuer"), and will rank *pari passu* with all of its other existing and future unsubordinated obligations and will be effectively subordinated to its secured obligations and the obligations of its subsidiaries. Tata Steel has provided a non-binding letter of comfort to the Trustee on behalf of the noteholders in connection with the issuance of the Notes.

The [●] Notes will bear interest at a rate of [●]% per year. Interest will be paid on the [●] Notes semi-annually in arrear on [●] and [●] of each year, beginning on [●], 2018. Unless previously repurchased, cancelled, exchanged or redeemed, the [●] Notes will mature on [●]. The [●] Notes will bear interest at a rate of [●]% per year. Interest will be paid on the [●] Notes semi-annually in arrear on [●] and [●] of each year, beginning on [●], 2018. Unless previously repurchased, cancelled, exchanged or redeemed, the [●] Notes will mature on [●]. If a Change of Control (as defined herein) occurs, each Noteholder (as defined herein) shall have the right to require the Issuer to redeem all of such Noteholders' Notes at 101% of their principal amount plus accrued and unpaid interest. Subject to the terms and conditions of the Notes (the "Conditions"), the Issuer may also redeem all of the Notes at 100% of their principal amount plus accrued and unpaid interest if at any time the Issuer becomes obligated to pay withholding taxes as a result of certain changes in tax law. Subject to the above and unless previously redeemed, purchased, exchanged or cancelled, the [●] Notes will mature and the Issuer will redeem the [●] Notes at their principal amount on [●] and the [●] Notes will mature and the Issuer will redeem the [●] Notes at their principal amount on [●]. The Notes will not be guaranteed by Tata Steel or any other member of the Group.

For a more detailed description of the Notes, see "Terms and Conditions of the [●] Notes" and "Terms and Conditions of the [●] Notes" beginning on pages 175 and 199, respectively.

Issue Price for the [●] Notes: [●]%
Issue Price for the [●] Notes: [●]%

Investing in the Notes involves certain risks. You should read "Risk Factors" beginning on page 39 before investing in the Notes.

MiFID II product governance/Professional investors and ECPs only target market — For the purposes of Directive 2014/65/EU (as amended, "MiFID II"), any person offering, selling or recommending the Notes (a "distributor") should take into consideration the target market in respect of the Notes which is eligible counterparties and professional clients only, each as defined in MiFID II; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market) and determining appropriate distribution channels.

Approval in principle has been granted for the listing and quotation of the Notes on the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The SGX-ST takes no responsibility for the accuracy of any of the statements made or opinions or reports contained in this Offering Memorandum. Approval in-principle received for the listing and quotation of the Notes on the SGX-ST is not to be taken as an indication of the merits of either us, this offering or the Notes. The Notes will be traded on the SGX-ST in a minimum board lot size of US$200,000 for so long as any of the Notes are listed and quoted on the SGX-ST and the rules of the SGX-ST so require.

The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or any U.S. state securities laws. Accordingly, the Notes are being offered and sold only to persons outside the United States in compliance with Regulation S under the Securities Act ("Regulation S"). For a description of certain restrictions on resales and transfers, see "*Subscription and Sale*".

Each of the Notes will be represented by a global certificate (the "Global Certificate") in registered form which will be registered in the name of a nominee for a common depositary for Clearstream Banking, S.A. ("Clearstream, Luxembourg") and Euroclear Bank S.A./N.V. ("Euroclear") on or about [●]. Individual certificates evidencing holdings of the Notes will only be issued in certain limited circumstances described under "The Global Certificate". The Notes are expected to be rated BB- by S&P.

Joint Lead Managers

ANZ	**Barclays**	**BNP PARIBAS**
BofA Merrill Lynch	**Citi**	**DBS Bank Ltd.**
Crédit Agricole CIB	**Deutsche Bank**	**First Abu Dhabi Bank**
HSBC	**ING**	**J.P. Morgan Securities plc**
Morgan Stanley **SMBC Nikko**	**Société Générale Corporate & Investment Banking**	**Standard Chartered Bank**

The date of this Offering Memorandum is [●], 2018.

NOTICE TO INVESTORS

The Issuer, as well as the Joint Lead Managers, reserve the right to withdraw the offering of the Notes at any time or to reject any offer to purchase, in whole or in part, for any reason, or to sell less than all of the Notes offered hereby.

This Offering Memorandum is personal to the prospective investor to whom it has been delivered by the Joint Lead Managers and does not constitute an offer to any other person or to the public in general to subscribe for or otherwise acquire the Notes. Distribution of this Offering Memorandum to any person other than the prospective investor and those persons, if any, retained to advise that prospective investor with respect thereto is unauthorized, and any disclosure of its contents without the Issuer's prior written consent is prohibited. The prospective investor, by accepting delivery of this Offering Memorandum, agrees to the foregoing and agrees not to make any photocopies of this Offering Memorandum.

This Offering Memorandum is intended solely for the purpose of soliciting indications of interest in the Notes from prospective investors and does not purport to summarize all of the terms, conditions, covenants and other provisions contained in any transaction documents described herein. The information provided is not all-inclusive. The market information in this Offering Memorandum has been obtained by the Issuer from publicly available sources deemed by it to be reliable. Notwithstanding any investigation that the Joint Lead Managers may have conducted with respect to the information contained herein, the Joint Lead Managers do not accept any liability in relation to the information contained in this Offering Memorandum or its distribution or with regard to any other information supplied by or on the Issuer's behalf.

The Issuer and the Group accept responsibility for the information contained in this Offering Memorandum. To the best of the knowledge of the Issuer and the Group (having taken all reasonable care to ensure that such is the case) the information contained in this Offering Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

Prospective investors in the Notes should rely only on the information contained in this Offering Memorandum. None of the Group, the Issuer, the Joint Lead Managers, the Trustee or the Agents has authorized the provision of information different from that contained in this Offering Memorandum. The information contained in this Offering Memorandum is accurate in all material respects only as of the date of this Offering Memorandum, regardless of the time of delivery of this Offering Memorandum or of any sale of the Notes. Neither the delivery of this Offering Memorandum nor any sale made hereunder shall under any circumstances imply that there has been no change in the Issuer's affairs and those of its subsidiaries or that the information set forth herein is correct in all material respects as of any date subsequent to the date hereof.

Prospective investors hereby acknowledge that (i) they have not relied on the Joint Lead Managers or any person affiliated with the Joint Lead Managers in connection with any investigation of the accuracy of such information or their investment decision, and (ii) no person has been authorized to give any information or to make any representation concerning the Issuer or the Notes (other than as contained herein and information given by the Issuer's duly authorized officers and employees, as applicable, in connection with investors' examination of the Issuer and the terms of this offering) and, if given or made, any such other information or representation should not be relied upon as having been authorized by the Group, the Issuer, the Joint Lead Managers, the Trustee or the Agents.

None of the Joint Lead Managers, the Group, the Issuer, the Trustee, the Paying Agent, the Transfer Agent and the Registrar or their respective affiliates or representatives is making any representation to any offeree or purchaser of the Notes offered hereby regarding the legality of any investment by such offeree or purchaser under applicable legal investment or similar laws. None of the Joint Lead Managers, the Trustee, the Paying Agent, the Transfer Agent, the

Registrar or their respective affiliates or representatives makes any representation, warranty or undertaking, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Offering Memorandum. To the fullest extent permitted by law, none of the Joint Lead Managers, the Trustee or the Agents accepts any responsibility for the contents of this Offering Memorandum or for any other statement made or purported to be made by the Joint Lead Managers, the Trustee or the Agents or on their behalf in connection with the Issuer or the issue and offering of the Notes. Each of the Joint Lead Managers, the Trustee or the Agents accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Offering Memorandum or any such statement.

Each prospective investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of the Issuer and the terms of the Notes being offered, including the merits and risks involved and its purchase of the Notes should be based upon such investigations with its own tax, legal and business advisers as it deems necessary. See "Risk Factors" for a discussion of certain factors to be considered. Any prospective investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

This Offering Memorandum does not constitute an offer to sell, or a solicitation of an offer to buy, any Notes offered hereby by any person in any jurisdiction in which it is unlawful for such person to make an offer or solicitation in such jurisdiction.

The distribution of this Offering Memorandum and the offer and sale of the Notes may, in certain jurisdictions, be restricted by law. None of the Issuer, the Joint Lead Managers, the Trustee or the Agents represents that this Offering Memorandum may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by any of the Issuer or the Joint Lead Managers which would permit a public offering of any Notes or distribution of this Offering Memorandum in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

Each purchaser of the Notes (each, a "Noteholder") must comply with all applicable laws and regulations in force in each jurisdiction in which it purchases, offers or sells the Notes or possesses or distributes this Offering Memorandum, and must obtain any consent, approval or permission required for the purchase, offer or sale by it of the Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes purchases, offers or sales. Persons into whose possession this Offering Memorandum or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of Offering Memorandum and the offering and sale of the Notes. In particular, there are restrictions on the offer and sale of the Notes, and the circulation of documents relating thereto, in certain jurisdictions including the United States and the European Economic Area and to persons connected therewith. See "Subscription and Sale".

This Offering Memorandum has been prepared on the basis that all offers of the Notes will be made pursuant to an exemption under Article 3 of the Prospectus Directive, as implemented in member states of the European Economic Area, from the requirement to produce a prospectus for offers of the Notes.

This Offering Memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Offering Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

For a description of these and certain further restrictions on offers and sales of the Notes and the distribution of this Offering Memorandum, see "*Subscription and Sale*".

In connection with the issue of the Notes, Australia and New Zealand Banking Group Limited (the "Stabilizing Manager") or any person acting on behalf of the Stabilizing Manager may, to the extent permitted by applicable laws and directives, over-allot the Notes or effect transactions with a view to supporting the price of the Notes at a level higher than that which might otherwise prevail, but in so doing, the Stabilizing Manager or any person acting on behalf of the Stabilizing Manager shall act as principal and not as agent of the Issuer. However, there is no assurance that the Stabilizing Manager or any person acting on behalf of the Stabilizing Manager will undertake stabilization action. Any loss or profit sustained as a consequence of any such overallotment or stabilization shall be for the account of the Joint Lead Managers.

MiFID II product governance/Professional investors and ECPs only target market

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

PRESENTATION OF FINANCIAL INFORMATION

Financial Data

The Issuer's and the Group's fiscal year ends on March 31. Accordingly, references in this Offering Memorandum to a particular fiscal year are to the year ended March 31 of that year. References to a year other than a "fiscal year" are to the calendar year ended December 31 of that year.

The Group is required to prepare its financial statements in accordance with Ind-AS with effect from April 1, 2016. Accordingly, the financial statements as at and for the year ended March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016, have been prepared in in accordance with Ind-AS. The Issuer is required to prepare its financial statements in accordance with Singapore Financial Reporting Standards ("SFRS"). Accordingly, all of the Issuer's financial statements presented in this Offering Memorandum have been prepared in accordance with SFRS.

All historical consolidated financial information in this Offering Memorandum is that of the Group, its consolidated subsidiaries and joint ventures and associates. In this Offering Memorandum, unless otherwise specified, all financial information is of the Group on a consolidated basis. All historical non-consolidated financial information in this Offering Memorandum is that of Tata Steel or the Issuer, as specified.

The annual financial statements of the Group, on a consolidated basis, and of Tata Steel, on a standalone basis, as at and for the years ended March 31, 2015, 2016 and 2017 (collectively, the "Annual Financial Statements"), and financial results for the six month periods ended September 30, 2016 and 2017, have each been prepared in accordance with the following:

(i) with respect to the six months ended September 30, 2016 and 2017, prepared and presented in accordance with Ind-AS;

(ii) with respect to the years ended March 31, 2016 and 2017, prepared and presented in accordance with Ind-AS; and

(iii) with respect to the comparative period data for the years ended March 31, 2015 and 2016, prepared and presented in accordance with Indian GAAP.

Ind-AS differs in certain respects from generally accepted accounting principles in the International Financial Reporting Standards ("IFRS"). For a discussion of certain significant differences between Ind-AS and IFRS, see "Description of Certain Differences between Ind-AS and IFRS". In making an investment decision, investors must rely on their own examination of the Group, the terms of the offering and the financial information contained in this Offering Memorandum. Potential investors should consult their own professional advisers for an understanding of the differences between Indian GAAP and US GAAP or IFRS, and how these differences might affect their understanding of the financial information contained herein.

The Annual Financial Statements for the Group have been audited by Deloitte Haskins and Sells LLP, Chartered Accountants ("Deloitte"), as set forth in their audit reports included herein. For the financial year beginning from April 1, 2017 onwards, Price Waterhouse and Co. Chartered Accountants LLP ("Price Waterhouse and Co.") became the statutory auditor for the Group, and PricewaterhouseCoopers LLP became the auditors for the Issuer.

On January 10, 2018, SEBI imposed a two year ban on Price Waterhouse and Co network of firms in India (which includes Price Waterhouse & Co.) from auditing any publicly listed companies in India as a result of their involvement as auditors in Satyam Computer Services Limited. The ban does not impact Price Waterhouse & Co.'s ability to continue as statutory auditors of Tata Steel and the Group for financial year ending March 31, 2018. Price Waterhouse and Co network of firms in India have proposed to appeal the SEBI ban, and should Price Waterhouse & Co. become legally incapable to continue the office of Tata Steel and the Group's statutory auditors post March 31, 2018 Tata Steel would evaluate to fill the vacancy in such eventuality, keeping in line with the requirements of the applicable statutes in India.

The Annual Financial Statements for the Issuer have been audited by Deloitte, as set forth in their audit reports included herein. The unaudited interim financial statements of the Issuer for the six months ended September 30, 2017, have been subject to limited review by PricewaterhouseCoopers LLP as set forth in their report dated January 12, 2018.

The standalone financial results of Tata Steel for the quarter and six months ended September 30, 2017 have been audited by Price Waterhouse and Co. and the consolidated financial results of the Group for the quarter ended September 30, 2017 have been subjected to a limited review by Price Waterhouse and Co. as set forth in their respective review reports included herein.

The unaudited interim financial statements of the Issuer for the six months ended September 30, 2017, have been subjected to a limited review by PricewaterhouseCoopers LLP as set forth in their review report dated January 12, 2018.

Reporting Segments

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 the Chief Operating Decision Maker reviews and assesses the Group's performance based on the same.

The Group's reportable segments and segment information is presented below:

- Tata Steel India
- Other Indian operations
- Tata Steel Europe
- Other trade related operations
- South East Asian operations
- Rest of the world

Non-GAAP Financial Measures

As used in this Offering Memorandum, a non-GAAP financial measure is one that purports to measure historical financial performance, financial position or cash flows, but excludes or includes amounts that would not be so adjusted in the most comparable IFRS, Ind-AS and SFRS measures. From time to time, reference is made in this Offering Memorandum to such "non-GAAP financial measures", including EBITDA, or (unless otherwise specified) earnings before finance income and costs, taxation, depreciation, amortization and impairment and share of results of associates, and net debt, or (unless otherwise specified) non-current borrowings plus current borrowings minus cash and cash equivalents, current and non-current restricted cash, and short-term investments. The Group's management believes that EBITDA, net debt, operating free cash flow, return on average net worth, return on average capital employed and other non-GAAP financial measures provide investors with additional information about the Group's performance, as well as ability to incur and service debt and fund capital expenditure, and are measures commonly used by investors. For more detailed information concerning EBITDA, see "Summary Financial and Operating Data". The non-GAAP financial measures described herein are not a substitute for IFRS, Ind-AS and SFRS measures of earnings and may not be comparable to similarly titled measures reported by other companies due to differences in the way these measures are calculated.

Rounding

Certain amounts and percentages included in this Offering Memorandum have been rounded. Accordingly, in certain instances, the sum of the numbers in a column may not equal the total figure for that column. Numbers have been rounded off to one decimal where the numbers on rounding off amounted to zero.

CERTAIN DEFINITIONS

In this Offering Memorandum, unless otherwise specified or the context otherwise requires, "the Group" refers to Tata Steel Limited and its consolidated subsidiaries and joint ventures and associates. References to the "Issuer" mean ABJA Investment Co. Pte. Ltd.

In this Offering Memorandum, unless otherwise specified, all financial statements and financial data are of the Group on a consolidated basis. In this Offering Memorandum, unless otherwise specified or the context otherwise requires, references to "$", "US$" or "U.S. Dollars" are to United States dollars, references to "Rs.", "rupee", "rupees" or "Indian rupees" are to the legal currency of India, references to "GBP", "pounds" or "£" are to the official currency of the United Kingdom, references to "CAD" or "C$" are to the official currency of the Canada, references to "SGD" or "S$" are to Singapore dollars, references to "THB" are to Thai baht and references to Euro, "Euros" or "€" are to the common currency of the Eurozone countries. References to a particular "Financial Year" are to the financial year ended March 31 of such year. In this Offering Memorandum, references to "U.S." or "United States" are to the United States of America, its territories and its possessions. References to "India" are to the Republic of India.

EXCHANGE RATE INFORMATION

The following table sets forth, for the periods indicated, certain information concerning the exchange rates between Indian rupees and U.S. Dollars. The exchange rates reflect the rates as reported by the FEDAI.

Period	**Period end**	**Average**	**High**	**Low**
2012[1]	51.16	47.95	54.24	43.95
2013[1]	54.28	54.43	57.33	50.52
2014[1]	59.89	60.47	68.85	53.67
2015[1]	61.16	61.16	63.67	58.47
2016[1]	65.45	65.45	68.72	62.19
2017[1]	67.08	67.08	68.77	64.85
July 2017	64.19	64.46	64.88	64.11
August 2017	63.91	63.96	64.16	63.59
September 2017	65.29	64.46	65.72	63.79
October 2017	64.75	65.06	65.50	64.75
November 2017	64.47	64.86	65.43	64.32
December 2017	63.88	64.24	64.58	63.88
January 2018 (through to January 8, 2018)	63.51	63.50	63.68	63.37

(1) Represents the financial year ended March 31 of the year indicated.

The exchange rate on January 8, 2018 as reported by the FEDAI was Rs.63.51 per US$1.00.

Although certain rupee amounts in this Offering Memorandum have been translated into U.S. Dollars for convenience, this does not mean that the rupee amounts referred to could have been, or could be, converted into U.S. Dollars at any particular rate, the rates stated below, or at all. Except as otherwise stated, Indian Rupee amounts as at and for the financial year ended March 31, 2017, and as at and for the six months ended September 30, 2017, were converted to U.S. Dollars at the exchange rate of US$1.00 = Rs.64.85 and US$1.00 = Rs.65.28, respectively.

FORWARD-LOOKING STATEMENTS AND ASSOCIATED RISKS

Certain statements in this Offering Memorandum are not historical facts and are forward-looking statements. This Offering Memorandum may contain words such as "believe", "could", "may", "will", "target", "estimate", "project", "predict", "forecast", "guideline", "should", "plan", "expect" and "anticipate" and similar expressions that are intended to identify forward-looking statements, but are not the exclusive means of identifying these statements. All statements regarding the Group's expected financial condition and results of operations and business plans and prospects are forward-looking statements. In particular, "Summary", "Management's Discussion and Analysis of Financial Condition and Results of Operations of the Group", "Management's Discussion and Analysis of Financial Condition and Results of Operations of the Group" and "Business" contain forward-looking statements, including relating to market trends, capital expenditure and other factors affecting the Group that are not historical facts.

Forward-looking statements are subject to certain risks and uncertainties, including, but not limited to:

- changes in global economic, political and social conditions;
- changes in economic and political conditions and increases in regulatory burdens in India and other countries in which the Group operates, transacts business or has interests;
- the Group's substantial indebtedness and ability to meet its debt service obligations;
- the risk of a potential fall in steel prices or of price volatility;
- accidents and natural disasters in India or in other countries in which the Group operates or globally, including specifically India's neighboring countries;
- the Group's business and operating strategies and its ability to implement such strategies;
- the Group's ability to successfully implement its growth and expansion plans, technological changes, exposure to market risks and foreign exchange risks that have an impact on its business activities;
- the Group's ability to ensure continuity of senior management and ability to attract and retain key personnel;
- the implementation of new projects, including future acquisitions and financings;
- the availability and terms of external financing;
- the Group's ability to meet its capital expenditure requirements or increases in capital expenditure requirements;
- the Group's inability to successfully compete with other steel manufacturers;
- cost overruns or delays in commencement of production from the Group's new projects;
- changes in the Group's relationship with the Government and the governments of the countries in which the Group operates;
- changes in exchange controls, import controls or import duties, levies or taxes, either in international markets or in India;
- changes in laws, regulations, taxation or accounting standards or practices that affect the Group;

- changes in prices or demand for the products produced by the Group both in India and in international markets;

- changes in the value of the rupee against major global currencies and other currency changes;

- the ability of third parties to perform in accordance with contractual terms and specifications;

- any adverse outcome in legal proceedings in which the Group is or may become involved including, with respect to product liability claims;

- acquisitions and divestitures which the Group may undertake;

- changes in interest rates;

- significant fluctuations of the prices of raw materials;

- the estimated reserves of the Group's iron ore mines; and

- other factors, including those discussed in "Risk Factors".

Forward-looking statements involve inherent risks and uncertainties. If one or more of these or other uncertainties or risks materialize, actual results may vary materially from those estimated, anticipated or projected. Specifically, but without limitation, capital costs could increase, projects could be delayed, and anticipated improvements in capacity, performance or profit levels might not be fully realized. Although the Group believes that the expectations of its management as reflected by such forward-looking statements are reasonable based on information currently available to it, no assurances can be given that such expectations will prove to have been correct. Accordingly, you are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date they are made. Neither the Issuer nor the Group undertakes any obligation to update or revise any of them, whether as a result of new information, future developments or otherwise.

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DEFINITIONS AND GLOSSARY

In addition to the terms that are otherwise defined in this Offering Memorandum, the following sets out the definitions of certain terms used in this Offering Memorandum.

Act or Companies Act or Indian Companies Act	Companies Act, 2013, together with rules and regulations thereunder or, where applicable, the Companies Act, 1956, together with the rules and regulations thereunder, each as amended, supplemented or reenacted from time to time
Board or Board of Directors	Board of Directors of Tata Steel, unless otherwise specified
brownfield	Land occupied by defunct or under-utilized commercial or industrial facilities
CAGR	Compounded Annual Growth Rate
crude steel	Cast, solidified steel before further treatment
Directors	Directors of Tata Steel
downstream	Further processing of crude steel to produce finished steel products
EBITDA	Earnings before finance income and costs, taxation, depreciation, amortization and impairment and share of results of associates (unless otherwise specified). It is not a IFRS (GAAP) measure
Eurozone	The members of the European Union that have adopted the Euro as their common currency
FEDAI	Foreign Exchange Dealer's Association of India
finished product	Steel ready for construction or manufacturing use
GDP	gross domestic product
GoI or Government or Central Government	Government of India
greenfield project	a project that lacks any constraints by prior work
Group	Tata Steel Limited, its subsidiaries and joint ventures and associates
Hazardous Wastes Rules	The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016
IFRS	International Financial Reporting Standards
I D Act	Industrial Disputes Act, 1947, as amended
Indian GAAP	Generally Accepted Accounting Practices in India
Ind-AS	Indian Accounting Standards
km	Kilometers

kt	1,000 tons
LIBOR	London Interbank Offered Rate
Minimum Wages Act	Minimum Wages Act, 1948, as amended
mt	Million tons
mtpa	Million tons per annum
RBI	Reserve Bank of India
Re.	One Indian Rupee
Rs. or Rupees	Indian Rupees
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992
SFRS	Singapore Financial Reporting Standards
Supreme Court	Supreme Court of India
tpa	Tons per annum
TSE	Tata Steel Europe and its subsidiaries
Tata Steel	Tata Steel Limited as a standalone entity
ton	Metric ton or 1,000 kilograms
Upstream	Processing of raw materials and production of crude steel
US GAAP	Generally accepted accounting principles in the United States of America

SUMMARY

This overview highlights certain information contained in this Offering Memorandum. This overview does not contain all the information you should consider before investing in the Notes. You should read this entire Offering Memorandum carefully, including the sections entitled "Forward-Looking Statements and Associated Risks", "Risk Factors", "Management's Discussion and Analysis of Financial Condition and Results of Operations of the Group" and "Business" included elsewhere in this Offering Memorandum and the financial information and the notes thereto set forth herein. To understand the terms of the Notes, you should carefully read the sections of this Offering Memorandum entitled "Terms and Conditions of the Notes".

Overview

The Group is one of the world's largest steel companies with a steel production capacity of approximately 27.5 mtpa. According to the World Steel Association ("WSA"), the Group was the world's 10th largest steel maker by crude steel production volume in 2016. The Group is also one of the most geographically diversified steel producers, with operations in 26 countries and a commercial presence in more than 50 countries. As of March 31, 2017, the Group had over 70,000 employees.

Tata Steel was established as India's first integrated steel company in 1907 by Jamsetji N. Tata and is one of the flagship companies of the Group. The Group has a presence across the entire value chain of steel manufacturing, including producing and distributing finished products as well as mining and processing iron ore and coal for its steel production. The Group's operations are primarily focused in India, Europe, and South East Asia. For the year ended March 31, 2017, the Group's operations in India and Europe represented approximately 43% and 39%, respectively, of the revenue of the Group, and for the six months ended September 30, 2017, represented approximately 45% and 46%, respectively, of the revenue of the Group.

The steel production capacity of the Group has increased from approximately 5.0 mtpa in the year ended March 31, 2006 to approximately 27.5 mtpa as of March 31, 2017. In India, as of September 30, 2017, the Group has steel production facilities located in Jamshedpur and Kalinganagar, with a total steel production capacity of 12.7 mtpa. The Group's operations in India also include captive iron ore and coal mines. Additionally, the Group has significant operations in the United Kingdom and the Netherlands, where the Group has a total steel production capacity of 12.4 mtpa. The remaining steel production capacity of the Group is located in South East Asia.

For the year ended March 31, 2017, the Group's business in India recorded sales of 10.97 mt, recording a growth of 15.0% over the year ended March 31, 2016 and a growth of 22.0% for the six months ended September 30, 2017, compared to the six months ended September 30, 2016. This increase was largely due to the ramping up of operations at the Kalinganagar plant in Odisha, which is now operating at full capacity.

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, sections, plates, rebars, wire rods, tubes, rails and wires. The Group is also a large producer of ferro-chrome in India.

The Group's main markets for its products are India and Europe, which together accounted for approximately 82% and 83% of the Group's revenue for the year ended March 31, 2016 and 2017, respectively, with the remaining sales primarily taking place in other markets in Asia. The Group's customers are primarily in the construction, infrastructure, automotive, consumer goods, material handling, aerospace and general engineering industries.

For the years ended March 31, 2016 and 2017, the Group recorded revenues of Rs.1,063,399 million and Rs.1,174,199 million, respectively. The Group recorded a loss of Rs.4,971 million for the year ended March 31, 2016, a loss of Rs.41,686 million for the year ended March 31, 2017, a profit of Rs.19,389 million for the six months ended September 30, 2017 against a loss of Rs.32,325 million for the six months ended September 30, 2016. The Group had total assets of Rs.1,733,332 million as of March 31, 2017 and Rs.1,742,203 million as of September 30, 2017.

For the years ended March 31, 2016 and 2017, the Group had total steel production of 22.9 mt and 24.2 mt, respectively. Similarly, the Group had steel production of 11.5 mt and 12.5 mt for the six month periods ended on September 30, 2016 and September 30 2017, respectively.

Key Strengths

Sustainable and highly cost efficient operations in India

The Group is one of the lowest cost steel producers in India and it has successfully maintained its cost leadership over several years. The cost of production of the Group's Indian operations ranks among the lowest for hot rolled coils globally. The Group derives its competitive advantage through access to raw materials from their captive mines and a highly skilled workforce with a relatively low cost of labor at its operations in India. This advantage is especially valuable given the difficulty of achieving raw materials cost pass-through in the steel industry. In India, the Group has significant captive iron ore, coking coal, chrome ore and manganese ore mines that accommodate a majority of its current requirements.

These factors have enabled the Group's Indian operations to maintain robust operating margins in India. For the year ended March 31, 2017, with respect to its Indian operations, the Group obtained 100% of its iron ore requirements and approximately 36% of its coking coal requirement from captive mines leased by the Group.

As a result, the Group expects that its exposure to volatility in prices of commodities such as iron ore and coking coal, for the Group's Indian operations will be limited.

To expedite projects related to operational excellence across the value chain, in 2014, the Group launched the SHIKHAR 25 program. The focus of SHIKHAR 25 is to improve process efficiency, speed and throughput, reliability, energy efficiency, value-in-use, supply chain and logistics and other processes. Performance benchmarking at each of these processes allows the Group to readily identify areas in need of improvement. The ultimate goal of SHIKHAR 25 is to improve overall process efficiency that would translate into EBITDA improvement. These initiatives resulted in approximately Rs.34,000 million of cost savings in the year ended March 31, 2017.

Leading position across operations

The Group has significant market positions in its principal markets, India and Europe, across main areas of operations in upstream and downstream steel products.

In India, the Group produces flat products used in the automotive and engineering industries and long products used in the construction industry, including in the industrial, commercial, infrastructure and housing sectors. According to the Joint Plant Committee (a committee formed by the Indian Ministry of Steel to collect data on the industry), the Group's Indian operations produced approximately 12% of sales of all the finished steel in India and was the third largest producer of crude steel for year ended March 31, 2017. According to the Joint Plant Committee, the Group had a market share of 15.7% of sales in flat products for carbon steel for the year ended March 31, 2017.

In addition, the Group also benefits from being identified with the Tata brand, which is a widely recognized brand in India.

India is principally the largest market for the Group's operations, representing approximately 43% of its total revenue for the year ended March 31, 2017. The Group believes that its diversified customer sector portfolio and strategic focus on creating customer relationships will continue to generate customer loyalty and enable it to maintain its market share position in the construction, packaging, rail and automotive sectors.

Global scale

The Group is one of the world's largest steel companies and operates a global suite of integrated steel making facilities, mining complexes and distribution companies. It has a commercial presence in over 50 countries, including both developed and emerging markets, and principal markets in Europe, India and South East Asia. The Group believes that its global scale and reach enhances its ability to service, retain and attract multi-national customers and, in particular, customers from the automotive, packaging and construction industries. As major customers continue to globalize their operations and are increasingly relying on a select few global suppliers for their products (such as in the automotive sector), the Group believes it can attract new customers and better retain its existing customers through its diversified downstream operations, product range and strong product branding, as well as its extensive distribution and production capabilities.

The Group also benefits from its global scale operations, procurement, production plants and distribution network, which allow the Group to achieve greater economies of scale and improve its cost efficiencies across the supply chain, from raw material sourcing to product deliveries and support functions.

Diversified product base targeting multiple end user segments

The Group has a wide range of product offerings that cater to diversified end-markets across geographies. Over the years, the Group has significantly expanded its product portfolio through a mix of acquisitions, downstream capacity expansions and joint ventures with other leading steel companies.

The Group has significantly enhanced its portfolio of downstream steel products to differentiate itself from competitors, including through its acquisition of Corus and downstream capacity expansions in India. With its capacity expansions in India, the Group has further strengthened its ability to provide a greater variety of value-added products.

Furthermore, the Group has entered into joint ventures with downstream foreign steel specialist producers, including BlueScope Steel Limited and Nippon Steel and Sumitomo Metal Corporation, for finishing plants that produce color coated steel and automotive cold rolled flat products, respectively. In addition, the Group continues to invest in research and development and explore opportunities to further improve their product offerings to customers.

Efficient project implementation

The Group has a proven track record of implementing significant projects, including cost reduction plans and expansion plans for its major production facilities. The Group expanded its existing brownfield crude steel capacity at Jamshedpur from 6.8 mtpa to 9.7 mtpa in December 2012 and established a greenfield project of 3.0 mtpa in Kalinganagar, Odisha which increased crude steel capacity in India from 9.7 mtpa to 12.7 mtpa. In addition, the Group has rebuilt one of the blast furnaces at the Group's facility in Port Talbot.

Uniquely positioned to undertake acquisitions opportunistically

The Group is uniquely positioned to undertake acquisitions opportunistically, in particular opportunities with respect to companies in India undergoing the corporate insolvency resolution process under the IBC.

The Group evaluates acquisition opportunities based on possibilities for synergies, broadening its customer base, access to raw materials, manufacturing facilities, infrastructure, new geographic locations and advanced technology, widening its product offerings and growth opportunities that such acquisition may offer. The Group's extensive operations in different parts of India and across various verticals in the steel industry enhance possibilities for synergies from such acquisition opportunities.

The combination of the Group's domain expertise of the Indian steel industry, coupled with its knowledge of the global steel industry and its experience with acquisitions, enables it to better evaluate strategic acquisition opportunities. Further, due to its track record of successful acquisitions, the Group's internal teams have experience and expertise in complex domestic and international competitive acquisitions which can be leveraged in evaluating acquisition opportunities and executing them in an efficient and timely manner. Additionally, the Group's extensive experience in various industries and acquisitions will help it evaluate acquisition opportunities.

If the Group pursues any acquisition opportunities, its robust balance sheet can potentially enable it to avail internal and external funding options, which will enhance its ability to submit competitive bids. Further, the brand name of the Group, and the reputation of the "Tata Group", also provide it with competitive advantages in acquisition processes.

The above factors differentiate the Group from its competitors and contribute to its unique position to capitalize on acquisition opportunities in India, especially with respect to opportunities arising from the corporate insolvency resolution process under the IBC.

Skilled workforce led by experienced management team

The Group's senior management team is comprised of members with professional qualifications and extensive experience in the steel industry. The senior management team's rich experience and understanding of the Group has been essential in building a sustainable global operation which employs over 70,000 individuals, while the Group's employee policies and welfare programs have been instrumental in recruiting and retaining the high caliber workforce.

The Group seeks to nurture internal talent for senior management positions by hiring recent graduates from top universities as entry-level employees, and then identifying and promoting the most promising candidates through the management ranks. The employee welfare program is developed from the Group's philosophy that people are its greatest asset. The program affirms the rights to trade union representation and collective consultation, ensures an ethical, just and fair workplace, encourages work-life balance and provides managerial and functional training opportunities for all employees.

The Group's commitment to building an ethical organisation through a committed workforce was reaffirmed as it received the "World's Most Ethical Company Award" in 2017 from Ethisphere USA for the fifth time.

Strategy

Capacity Expansion in Growing Indian Steel Markets

In recent years, the Group has successfully implemented significant projects focused on expanding the capacity of its Indian operations through brownfield and greenfield projects, such as expanding its facility at Jamshedpur and establishing the Kalinganagar facility. The Group intends to continue to increase the size of its operations in India in view of the growing steel market, and its competitive advantage as a low-cost producer, through its brownfield and greenfield expansion projects.

Restructuring of European portfolio

As part of the process of the Group's restructuring of its European operations, on September 20, 2017, Tata Steel and Thyssenkrupp AG signed a memorandum of understanding to create a new 50:50 joint venture company called Thyssenkrupp Tata Steel. This joint venture is expected to be the next stage in the transformation of the Group's European business. The joint venture is intended to create a larger world-class and globally competitive strip steel business, which, if successful, will be the second largest steel company in Europe.

This joint venture follows other restructuring initiatives, including the following:

- On May 31, 2016, Longs Steel UK Limited and other subsidiaries of TSE, which were involved with the long steel business, were sold to Greybull Capital LLP;

- On May 1, 2017, TSE completed the sale of the Specialty Steels business to Liberty Specialty Steels Ltd.;

- On July 31, 2017, TSE completed the sale of its 42 and 84 inch pipe mills in Hartlepool to Liberty Specialty Steels Ltd. Pursuant to these portfolio changes, activities of TSE will be focused on the manufacture and sale of strip products; and

- The British Steel Pension Scheme ("BSPS") is the principal defined benefit pension scheme of the Group in the United Kingdom. On March 31, 2017 the BSPS was closed to future accrual and replaced by a defined contribution scheme. On September 11, 2017 the BSPS separated from Tata Steel UK ("TSUK") and a number of affiliated companies on completion of a Regulated Apportionment Arrangement ("RAA"). TSUK has also agreed to sponsor a proposed new pension scheme ("BSPS2"), subject to certain qualifying conditions being met. Since the RAA has completed, all members of the BSPS will be invited to transfer to the new scheme. If the qualifying conditions are met, members may choose to be transferred to BSPS2. The BSPS2 scheme would have lower future annual increases for pensioners and deferred members compared to the BSPS, giving it an improved funding position which is expected to improve the risk profile for TSUK.

Increase Sales of High Value-Added Products and Branded Sales

The Group plans to increase sales of its specialized solutions, high value products and branded products to improve its product mix and generate higher and sustainable margins. In India, the Group plans to continue increasing its production and sales of high value-added steel products such as cold rolled coil, automotive-grade sheets, coated products such as tinplate, color-coated steel and galvanized steel.

To consolidate gains from retail growth, the Group is also offering services and solutions which provide spin-off benefits that could potentially open new revenue streams in the future and keep retail sales from hitting a plateau. Simultaneously, the Group has increased its production and sales through the commencement of new manufacturing capacities at the Kalinganagar plant, which commenced operations in June 2016 and has recently ramped up to full capacity. The Group's steel-based solutions include Pravesh (wood-finished steel doors), Nest-In (modular housing), toilets and water ATMs and Roof Junction (a complete roofing solution). The Group is also exploring the possibility of offering services or solutions for the furniture space which has wood-like finishes on blended steel structures.

To further enhance the high value-added product portfolio, the Group intends to increase production through its various joint ventures, including the following:

- Tata BlueScope Steel Limited manufactures coated steel coils, steel building solutions and related building products;

- The Group's joint venture with Nippon Steel and Sumitomo Metal Corporation;

- Jamshedpur Continuous Annealing & Processing Company Private Limited has a continuous annealing and processing line to produce automotive cold rolled flat products; and

- The Group's joint venture with Nichia Steel Works, Japan through its subsidiary Siam Industrial Wire Co., Thailand to set up a high-end galvanized wires facility which including galvanized wires for cable stay strands and zinc-aluminum coated wires.

Enhance Competitiveness through Continuous Improvement

The Group continues to improve its competitiveness through a number of initiatives and programs aimed at enhancing operational efficiencies and optimizing asset and material flows. The Group seeks to benefit from sharing experiences and best operational practices across its business units in India, Europe and South East Asia.

Operational Stability

Significant capital expenditure has been committed to support the strategic growth of differentiated, high value products in the automotive, lifting and excavating, and oil and gas market sectors. The Group is leveraging its market position in downstream products to aid margin improvement. The Group is also focused on streamlining its logistical operations in Europe through a supply chain transformation improvement initiative which commenced in September 2016.

Further, to improve its operations in Europe, TSE approved the Strategic Asset Roadmap program in 2015, to increase the sales of differentiated, high value products in several market segments including automotive, lifting and excavating and energy and power. This has required revamping and upgrading the facilities to produce high quality products.

Raw Materials Security

The Group seeks access to raw materials for its operations in India and internationally in order to achieve economic returns and to optimize its costs by securing off-take rights. The Group believes that becoming increasingly self-sufficient in raw materials procurement will enable it to better respond to cyclical fluctuations in the demand for products and reduce volatility in production costs. For the year ended March 31, 2017, with respect to its Indian operations, the Group obtained 100% of its iron ore requirements and approximately 36% of its coking coal requirement from captive mines.

The Group's various coking coal and iron ore assets across geographies include a 64% stake in South Africa's Sedibeng Iron Ore Company and a joint venture in Canada in relation to a project spread over various iron ore deposits in the provinces of Quebec and Newfoundland and Labrador.

The Group intends to continue to work with its partners to pursue its current initiatives and, if opportunities arise, to pursue new initiatives, subject to market conditions, in effort to become increasingly self-sufficient in its raw material procurement.

Strategic Control Over Logistics and Supply Chain

The Group continues to differentiate itself from competitors in India with various initiatives in logistics and supply chain management. With a particular focus on the automotive, construction and small and medium enterprise customer segments, the Group has enhanced its distribution channels. The principal goal of these initiatives was to be able to provide supplies on an "on time in full" basis.

In India, the Group has developed a nationwide network of exclusive distributors and dealers. To increase efficiencies, the Group redesigned its supply network using the hub-and-spoke mode of operations and information technology enabled color-based dispatch priority systems. As a result, the Group has been able to increase sales in the retail segment.

Other principal supply chain improvement initiatives include:

- Supply chain enhancements such as deploying theory of constraints, improving delivery compliance via steel service center management and the availability of ready to use material from certified service centers;
- Standardization and availability of information; and
- Convenience through the development of information technology systems across the distribution channels, channel authentication through an authorized dealer network, conducive shopping experience through exclusive retail outlets and improved reach to largest consumption centers.

To further enhance its supply chain and enhance control over logistics, the Group entered into a joint venture with NYK Lines, a Japanese shipping company, to provide logistics solutions such as port operations, ship agency, custom clearance, in-land logistics, warehousing, shipping and freight forwarding for dry bulk, containerized, break-bulk and project cargo.

Strategic Alliances with Joint Venture Partners

The Group's expansion plans have benefitted from strategic alliances with joint venture partners throughout its chain of operations, including for raw material procurement (primarily for mining), steel production, product diversification and shipping. For example, through the Group's strategic partners it has developed:

- Mining operations in Canada;
- Downstream value-added steel production pursuant to joint ventures with BlueScope Steel Limited;
- Product diversification pursuant to a joint venture with Nippon Steel and Sumitomo Metal Corporation; and
- Shipping operations with NYK Line and Martrade.

The Group continues to expand its capacity and operations through joint ventures including through its memorandum of understanding on September 20, 2017, with Thyssenkrupp AG to create a new joint venture company, namely, Thyssenkrupp Tata Steel.

Continue to pursue inorganic growth opportunities, including with respect to distressed assets

The Group intends to continue to pursue inorganic growth opportunities, with a particular focus on acquisitions that generate greater synergies and production capacity, manufacturing facilities, infrastructure and advanced technology, and which allow it to diversify its product and customer base.

In addition, the Group is pursuing and may continue to pursue opportunities for acquisition of financially stressed assets, including with respect to companies that are undergoing a corporate insolvency resolution process under the IBC. In considering such acquisition opportunities, the Group has and may continue to rely on its deep experience and knowledge generally for evaluating acquisitions, including the cost benefit and financing of such acquisitions.

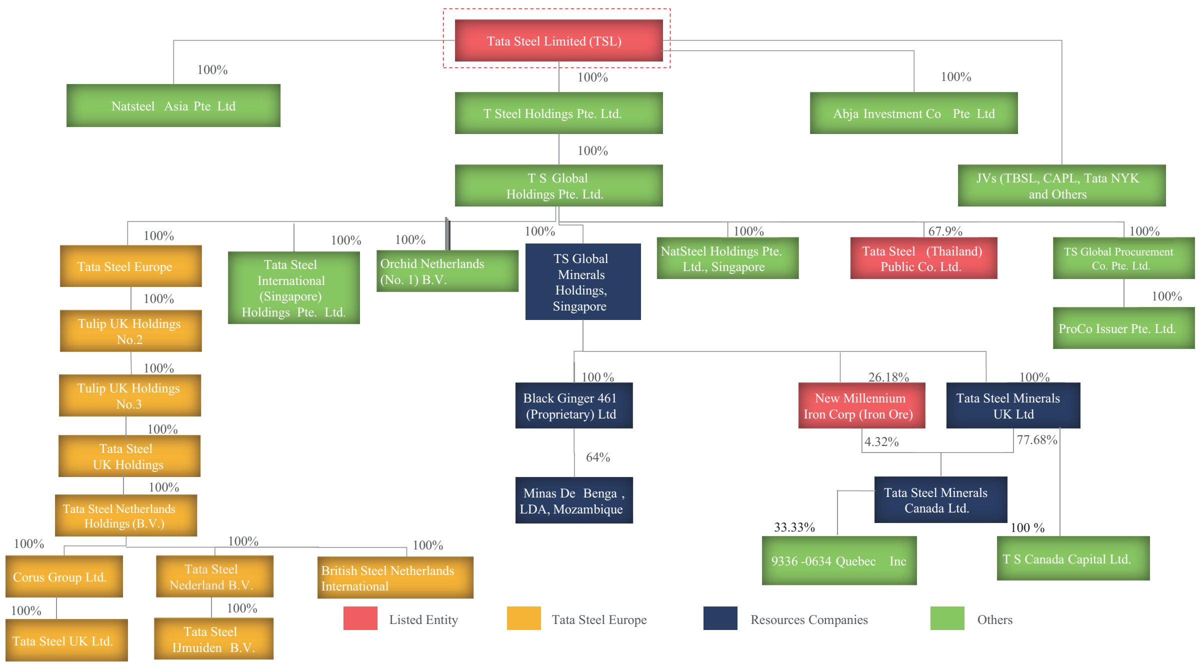
The IBC Process is a statutory process for insolvency resolution of corporate entities in a time-bound manner to maximize the value of assets of such entities. Currently, certain Indian steel manufacturing companies such as Bhushan Steel Limited, Electrosteel Steels Limited, Essar Steel India Limited, Bhushan Power and Steel Limited and Monnet Ispat and Energy Limited are undergoing the corporate insolvency resolution process under IBC. The Group believes that this is a strategic opportunity for it to explore the acquisition of such companies.

Evaluating an acquisition under the IBC Process involves, among others, identification of the assets that will generate synergies and fits into the overall strategic framework for the Group and provide growth opportunities and estimating the optimum value for the assets proposed to be acquired. The Group may work with external advisors to analyse and evaluate the assets to be acquired and estimate the optimum value for such assets based on, among others, publicly available information, information provided to the Group confidentially as part of the IBC Process and its deep domain knowledge of the steel industry. If the Group is successful in the IBC Process, it may finance the acquisitions by internal accruals, or additional capital raised as debt or equity or any other form in the company, or additional capital in a subsidiary or associate of the company.

The Group will continue to evaluate acquisition opportunities that may arise in Indian or other markets and upon completion of any such acquisitions, aim to integrate new acquisitions with its existing operations to generate synergies and growth opportunities. For further details, see “Risk Factors”.

Tata Steel — Corporate Structure Chart

The primary subsidiaries of the Group are as follows:



Recent Developments

Proposed Equity Issuance by Tata Steel

Pursuant to a meeting of the Board of Directors of Tata Steel held on December 18 and 19, 2017, the Board approved the issuance of equity and equity linked instruments, including ordinary shares, by way of a rights issue to the existing shareholders of Tata Steel for an amount not exceeding Rs.128,000 million in accordance with relevant Indian regulations. The timing of the issuance is subject to certain conditions, including receipt of regulatory approvals under Indian law.

Offshore Refinancing

The Group has received commitment letters from a number of banks with respect to proposed loan facilities, the proceeds from which are expected to be used, along with the net proceeds of the Notes, to refinance existing indebtedness of the Group outside of India. It is expected that the loans will be utilized in the current financial quarter.

Corporate Information

The Issuer was incorporated in Singapore on April 12, 2013 as "ABJA Investments Co. Pte. Ltd.", registration number 201309883M, and has its registered office at 22 Tanjong Kling Road, Singapore 628048.

Tata Steel was incorporated with limited liability in the Republic of India on August 26, 1907 under the Indian Companies Act, 1882 as "The Tata Iron and Steel Company Limited". Tata Steel's name was changed to "Tata Steel Limited" with effect from August 12, 2005. Tata Steel's registered office is located at Bombay House, 24, Homi Mody Street, Fort, Mumbai 400 001, India. Tata Steel's website is http://www.tatasteel.com. Information contained on the Group's website does not constitute part of this Offering Memorandum.

SUMMARY FINANCIAL AND OPERATING DATA

You should read the summary financial and other data below, together with the financial statements and related notes thereto appearing elsewhere in this Offering Memorandum, as well as "Management's Discussion and Analysis of Financial Condition and Results of Operations" and other financial information included elsewhere in this Offering Memorandum. The Group's fiscal year ends on March 31. Accordingly, references in this Offering Memorandum to a particular fiscal year are to the year ended March 31 of that year. References to a year other than a "fiscal year" are to the calendar year ended December 31 of that year.

The Group is required to prepare its financial statements in accordance with Ind-AS with effect from April 1, 2016. Accordingly, the financial statements as at and for the year ended March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016, have been prepared in in accordance with Ind-AS. The Issuer is required to prepare its financial statements in accordance with the Singapore Financial Reporting Standards ("SFRS"). Accordingly, all of the Issuer's financial statements presented in this Offering Memorandum have been prepared in accordance with SFRS.

All historical consolidated financial information in this Offering Memorandum is that of the Group, its consolidated subsidiaries and proportionately consolidated joint ventures. In this Offering Memorandum, unless otherwise specified, all financial information is of the Group on a consolidated basis. All historical non-consolidated financial information in this Offering Memorandum is that of Tata Steel or the Issuer, as specified.

The annual financial statements of the Group, on a consolidated basis, and of Tata Steel, on a standalone basis, as at and for the years ended March 31, 2015, 2016 and 2017, and for the six month periods ended September 30, 2016 and 2017, (collectively, the "Annual Financial Statements"), have each been prepared in accordance with the following:

(i) with respect to the six months ended September 30, 2016 and 2017, prepared and presented in accordance with Ind-AS;

(ii) with respect to the years ended March 31, 2016 and 2017, prepared and presented in accordance with Ind-AS; and

(iii) with respect to the comparative period data for the years ended March 31, 2015 and 2016, prepared and presented in accordance with Indian GAAP.

Ind-AS differs in certain respects from generally accepted accounting principles in the International Financial Reporting Standards ("IFRS"). For a discussion of certain significant differences between Ind-AS and IFRS, see "Description of Certain Differences between Ind-AS and IFRS". In making an investment decision, investors must rely on their own examination of the Group, the terms of the offering and the financial information contained in this Offering Memorandum. Potential investors should consult their own professional advisers for an understanding of the differences between Ind-AS, Indian GAAP, US GAAP, SFRS or IFRS, and how these differences might affect their understanding of the financial information contained herein.

The Annual Financial Statements for the Group have been audited by Deloitte Haskins and Sells LLP, Chartered Accountants ("Deloitte"), as set forth in their audit reports included herein. For the financial year beginning from April 1, 2017 onwards, Price Waterhouse and Co. Chartered Accountants LLP ("Price Waterhouse and Co.") became the statutory auditor for the Group.

The Annual Financial Statements for the Issuer have been audited by Deloitte, as set forth in their audit reports included herein. The unaudited interim financial statements of the Issuer for the six months ended September 30, 2017, have been subject to limited review by PricewaterhouseCoopers LLP as set forth in their report dated January 12, 2018.

The standalone financial results of Tata Steel for the quarter and six months ended September 30, 2017 have been audited by Price Waterhouse and Co. and the consolidated financial results of the Group for the quarter ended September 30, 2017 have been subjected to a limited review by Price Waterhouse and Co. as set forth in their respective review reports included herein.

The unaudited interim financial statements of the Issuer for the six months ended September 30, 2017, have been subjected to a limited review by PricewaterhouseCoopers LLP as set forth in their review report dated January 12, 2018.

Consolidated Statement of Profit and Loss of the Group

Consolidated Statement of Profit and Loss Data (Ind-AS)	Six months ended September 30, 2017 (US$ millions)	Six months ended September 30, 2017 (Rs. in millions)	Quarter ended September 30, 2017 (Rs. in millions)	Quarter ended June 30, 2017 (Rs. in millions)	Six months ended September 30, 2016 (Rs. in millions)
		(Unaudited)			
I. Revenue from operations	**9,718**	**634,375**	**324,641**	**309,733**	**530,904**
II. Other income	**63**	**4,087**	**2,532**	**1,555**	**2,452**
III. Total Income	**9,781**	**638,462**	**327,174**	**311,288**	**533,356**
IV. Expenses					
(a) Raw materials consumed	3,161	206,340	103,546	102,794	144,492
(b) Purchases of finished, semi-finished and other products	825	53,843	26,266	27,577	57,071
(c) Changes in stock of finished goods, work-in-progress and stock-in-trade	(101)	(6,589)	13,084	(19,673)	(26,769)
(d) Employee benefit expenses	1,317	85,980	42,941	43,039	88,561
(e) Finance costs	413	26,936	13,499	13,437	24,217
(f) Depreciation and amortisation expense	456	29,744	14,733	15,011	27,047
(g) Other expenses	3,098	202,247	94,111	108,136	209,067
Subtotal expenses	9,169	598,502	308,181	290,321	523,685
(h) Less: Expenditure (other than interest) transferred to capital and other accounts	67	4,393	2,514	1,880	4,983
Total Expenses	**9,102**	**594,108**	**305,667**	**288,442**	**518,703**
V. Share of profit/(loss) of joint ventures and associates	**4**	**257**	**198**	**59**	**51**
VI. Profit before exceptional items and tax (III-IV+V)	**683**	**44,610**	**21,705**	**22,905**	**14,705**
VII. Exceptional Items					
(a) Provision for diminution in value of investments/doubtful advances	(4)	(267)	(267)	—	(1,169)
(b) Provision for demands and claims	(94)	(6,144)	—	(6,144)	—
(c) Employee separation compensation	(3)	(204)	(180)	(24)	(1,102)
Total exceptional items	**(101)**	**(6,614)**	**(447)**	**(6,168)**	**(2,271)**
VIII. Profit/(loss) before tax (VI+VII)	**582**	**37,996**	**21,258**	**16,738**	**12,434**

Consolidated Statement of Profit and Loss Data (Ind-AS)	Six months ended September 30, 2017		Quarter ended September 30, 2017	Quarter ended June 30, 2017	Six months ended September 30, 2016
	(US$ millions)	(Unaudited) (Rs. in millions)			
IX. Tax expense					
(a) Current tax	143	9,364	6,109	3,255	4,891
(b) Deferred tax	144	9,421	5,271	4,150	6,146
Total tax expense	**288**	**18,785**	**11,380**	**7,405**	**11,036**
X. Profit/(loss) after tax from continuing operations	**294**	**19,211**	**9,879**	**9,332**	**1,397**
XI. Profit/(loss) after tax from discontinued operations					
(a) Profit/(loss) after tax from discontinued operations	0.4	24	332	(308)	(1,846)
(b) Profit/(loss) on disposal of discontinued operations	2	154	(32)	186	(31,876)
Profit/(loss) after tax from discontinued operations	**3**	**178**	**299**	**(121)**	**(33,722)**
XII. Profit/(loss) for the year (A)	**297**	**19,389**	**10,178**	**9,211**	**(32,325)**
XIII. Other Comprehensive Income/(loss)					
A) (i) Items that will not be reclassified subsequently to the consolidated statement of profit and loss	(1,002)	(65,381)	(37,451)	(27,930)	(47,015)
(ii) Income tax on Items that will not be reclassified subsequently to the consolidated statement of profit and loss	82	5,374	2,612	2,762	10,617
B) (i) Items that will be reclassified subsequently to the consolidated statement of profit and loss	(284)	(18,513)	(7,658)	(10,855)	14,204
(ii) Income tax on items that will be reclassified subsequently to the consolidated statement of profit and loss	12	757	152	605	(285)
Total Other Comprehensive/(loss) (B)	**(1,191)**	**(77,763)**	**(42,345)**	**(35,418)**	**(22,479)**
XIII. Total Comprehensive Income for the year: (A+B)	**(894)**	**(58,374)**	**(32,167)**	**(26,207)**	**(54,804)**
XIV. Earnings per equity share (from continuing operations)					
Basic & Diluted (in rupees)	**0.3**	**19**	**10**	**9**	**1**
XV. Earnings per equity share (from discontinued operations)					
Basic & Diluted (in rupees)	**0.0**	**0.2**	**0.3**	**(0.1)**	**(35)**
XVI. Earnings per equity share (from continuing and discontinued operations)					
Basic & Diluted (in rupees)	**0.3**	**19**	**10**	**9**	**(34)**

(1) For the reader's convenience, U.S. Dollar translations of Indian Rupee amounts for the six months ended September 30, 2017 have been provided at a rate of US$1.00 = Rs.65.28

Consolidated Statement of Profit and Loss of the Group

Consolidated Statement of Profit and Loss Data (Ind-AS)		Year ended March 31, 2017 (US$ millions)	2017 (audited) (Rs. in millions)	2016 (audited) (Rs. in millions)
I.	**Revenue from operations**	**18,108**	**1,174,199**	**1,063,399**
II.	**Other income**	**81**	**5,275**	**4,122**
III.	**Total Income**	**18,189**	**1,179,474**	**1,067,521**
IV.	**Expenses**			
	(a) Raw materials consumed	4,999	324,181	281,149
	(b) Purchases of finished, semi-finished and other products	1,762	114,249	105,814
	(c) Changes in stock of finished goods, work-in-progress and stock-in-trade	(700)	(45,381)	19,252
	(d) Employee benefit expenses	2,661	172,522	175,876
	(e) Finance costs	782	50,722	42,214
	(f) Depreciation and amortisation expense	875	56,729	53,064
	(g) Other expenses	6,881	446,197	412,555
	Subtotal expenses	17,260	1,119,219	1,089,923
	(h) Less: Expenditure (other than interest) transferred to capital and other accounts	118	7,647	10,930
	Total Expenses	**17,142**	**1,111,572**	**1,078,994**
V.	**Share of profit/(loss) of joint ventures and associates**	**1**	**77**	**(1,104)**
VI.	**Profit before exceptional items and tax (III-IV+V)**	**1,048**	**67,979**	**(12,576)**
VII.	**Exceptional Items**			
	(a) Profit on sale of non-current investments	4	227	472
	(b) Profit on sale of non-current asset	13	859	—
	(c) Provision for diminution in value of investments/doubtful advances	(19)	(1,255)	(730)
	(d) Provision for impairment of non-current assets	(41)	(2,679)	(15,302)
	(e) Provision for demands and claims	(34)	(2,183)	(8,801)
	(f) Employee separation compensation	(32)	(2,074)	(5,563)
	(g) Restructuring and other provisions	(557)	(36,138)	69,827
	Total exceptional items	**(667)**	**(43,242)**	**39,904**
VIII.	**Profit/(loss) before tax (VI+VII)**	**381**	**24,736**	**27,327**

(1) For the reader's convenience, U.S. Dollar translations of Indian Rupee amounts for the year ended March 31, 2017 have been provided at a rate of US$1.00 = Rs.64.85.

Consolidated Statement of Profit and Loss of the Group

Consolidated Statement of Profit and Loss Data (Ind-AS)	Year ended March 31, 2017 (US$ millions)	2017 (audited) (Rs. in millions)	2016 (audited) (Rs. in millions)
IX. Tax expense			
(a) Current tax	269	17,417	13,210
(b) Deferred tax	160	10,363	(6,311)
Total tax expense	**428**	**27,780**	**6,900**
X. Profit/(loss) after tax from continuing operations	**(47)**	**(3,044)**	**20,428**
XI. Profit/(loss) after tax from discontinued operations			
(a) Profit/(loss) after tax from discontinued operations	(120)	(7,789)	(25,399)
(b) Profit/(loss) on disposal of discontinued operations	(476)	(30,853)	—
Profit/(loss) after tax from discontinued operations	**(596)**	**(38,642)**	**(25,399)**
XII. Profit/(loss) for the year (A)	**(643)**	**(41,686)**	**(4,971)**
XIII. Other Comprehensive Income/(loss)			
A) (i) Items that will not be reclassified subsequently to the consolidated statement of profit and loss	(539)	(34,943)	(11,882)
(ii) Income tax on Items that will not be reclassified subsequently to the consolidated statement of profit and loss	121	7,823	(5,760)
B) (i) Items that will be reclassified subsequently to the consolidated statement of profit and loss	337	21,883	(1,190)
(ii) Income tax on items that will be reclassified subsequently to the consolidated statement of profit and loss	(6)	(395)	(149)
Total Other Comprehensive/(loss) (B)	**(87)**	**(5,631)**	**(18,982)**
XIII. Total Comprehensive Income for the year: (A+B)	**(730)**	**(47,316)**	**(23,953)**
XIV. Earnings per equity share (from continuing operations)			
Basic & Diluted (in rupees)	**(0.1)**	**(5)**	**19**
XV. Earnings per equity share (from discontinued operations)			
Basic & Diluted (in rupees)	**(1)**	**(40)**	**(26)**
XVI. Earnings per equity share (from continuing and discontinued operations)			
Basic & Diluted (in rupees)	**(1)**	**(45)**	**(7)**

(1) For the reader's convenience, U.S. Dollar translations of Indian Rupee amounts for the year ended March 31, 2017 have been provided at a rate of US$1.00 = Rs.64.85.

Consolidated Statement of Profit and Loss of the Group (Indian GAAP)

Statement of Profit and Loss Data (Indian GAAP)	Year ended March 31, 2016	2015
	(audited)	
	(Rs. in millions)	
(1) Revenue		
(a) Revenue from operations	1,216,184	1,442,984
Less: Excise Duty	44,668	47,946
	1,171,516	1,395,037
(b) Other income	39,257	7,962
Total Revenue	**1,210,773**	**1,402,999**
(2) Expenses		
(a) Raw materials consumed	321,883	407,410
(b) Purchase of finished, semi-finished and other products	101,740	138,042
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	24,538	11,222
(d) Employee benefits expense	199,668	214,076
(e) Depreciation and amortisation expense	50,818	59,436
(f) Finance costs	41,286	48,478
(g) Other expenses	459,053	510,611
(h) Less: Expenditure (other than interest) transferred to capital and other accounts	11,223	11,682
Total Expenses	**1,187,764**	**1,377,593**
(3) Profit before Exceptional Items and Tax	**23,008**	**25,406**
(4) Exceptional Items		
(a) Profit on sale of non-current investments	1,800	13,153
(b) Profit on sale of non-current assets	11,469	
(c) Provision for diminution in the value of investments/doubtful advances	(1,291)	(3,383)
(d) Provision for impairment of non-current assets	(97,206)	(60,526)
(e) Provision for demands and claims	(8,801)	—
(f) Employee separation compensation	(5,563)	—
(g) Restructuring and other provisions	71,312	—
Total exceptional items	**(39,749)**	**(39,287)**
(5) Profit/(Loss) before tax	**(16,740)**	**(13,881)**
(6) Tax Expense		
(a) Current tax	16,311	22,147
(b) MAT credit	(1,526)	(1,173)
(c) Deferred tax	264	4,700
Total tax expense	**15,050**	**25,674**
(7) Profit/(Loss) after tax	**(31,790)**	**(39,555)**
(8) Minority Interest	1,089	133
(9) Share of Profit of Associates	207	167
(10) Profit/(Loss) after Tax, Minority Interest and Share of Profit of Associates	**(30,493)**	**(39,255)**
(11) Nominal Value per Share (in rupees)	10	10
(12) Basic Earnings per Share (in rupees)	(33)	(42)
(13) Diluted Earnings per Share (in rupees)	(33)	(42)

Consolidated Balance Sheets of the Group

Balance Sheet Data (Ind-AS)	As at September 30, 2017 (US$ in millions)	As at September 30, 2017 (unaudited) (Rs. in millions)	As at March 31, 2017 (US$ in millions)	As at March 31, 2017 (audited) (Rs. in millions)	As at March 31, 2016 (audited) (Rs. in millions)
ASSETS					
I. Non-current assets					
(a) Property, plant and equipment	13,592	887,191	13,398	868,806	665,692
(b) Capital work-in-progress	2,371	154,788	2,393	155,144	357,933
(c) Goodwill on consolidation	575	37,553	539	34,947	40,676
(d) Other Intangible assets	241	15,728	252	16,312	15,630
(e) Intangible assets under development	57	3,723	42	2,698	2,028
(f) Equity accounted investments	251	16,370	246	15,937	16,204
(g) Financial assets:					
(i) Investments	167	10,869	800	51,903	44,298
(ii) Loans	102	6,643	58	3,731	4,122
(iii) Derivative assets	3	215	13	832	328
(iv) Other financial assets	4	243	13	856	410
(h) Retirement benefit assets	1	34	270	17,526	114,774
(i) Income tax assets	154	10,048	151	9,812	10,403
(j) Deferred tax assets	151	9,864	137	8,859	6,275
(k) Other assets	429	28,007	567	36,750	38,422
Total non-current assets	**18,097**	**1,181,273**	**18,878**	**1,224,112**	**1,317,195**
II. Current assets					
(a) Inventories	4,067	265,488	3,825	248,038	200,133
(b) Financial assets:					
(i) Investments	1,401	91,427	875	56,731	46,636
(ii) Trade receivables	1,867	121,868	1,787	115,868	120,662
(iii) Cash and cash equivalents	407	26,568	745	48,323	61,091
(iv) Other balances with bank	21	1,378	14	888	773
(v) Loans	48	3,138	35	2,245	2,074
(vi) Derivative assets	76	4,966	16	1,040	3,096
(vii) Other financial assets	95	6,183	60	3,878	2,413
(c) Retirement benefit assets	0.1	4	—	—	—
(d) Income tax assets	4	291	5	351	502
(e) Other assets	591	38,597	338	21,944	20,279
Total current assets	**8,578**	**559,910**	**7,700**	**499,306**	**457,659**
III. Assets held for sale	**16**	**1,020**	**153**	**9,914**	**261**
TOTAL ASSETS	**26,690**	**1,742,203**	**26,730**	**1,733,332**	**1,775,114**

(1) For the reader's convenience, U.S. Dollar translations of Indian Rupee amounts for the year ended March 31, 2017, and for the six months ended September 30, 2017, have been provided at a rate of US$1.00 = Rs.64.85 and US$1.00 = Rs.65.28, respectively.

Consolidated Balance Sheets of the Group

Balance Sheet Data (Ind-AS)	As at September 30, 2017		As at March 31, 2017		As at March 31, 2016
		(unaudited)		(audited)	
	(US$ in millions)	(Rs. in millions)	(US$ in millions)	(Rs. in millions)	
EQUITY AND LIABILITIES					
IV. Equity					
(a) Equity share capital	149	9,702	150	9,702	9,702
(b) Hybrid Perpetual Securities	349	22,750	351	22,750	22,750
(c) Other equity	5,181	338,204	5,332	345,741	404,873
Equity attributable to shareholders of the Company	5,678	370,657	5,832	378,193	437,326
Non-controlling interest	(772)	(50,371)	247	16,017	7,809
Total equity	**4,907**	**320,285**	**6,079**	**394,210**	**445,135**
V. Non-current liabilities					
(a) Financial liabilities:					
(i) Borrowings	10,453	682,310	9,873	640,223	648,728
(ii) Derivative liabilities	19	1,209	28	1,800	1,655
(iii) Other financial liabilities	17	1,098	17	1,088	4,544
(b) Provisions	496	32,401	660	42,797	44,405
(c) Retirement benefit obligations	427	27,878	411	26,663	29,295
(d) Deferred income	289	18,889	317	20,576	24,314
(e) Deferred tax liabilities	1,484	96,837	1,547	100,301	94,209
(f) Other liabilities	24	1,593	35	2,265	3,291
Total non-current liabilities	**13,209**	**862,214**	**12,888**	**835,712**	**850,440**
VI. Current liabilities					
(a) Financial liabilities:					
(i) Borrowings	3,264	213,045	2,826	183,281	157,221
(ii) Trade payables	2,794	182,372	2,864	185,745	185,567
(iii) Derivative liabilities	147	9,581	104	6,737	4,983
(iv) Other financial liabilities	985	64,287	974	63,155	69,011
(b) Provisions	323	21,106	152	9,874	15,219
(c) Retirement benefit obligations	12	770	15	952	1,111
(d) Deferred income	1	53	3	225	37
(e) Income tax liabilities	204	13,323	114	7,392	10,011
(f) Other liabilities	845	55,166	665	43,153	36,380
Total current liabilities	**8,575**	**559,704**	**7,719**	**500,513**	**479,540**
VII. Liabilities held for sale	**—**	**—**	**45**	**2,898**	**—**
TOTAL EQUITY AND LIABILITIES	**26,690**	**1,742,203**	**26,730**	**1,733,332**	**1,775,114**

(1) For the reader's convenience, U.S. Dollar translations of Indian Rupee amounts for the year ended March 31, 2017, and for the six months ended September 30, 2017, have been provided at a rate of US$1.00 = Rs.64.85 and US$1.00 = Rs.65.28, respectively.

Consolidated Balance Sheets of the Group (Indian GAAP)

Balance Sheet Data (Indian GAAP)	As at March 31, 2016	As at March 31, 2015
	(audited)	
	(Rs. in millions)	
Equity and Liabilities		
(1) Shareholders' funds		
(a) Equity share capital	9,702	9,714
(b) Reserves and surplus	275,086	303,780
	284,789	**313,494**
(2) Preference share capital issued by subsidiary	**200**	**200**
(3) Hybrid Perpetual Securities	**22,750**	**22,750**
(4) Minority interest	16,542	17,039
(5) Non-current liabilities		
(a) Long-term borrowings	683,541	656,752
(b) Deferred tax liability (net)	29,049	28,845
(c) Other long-term liabilities	13,837	17,488
(d) Long-term provisions	76,227	75,038
	802,654	**778,123**
(6) Current liabilities		
(a) Short-term borrowings	154,499	95,986
(b) Trade Payables:		
(i) Total outstanding dues of micro enterprises and small enterprises	207	229
(ii) Total outstanding dues of creditors of other than micro enterprises and small enterprises	203,676	191,670
	203,883	**191,899**
(c) Other current liabilities	112,090	144,796
(d) Short-term provisions	35,094	27,035
	505,566	**459,715**
TOTAL	**1,632,500**	**1,591,321**
Assets		
(7) Non-current Assets		
(a) Fixed Assets		
(i) Tangible assets	450,807	512,479
(ii) Intangible assets	18,488	34,449
(iii) Capital work-in-progress	349,940	278,371
(iv) Intangible assets under development	4,939	8,410
(b) Goodwill on consolidation	137,194	134,075
(c) Non-current investments	20,845	20,804
(d) Deferred tax assets (net)	219	228
(e) Long-term loans and advances	161,109	51,066
(f) Other non-current assets	14,059	14,037
	1,157,599	**1,053,919**
(8) Current Assets		
(a) Current investments	47,161	13,746
(b) Inventories	203,560	251,499
(c) Trade receivables	117,012	133,099
(d) Cash and bank balances	67,156	87,499
(e) Short-term loans and advances	35,778	47,483
(f) Other current assets	4,235	4,075
	474,901	**537,401**
TOTAL	**1,632,500**	**1,591,321**

Summary Consolidated Cash Flow Statement of the Group

Cash flow statement of the Group (Ind-AS)	Year ended March 31, 2017		2016
	(US$ in millions)	(audited) (Rs. in millions)	
Net cash flow from/(used in) operating activities	1,673	108,481	114,554
Net cash from/(used in) investing activities	(1,401)	(90,862)	(92,538)
Net cash flow from/(used in) financing activities	(400)	(25,924)	(47,291)
Net increase/(decrease) in cash and cash equivalents	**(128)**	**(8,306)**	**(25,276)**
Opening cash and cash equivalents	**937**	**60,769**	**81,771**
Effect of exchange rate on translation of foreign currency cash and cash equivalents	(64)	(4,141)	4,595
Closing cash and cash equivalents	**745**	**48,323**	**61,091**

(1) For the reader's convenience, U.S. Dollar translations of Indian Rupee amounts for the year ended March 31, 2017 have been provided at a rate of US$1.00 = Rs.64.85.

Summary Consolidated Cash Flow Statement of the Group (Indian GAAP)

Cash flow statement of the Group (Indian GAAP)	Year ended March 31, 2016	2015
	(audited) (Rs. in millions)	
Net cash flow from/(used in) operating activities	119,632	118,798
Net cash from/(used in) investing activities	(104,242)	(84,221)
Net cash flow from/(used in) financing activities	(39,284)	(26,172)
Net increase/(decrease) in cash and cash equivalents	**(23,894)**	**8,404**
Opening cash and cash equivalents	**85,257**	**84,063**
Effect of exchange rate on translation of foreign currency cash and cash equivalents	4,727	(5,990)
Closing cash and cash equivalents	**66,090**	**86,478**

Standalone Statement of Profit and Loss of Tata Steel

Statement of Profit and Loss Data (Ind-AS)			Six months ended September 30, 2017		Quarter ended September 30 2017	Quarter ended June 30 2017	Six months ended September 30, 2016
			(US$ millions)	(audited) (Rs. in millions)			
I.	**Revenue from operations**		**4,388**	**286,427**	**142,209**	**144,217**	**220,418**
II.	**Other income**		**55**	**3,616**	**2,495**	**1,121**	**2,702**
III.	**Total Income**		**4,443**	**290,042**	**144,704**	**145,338**	**223,119**
IV.	**Expenses**						
	(a)	Raw materials consumed	1,328	86,686	44,490	42,196	49,518
	(b)	Purchases of finished, semi-finished and other products	53	3,438	813	2,626	4,776
	(c)	Changes in stock of finished goods, work-in-progress and stock-in-trade	2	143	9,189	(9,046)	(9,376)
	(d)	Employee benefit expenses	348	22,728	11,151	11,577	23,412
	(e)	Finance costs	216	14,093	7,092	7,001	12,659
	(f)	Depreciation and amortisation expense	288	18,788	9,124	9,664	16,146
	(g)	Other expenses	1,707	111,394	43,736	67,659	112,280
	Subtotal expenses		3,941	257,271	125,594	131,677	209,416
	(h)	Less: Expenditure (other than interest) transferred to capital and other accounts	21	1,378	921	457	1,554
	Total Expenses		**3,920**	**255,893**	**124,673**	**131,220**	**207,862**
V.	**Profit before exceptional items and tax (III-IV)**		**523**	**34,150**	**20,032**	**14,119**	**15,258**
VI.	**Exceptional Items**						
	(a)	Provision for diminution in value of investments/doubtful advances	(4)	(267)	(267)	—	(1,382)
	(b)	Provision for demands and claims	(94)	(6,144)	—	(6,144)	—
	(c)	Employee separation compensation	(0.4)	(24)	—	(24)	(815)
	Total exceptional items		**(99)**	**(6,434)**	**(267)**	**(6,168)**	**(2,198)**
VII.	**Profit/(loss) before tax (V+VI)**		**425**	**27,716**	**19,765**	**7,951**	**13,060**

(1) For the reader's convenience, U.S. Dollar translations of Indian Rupee amounts for the six months ended September 30, 2017 have been provided at a rate of US$1.00 = Rs.65.28

Standalone Statement of Profit and Loss of Tata Steel

Statement of Profit and Loss Data (Ind-AS)	Six months ended September 30, 2017				2016
	(US$ millions)	(audited) (Rs. in millions)			
VIII. Tax expense					
(a) Current tax	109	7,089	4,894	2,195	4,495
(b) Deferred tax	40	2,622	1,931	691	315
Total tax expense	**149**	**9,711**	**6,824**	**2,886**	**4,810**
IX. Profit/(loss) for the year (A)	**276**	**18,005**	**12,941**	**5,064**	**8,250**
X. Other Comprehensive Income/(loss)					
A) (i) Items that will not be reclassified subsequently to the statement of profit and loss	(29)	(1,904)	(756)	(1,148)	11,482
(ii) Income tax on Items that will not be reclassified subsequently to the statement of profit and loss	(3)	(180)	(64)	(116)	620
B) (i) Items that will be reclassified subsequently to the statement of profit and loss	(0)	(26)	16	(43)	3
(ii) Income tax on items that will be reclassified subsequently to the statement of profit and loss	0	9	(6)	15	(1)
Total Other Comprehensive/(loss) (B)	**(32)**	**(2,101)**	**(809)**	**(1,292)**	**12,104**
XI. Total Comprehensive Income for the year: (A+B)	**244**	**15,904**	**12,131**	**3,773**	**20,354**
XII. Earnings per equity share					
Basic & Diluted (in rupees)	**0.3**	**18**	**13**	**5**	**8**

(1) For the reader's convenience, U.S. Dollar translations of Indian Rupee amounts for the six months ended September 30, 2017 have been provided at a rate of US$1.00 = Rs.65.28

Standalone Statement of Profit and Loss of Tata Steel

Statement of Profit and Loss Data (Ind-AS)	Year ended March 31, 2017 (US$ millions)	2017 (audited) (Rs. in millions)	2016 (audited) (Rs. in millions)
I. Revenue from operations	**8,214**	**532,610**	**426,974**
II. Other income	**64**	**4,145**	**3,912**
III. Total Income	**8,277**	**536,754**	**430,886**
IV. Expenses			
(a) Raw materials consumed	1,927	124,968	97,000
(b) Purchases of finished, semi-finished and other products	136	8,812	9,915
(c) Changes in stock of finished goods, work-in-progress and stock-in-trade	(205)	(13,297)	708
(d) Employee benefit expenses	710	46,051	43,199
(e) Finance costs	415	26,886	18,481
(f) Depreciation and amortisation expense	546	35,416	29,623
(g) Other expenses	3,847	249,491	206,024
Subtotal expenses	7,376	478,326	404,949
(h) Less: Expenditure (other than interest) transferred to capital and other accounts	34	2,175	5,989
Total Expenses	**7,343**	**476,151**	**398,960**
V. Profit before exceptional items and tax (III-IV)	**935**	**60,603**	**31,926**
VI. Exceptional Items			
(a) Profit on sale of non-current investments	—	—	(9)
(b) Provision for diminution in value of investments/ doubtful advances	(26)	(1,709)	(1,606)
(c) Provision for impairment of non-current assets	—	—	(515)
(d) Provision for demands and claims	(34)	(2,183)	(8,801)
(e) Employee separation compensation	(28)	(1,787)	(5,563)
(f) Restructuring and other provisions	(21)	(1,356)	—
Total exceptional items	**(108)**	**(7,034)**	**(16,493)**
VII. Profit/(loss) before tax (V+VI)	**826**	**53,569**	**15,433**

(1) For the reader's convenience, U.S. Dollar translations of Indian Rupee amounts for the year ended March 31, 2017 have been provided at a rate of US$1.00 = Rs.64.85.

Standalone Statement of Profit and Loss of Tata Steel

Statement of Profit and Loss Data (Ind-AS)	Year ended March 31, 2017		2016
		(audited)	
	(US$ millions)	(Rs. in millions)	
VIII. Tax expense			
(a) Current tax	216	14,005	11,933
(b) Deferred tax	79	5,118	(6,056)
Total tax expense	**295**	**19,124**	**5,877**
IX. Profit/(loss) for the year (A)	**531**	**34,446**	**9,556**
X. Other Comprehensive Income/(loss)			
A) (i) Items that will not be reclassified subsequently to the statement of profit and loss	93	6,012	(31,685)
(ii) Income tax on Items that will not be reclassified subsequently to the statement of profit and loss	12	754	(2,398)
B) (i) Items that will be reclassified subsequently to the statement of profit and loss	(0.2)	(12)	18
(ii) Income tax on items that will be reclassified subsequently to the statement of profit and loss	0.1	4	(6)
Total Other Comprehensive/(loss) (B)	**104**	**6,758**	**(34,071)**
XI. Total Comprehensive Income for the year: (A+B)	**635**	**41,203**	**(24,515)**
XII. Earnings per equity share			
Basic & Diluted (in rupees)	**1**	**34**	**8**

(1) For the reader's convenience, U.S. Dollar translations of Indian Rupee amounts for the year ended March 31, 2017 have been provided at a rate of US$1.00 = Rs.64.85.

Standalone Statement of Profit and Loss of Tata Steel (Indian GAAP)

Statement of Profit and Loss Data (Indian GAAP)	Year ended March 31, 2016	Year ended March 31, 2015
	(audited)	
	(Rs. in millions)	
(1) Revenue		
(a) Revenue from operations	426,863	465,773
Less: Excise Duty	44,760	47,923
	382,103	417,850
(b) Other income	38,907	5,828
Total Revenue	**421,010**	**423,678**
(2) Expenses		
(a) Raw materials consumed	97,000	116,786
(b) Purchase of finished, semi-finished and other products	9,915	6,883
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,430	(7,159)
(d) Employee benefits expense	43,249	46,019
(e) Depreciation and amortisation expense	19,331	19,976
(f) Finance costs	14,603	19,760
(g) Other expenses	164,381	161,100
(h) Less: Expenditure (other than interest) transferred to capital and other accounts	5,989	5,867
Total Expenses	**343,920**	**357,497**
(3) Profit before Exceptional Items and Tax	**77,091**	**66,180**
(4) Exceptional Items		
(a) Profit on sale of non-current investments	1,043	8,061
(b) Profit on sale of non-current assets	—	11,469
(c) Provision for diminution in the value of investments/doubtful advances	(1,990)	(1,984)
(d) Provision for impairment of non-current assets	(515)	1,363
(e) Provision for demands and claims	(8,801)	—
(f) Employee separation compensation	(5,563)	—
Total exceptional items	**(15,826)**	**18,909**
(5) Profit/(Loss) before tax	**61,265**	**85,089**
(6) Tax Expense		
(a) Current tax	14,331	19,086
(b) MAT credit	(1,522)	(1,172)
(c) Deferred tax	(553)	2,784
Total tax expense	**12,256**	**20,698**
(7) Profit/(Loss) after tax	**49,010**	**64,391**
(8) Nominal Value per Share (in rupees)	10	10
(9) Basic Earnings per Share (in rupees)	49	64
(10) Diluted Earnings per Share (in rupees)	49	64

Standalone Balance Sheets of Tata Steel

Balance Sheet Data (Ind-AS)	As at September 30, 2017		As at March 31, 2017		As at March 31, 2016
		(unaudited)		(unaudited)	
	(US$ in millions)	(Rs. in millions)	(US$ in millions)	(Rs. in millions)	
ASSETS					
I. Non-current assets					
(a) Property, plant and equipment	10,955	715,065	11,069	717,790	495,611
(b) Capital work-in-progress	855	55,819	945	61,254	281,740
(c) Intangible assets	119	7,747	122	7,882	5,273
(d) Intangible assets under development	8	493	6	386	319
(e) Investments in subsidiaries, associates and joint ventures	528	34,466	524	33,976	33,410
(f) Financial assets:					
(i) Investments	886	57,815	765	49,583	41,195
(ii) Loans	32	2,112	33	2,120	2,060
(iii) Derivative assets	0	18	0	1	8
(iv) Other financial assets	3	181	12	795	369
(g) Income tax assets (net)	135	8,841	134	8,678	8,377
(h) Other assets	331	21,632	481	31,216	33,252
Total non-current assets	**13,852**	**904,189**	**14,090**	**913,680**	**901,612**
II. Current assets					
(a) Inventories	1,572	102,586	1,579	102,369	71,374
(b) Financial assets:					
(i) Investments	1,345	87,813	819	53,098	43,250
(ii) Trade receivables	268	17,497	309	20,065	11,332
(iii) Cash and cash equivalents	48	3,125	140	9,052	9,747
(iv) Other balances with bank	15	1,000	10	651	615
(v) Loans	17	1,087	4	271	188
(vi) Derivative assets	5	345	1	63	62
(vii) Other financial assets	70	4,553	49	3,151	2,078
(c) Other assets	396	25,818	189	12,255	10,889
Total current assets	**3,735**	**243,823**	**3,099**	**200,974**	**149,533**
TOTAL ASSETS	**17,587**	**1,148,012**	**17,190**	**1,114,654**	**1,051,145**

(1) For the reader's convenience, U.S. Dollar translations of Indian Rupee amounts for the year ended March 31, 2017, and for the six months ended September 30, 2017, have been provided at a rate of US$1.00 = Rs.64.85 and US$1.00 = Rs.65.28, respectively.

Standalone Balance Sheets of Tata Steel

Balance Sheet Data (Ind-AS)	As at September 30, 2017		As at March 31, 2017		As at March 31, 2016
		(unaudited)		(audited)	
	(US$ in millions)	(Rs. in millions)	(US$ in millions)	(Rs. in millions)	
EQUITY AND LIABILITIES					
III. Equity					
(a) Equity share capital	149	9,714	150	9,714	9,714
(b) Hybrid Perpetual Securities	349	22,750	351	22,750	22,750
(c) Other equity	7,511	490,312	7,508	486,876	456,660
Total equity	**8,009**	**522,776**	**8,009**	**519,340**	**489,124**
IV. Non-current liabilities					
(a) Financial liabilities:					
(i) Borrowings	4,136	269,976	3,808	246,944	239,268
(ii) Derivative liabilities	17	1,137	28	1,793	1,160
(iii) Other financial liabilities	3	196	3	182	3,965
(b) Provisions	157	10,233	312	20,247	18,621
(c) Retirement benefit obligations	232	15,165	229	14,842	12,525
(d) Deferred income	265	17,266	291	18,852	22,285
(e) Deferred tax liabilities	864	56,386	942	61,113	56,107
(f) Other liabilities	12	763	12	777	768
Total non-current liabilities	**5,685**	**371,120**	**5,625**	**364,751**	**354,698**
V. Current liabilities					
(a) Financial liabilities:					
(i) Borrowings	578	37,732	500	32,397	58,880
(ii) Trade payables	1,565	102,148	1,653	107,174	61,969
(iii) Derivative liabilities	5	297	42	2,702	782
(iv) Other financial liabilities	611	39,871	626	40,624	46,334
(b) Provisions	253	16,500	108	7,006	2,806
(c) Retirement benefit obligations	8	539	9	566	567
(d) Income tax liabilities (net)	158	10,304	72	4,657	7,326
(e) Other liabilities	716	46,725	547	35,438	28,660
Total current liabilities	**3,893**	**254,116**	**3,556**	**230,563**	**207,323**
TOTAL EQUITY AND LIABILITIES	**17,587**	**1,148,012**	**17,190**	**1,114,654**	**1,051,145**

(1) For the reader's convenience, U.S. Dollar translations of Indian Rupee amounts for the year ended March 31, 2017, and for the six months ended September 30, 2017, have been provided at a rate of US$1.00 = Rs.64.85 and US$1.00 = Rs.65.28, respectively.

Standalone Balance Sheets of Tata Steel (Indian GAAP)

Balance Sheet Data (Indian GAAP)	As at March 31, 2016	2015
	(audited)	
	(Rs. in millions)	
Equity and liabilities		
(1) Shareholders' funds		
(a) Equity share capital	9,714	9,714
(b) Reserves and surplus	695,053	656,925
	704,767	**666,639**
(2) Hybrid Perpetual Securities	**22,750**	**22,750**
(3) Non-current liabilities		
(a) Long-term borrowings	234,578	239,004
(b) Deferred tax liability (net)	21,798	22,504
(c) Other long-term liabilities	8,427	11,289
(d) Long-term provisions	28,882	28,759
	293,684	**301,556**
(4) Current liabilities		
(a) Short-term borrowings	52,610	349
(b) Trade Payables:		
(i) Total outstanding dues of micro enterprises and small enterprises	149	165
(ii) Total outstanding dues of creditors of other than micro enterprises and small enterprises	76,912	57,855
	77,061	58,020
(c) Other current liabilities	61,158	92,569
(d) Short-term provisions	20,050	16,754
	1,232,082	**1,158,636**
TOTAL		
Assets		
(5) Non-current Assets		
(a) Fixed Assets		
(i) Tangible assets	249,012	250,714
(ii) Intangible assets	5,274	1,771
(iii) Capital work-in-progress	269,539	230,236
(iv) Intangible assets under development	285	131
	524,110	482,852
(b) Non-current investments	523,604	521,642
(c) Long-term loans and advances	37,879	32,079
(d) Other non-current assets	2,274	2,118
	1,087,867	**1,038,691**
(6) Current Assets		
(a) Current investments	43,202	10,001
(b) Inventories	70,838	80,420
(c) Trade receivables	6,328	4,915
(d) Cash and bank balances	10,147	4,786
(e) Short-term loans and advances	12,435	19,272
(f) Other current assets	1,266	553
	144,215	**119,946**
TOTAL	**1,232,082**	**1,158,636**

Standalone Cash Flow Statement of Tata Steel (Ind -AS)

Cash flow statement (Ind-AS)	Year ended March 31, 2017 (US$ in millions)	2017 (audited) (Rs. in millions)	2016 (audited) (Rs. in millions)
Net cash flow from/(used in) operating activities	1,717	111,313	73,718
Net cash from/(used in) investing activities	(605)	(39,210)	(43,517)
Net cash flow from/(used in) financing activities	(1,123)	(72,797)	(25,404)
Net increase/(decrease) in cash and cash equivalents	**(11)**	**(695)**	**4,796**
Opening cash and cash equivalents	**150**	**9,747**	**4,952**
Effect of exchange rate on translation of foreign currency cash and cash equivalents	—	—	(1)
Closing cash and cash equivalents	**140**	**9,052**	**9,747**

(1) For the reader's convenience, U.S. Dollar translations of Indian Rupee amounts for the year ended March 31, 2017 have been provided at a rate of US$1.00 = Rs.64.85.

Standalone Cash Flow Statement of Tata Steel (Indian GAAP)

Cash flow statement (Indian GAAP)	Year ended March 31, 2016 (audited) (Rs. in millions)	2015 (audited) (Rs. in millions)
Net cash flow from/(used in) operating activities	75,677	48,519
Net cash from/(used in) investing activities	(54,052)	(23,821)
Net cash flow from/(used in) financing activities	(16,310)	(29,572)
Net increase/(decrease) in cash and cash equivalents	**5,314**	**(4,874)**
Opening cash and cash equivalents	**4,219**	**9,093**
Effect of exchange rate on translation of foreign currency cash and cash equivalents	(1)	0
Closing cash and cash equivalents	**9,532**	**4,219**

Statement of Financial Position of ABJA Investment Co. Pte. Ltd.

	As at September 30,	As at March 31,		
	2017	2017	2016	2015
	(unaudited)	(audited)		
	(US$ in thousand)	(US$ in thousand)		
ASSETS				
Current assets				
Cash and cash equivalents	2,497	16,233	11,770	7,360
Other receivables	26,159	24,848	21,699	17,235
Derivative financial instruments	0	309	150	265
Total current assets	**28,656**	**41,390**	**33,619**	**24,860**
Non-current asset				
Loan receivables due from related companies	1,695,195	1,679,085	1,690,932	1,670,502
Derivative financial instruments	2,816	12,808	4,793	7,563
Total non-current asset	**1,698,011**	**1,691,893**	**1,695,725**	**1,678,065**
TOTAL ASSETS	**1,726,667**	**1,733,283**	**1,729,344**	**1,702,925**
LIABILITIES AND NET CAPITAL DEFICIENCY				
Current liabilities				
Other payables	24,742	27,879	32,254	24,564
Loan payable	0	0	37,800	37,800
Derivative financial instrument	53	—	—	—
Tax payable	1,800	1,707	450	310
Total current liabilities	**26,595**	**29,586**	**70,504**	**62,674**
Non-current liabilities				
Guaranteed notes	1,709,138	1,703,077	1,708,921	1,702,524
Loans payable due to related company	21,800	37,800	0	0
Deferred tax liability	1,817	1,797	1,796	93
Other Payable	2,406	1,907	0	0
Derivative financial instruments	1,102	68	688	469
Total non-current liabilities	**1,736,263**	**1,744,649**	**1,711,405**	**1,703,086**
Capital, accumulated losses and reserve				
Share capital	200	200	200	200
Accumulated losses	(36,381)	(41,142)	(52,755)	(63,025)
Translation reserve	(10)	(10)	(10)	(10)
Net capital deficiency	**(36,191)**	**(40,952)**	**(52,565)**	**(62,835)**
Total liabilities and net of capital deficiency	**1,726,667**	**1,733,283**	**1,729,344**	**1,702,925**

Note: The audited statement of financial position of the Issuer as at March 31, 2015, 2016 and 2017 have been prepared in accordance with SFRS. The unaudited statement of financial position of the Issuer as at September 30, 2017 has been extracted from the Issuer's unaudited interim financial statements for the six months ended September 30, 2017, which were prepared in accordance with SFRS 34, *Interim Financial Reporting*.

Statement of Profit or Loss of ABJA Investment Co. Pte. Ltd.

Statement of Profit or Loss and Other Comprehensive Income	Six months ended September 30,		Year ended March 31,		
	2017	2016	2017	2016	2015
	(Unaudited)		(audited)		
	(US$ in thousand)		(US$ in thousand)		
Interest Income	59,286	58,130	117,014	119,591	32,875
Finance costs	(51,293)	(51,231)	(102,337)	(102,142)	(69,027)
Foreign currency exchange gain, net	12,667	298	(2,975)	6,532	(29,245)
Fair value losses on derivative financial instruments, net	(11,389)	501	8,794	(3,104)	14,052
Other operating expenses	(3,554)	(3,568)	(7,116)	(8,482)	(3,739)
Profit/(loss) before tax	**5,717**	**4,040**	**13,380**	**12,395**	**(55,084)**

Note: The audited statement of profit and loss of the Issuer for the years ended March 31, 2015, 2016 and 2017 has been prepared in accordance with SFRS. The unaudited statement of profit and loss of the Issuer for the six months ended September 30, 2016 and 2017 have been extracted from the Issuer's unaudited interim financial statements for the six months ended September 30, 2017, which were prepared in accordance with SFRS 34, *Interim Financial Reporting*.

Statement of Cash Flows of ABJA Investment Co. Pte. Ltd.

Summary Cash Flow Statement	Year ended March 31,		
	2017	2016	2015
	(audited)		
	(US$ in thousand)		
Net cash flow from/(used in) operating activities	**4,462**	**4,134**	**1,173**
Net cash from/(used in) investing activities	**—**	**—**	**—**
Net cash flow from/(used in) financing activities	**—**	**—**	**—**
Net increase/(decrease) in cash and cash equivalents	**4,462**	**4,134**	**1,173**
Opening cash and cash equivalents	**11,770**	**7,360**	**7,536**
Effect of exchange rate on translation of foreign currency cash and cash equivalents	1	276	(1,349)
Closing cash and cash equivalents	**16,233**	**11,770**	**7,360**

Note: The audited statement of cash flows of the Issuer for the years ended as at March 31, 2015, 2016 and 2017 have been prepared in accordance with SFRS.

THE OFFERING

The following is a brief summary of the terms of this offering and is qualified in its entirety by the remainder of this Offering Memorandum. This summary is derived from, and should be read in conjunction with, the full text of the "Terms and Conditions of the Notes" and other information included in this Offering Memorandum.

Issuer	ABJA Investment Co. Pte. Ltd.
Parent	Tata Steel. The Notes are not being guaranteed by Tata Steel
Notes Offered	US$[●] [●]% Notes due [●] (the "[●] Notes") and US$[●] [●]% Notes due [●] (the "[●] Notes", and together with the [●] Notes, the "Notes")
Joint Lead Managers	Australia and New Zealand Banking Group Limited Singapore Branch, Barclays Bank PLC, Singapore Branch, BNP Paribas Singapore Branch, Citigroup Global Markets Singapore Pte. Ltd., Crédit Agricole Corporate and Investment Bank, Singapore Branch, DBS Bank Ltd., Deutsche Bank AG, Singapore Branch, First Abu Dhabi Bank PJSC, ING Bank N.V., Singapore Branch, J.P. Morgan Securities plc, Merrill Lynch (Singapore) Pte. Ltd., Morgan Stanley & Co. International plc, SMBC Nikko Capital Markets Limited, Société Générale, Standard Chartered Bank Singapore Branch and The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch
Issue Price	[●] Notes: [●]% [●] Notes: [●]%
Maturity Date	[●] Notes: [●] [●] Notes: [●]
Interest	The [●] Notes will bear interest from and including [●], 2018 (the "Closing Date") at the rate of [●]% per annum from, and including, the Closing Date to, but excluding [●] payable semi-annually in arrear on [●] and [●], of each year. The first payment (for the period from, and including [●] to, but excluding [●]) will be made on [●]. The [●] Notes will bear interest from and including the Closing Date at the rate of [●]% per annum from, and including, the Closing Date to, but excluding [●], payable semi-annually in arrear on [●] and [●] of each year. The first payment (for the period from, and including [●] to, but excluding [●]) will be made on [●].
Registrar	Citibank, N.A., London Branch
Trustee	Citicorp International Limited
Principal Paying Agent and Transfer Agent	Citibank, N.A., London Branch

Status of the Notes	The Notes constitute (subject to Condition 7 (Covenants)) unsecured and unsubordinated obligations of the Issuer and will rank at all times *pari passu* without any preference among themselves and at least equally with all other present and future outstanding unsecured and unsubordinated obligations of the Issuer but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.
Form and Denomination of the Notes	The Notes will be issued in fully registered form and in the denomination of US$200,000 each and integral multiples of U.S.$1,000 in excess thereof. The Notes shall initially be represented by Global Certificates in the aggregate principal amount of the Notes registered in the name of a common nominee for, and held by or to the order of a depositary (the "Common Depositary") common to, Euroclear Bank S.A./N.V. and Clearstream Banking, *societe anonyme*.
Negative Pledge	The terms of the Notes contain a negative pledge provision, as further described in "*Terms and Conditions of the [●] Notes — Negative Pledge*" and "*Terms and Conditions of the [●] Notes — Negative Pledge*".
Redemption for Tax Reasons	The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time or on any Interest Payment Date, on giving not less than 30 nor more than 60 days' notice to the Noteholders, at their principal amount (together with unpaid accrued interest thereon (if any)), if (i) the Issuer satisfies the Trustee immediately prior to the giving of such notice that it has or will become obliged to pay additional amounts as provided or referred to in Condition 11 (Taxation) or as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Closing Date, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or the Parent, as the case may be) would be obliged to pay such additional amounts where a payment in respect of the Notes is then due. See "*Terms and Conditions of the [●] Notes — Redemption and Purchase — Redemption for Taxation Reasons*" and "*Terms and Conditions of the [●] Notes — Redemption and Purchase — Redemption for Taxation Reasons*".

Redemption for Change of Control	Following the occurrence of any Change in Control, the holder of each Note will have the right at such holder's option, to require the Issuer to redeem in whole but not in part such holder's Notes on the Change of Control Redemption Date at 101% of their principal amount together with unpaid accrued interest in accordance with the Conditions. See "*Terms and Conditions of the [●] Notes — Redemption and Purchase — Redemption for Change of Control Triggering Event*" and "*Terms and Conditions of the [●] Notes — Redemption and Purchase — Redemption for Change of Control Triggering Event*".
Events of Default	For a description of events that would permit acceleration of repayment of principal and interest of the Notes See "*Terms and Conditions of the [●] Notes — Events of Default*" and "*Terms and Conditions of the [●] Notes — Events of Default*".
Limitations on Asset Sales	So long as any of the [●] Notes or, as the case may be, the [●] Notes remain outstanding, the Parent shall apply any Net Cash Proceeds from an Asset Sale to: (a) permanently repay unsubordinated Financial Indebtedness; or (b) acquire properties and assets (other than current assets) that will be directly owned and used by the Parent in Permitted Businesses; or (c) invest in subsidiaries involved in Permitted Businesses; provided that the amount of such investment, individually or when aggregated with all other investments in subsidiaries in respect of the Net Cash Proceeds from any Asset Sales in the twelve month period prior to such investment, does not exceed 3% of the Fixed Assets of the Parent on the immediately preceding balance sheet date (as stated in the Parent's most recent semi annual or annual financial statements); or (d) pay a dividend, provided that, the Parent shall not pay any such dividend in respect of or otherwise distribute such Net Cash Proceeds to its shareholders if such dividend or distribution, individually or when aggregated with all other dividends or distributions in respect of the Net Cash Proceeds from any Asset Sales in the twelve month period prior to the date of the declaration of such dividend or distribution, exceeds US$200,000,000 or its equivalent in other currencies. The Parent will not, directly or indirectly, consummate an Asset Sale unless the Parent receives consideration at the time of the Asset Sale at least equal to the Fair Market Value of the Fixed Assets sold or otherwise disposed of. For details see "*Terms and Conditions of the [●] Notes — Covenants — Limitations on Asset Sales*" and "*Terms and Conditions of the [●] Notes — Covenants — Limitations on Asset Sales*".

Limitation on Financial Indebtedness	So long as any of the [●] Notes or, as the case may be, the [●] Notes remain outstanding, the Parent and the Issuer shall not Incur, directly or indirectly, any Financial Indebtedness, unless, after giving effect to the application of the proceeds thereof (i) no Event of Default or Potential Event of Default would occur and (ii) the Total Net Long Term Debt to Total Net Worth ratio for the Parent's most recently ended semi-annual or annual period for which unconsolidated financial statements are available immediately preceding the date on which such Financial Indebtedness is incurred shall not be greater than 3.0:1.0. For details see "*Terms and Conditions of the [●] Notes — Covenants — Limitations on Financial Indebtedness*" and "*Terms and Conditions of the [●] Notes — Covenants — Limitations on Financial Indebtedness*".]
Suspension of Covenants	Following the first day (the "Suspension Date") that (i) the Notes have Notes Investment Grade Status and (ii) no Event of Default has occurred and is continuing, Condition 6.2 (*Limitation on Asset Sales*) and Condition 6.3 (*Limitation on Financial Indebtedness*) of the Conditions shall no longer be tested in relation to the Parent for purposes of the Conditions and the Trust Deeds (the "Suspended Covenants"). In the event that the Suspended Covenants are no longer tested in relation to the Parent for any period of time as a result of the preceding sentence and, on any subsequent date (the "Reversion Date"), either (A) a Rating Agency has assigned ratings to the Notes below the required Notes Investment Grade Status or (B) an Event of Default occurs and is continuing, then the Suspended Covenants will thereafter again be tested in relation to the Parent for purposes of the Conditions and the Trust Deeds. The period of time between the Suspension Date and the Reversion Date is referred to in the covenant described hereunder as the "Suspension Period". For details see "*Terms and Conditions of the [●] Notes — Covenants — Suspension of Covenants*" and "*Terms and Conditions of the [●] Notes — Covenants — Suspension of Covenants*".
Mandatory exchange at the option of the Issuer	Subject to all applicable regulations, the Notes may be exchanged for New Notes issued directly by the Parent at the option of the Issuer in whole, but not in part, at any time or on any Interest Payment Date, on giving notice to the Noteholders, the Trustee and the Principal Paying Agent (which notice shall be irrevocable). The terms and conditions of the New Notes will be set out in Schedule [7] to the Trust Deeds and will contain the same terms as the [●] Notes, or as the case may be, the [●] Notes, except for the issue date.

	The exchange of the [●] Notes, or as the case may be, the [●] Notes, for the New Notes (the "Exchange") will be done in such a manner that each Noteholder will receive an amount of New Notes equal in principal amount to the principal amount of the [●] Notes, or as the case may be, the [●] Notes, then held by such Noteholder. For details see "*Terms and Conditions of the [●] Notes — Redemption and Purchase — Mandatory exchange at the option of the Issuer*" and "*Terms and Conditions of the [●] Notes — Redemption and Purchase — Mandatory exchange at the option of the Issuer*".
Meetings of Noteholders	The Terms and Conditions of the [●] Notes and the Terms and Conditions of the [●] Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.
Withholding Tax and Additional Amounts	The Issuer will, pay such additional amounts as may be necessary in order that the net payment received by each Noteholder in respect of the Notes, after withholding for any taxes imposed by tax authorities in an Relevant Jurisdiction upon payments made by or on behalf of the Issuer in respect of the Notes, will equal the amount which would have been received in the absence of any such withholding taxes, subject to the customary exceptions, as described in "*Terms and Conditions of the Notes — Taxation*".
Selling Restrictions	There are restrictions on the offer, sale and transfer of the Notes in, among others, Singapore, India, the United States, the European Economic Area, the United Kingdom, Hong Kong and Japan. For a description of the selling restrictions on offers, sales and deliveries on the Notes, see "*Subscription and Sale*".
Governing Law	The Notes and any non-contractual obligations arising out of or in connection with them will be governed by, and shall be construed in accordance, with English law.
Risk Factors.	For a discussion of certain factors that should be considered in evaluating an investment in the Notes, see "*Risk Factors*".
Listing	Approval in principle has been granted for the listing and quotation of the Notes on the SGX-ST.
Clearing System	The Notes will be represented by beneficial interests in the Global Certificate, which will be registered in the name of a nominee of a common depositary for Clearstream, Luxembourg and Euroclear, and deposited on or about the Closing Date. Beneficial interests in the Global Certificate will be shown on and transfers thereof will be effected only through records maintained by of Euroclear or of Clearstream, Luxembourg.

Use of Proceeds	The Issuer estimates that the net proceeds from the sale of Notes will be approximately US$[●] million after deducting fees, commissions and estimated expenses. Of the net proceeds from the offering, the Issuer intends to use a majority to fund the pre-payment, repayment or refinancing of the Group's offshore debt obligations, and the rest to fund general corporate purposes of the Group outside India. Certain of the Joint Lead Managers participating in this offering are lenders under the offshore debt obligations that will be refinanced with the net proceeds of this offering. Pending application of the net proceeds of this offering, the Issuer may apply such proceeds to initially repay certain of its offshore working capital facilities or invest in cash and cash equivalents outside India.
Letter of Comfort from the Parent	The Parent has provided a letter of comfort for the benefit of potential investors in the Notes. The letter states that the Notes will have the benefit of the letter provided by the Parent, whereby the Parent endeavours that noteholders will not incur any loss with respect to the Notes. This letter does not represent a guarantee or a legally binding obligation of the Parent.

RISK FACTORS

This Offering Memorandum contains forward-looking statements that involve risks and uncertainties. Prospective investors should carefully consider the risks and uncertainties described below and the information contained elsewhere in this Offering Memorandum before making an investment in the Notes. In making an investment decision, each investor must rely on its own examination of the Group and the terms of the offering of the Notes. The risks described below are not the only ones faced by the Group or investments in India in general. The Group's business, prospects, financial condition, cash flows and results of operations could be materially adversely affected by any of these risks. There are a number of factors, including those described below, that may adversely affect the Issuer's ability to make payment on the Notes. The risks described below are not the only ones that may affect the Notes. Additional risks not currently known to the Group or that the Group currently deems immaterial may also impair the business, prospects, financial condition, cash flows and results of operations of the Issuer or the Group.

Risks Related to the Structure

The Notes are not guaranteed by, and do not have the benefit of any credit support from, Tata Steel or any other member of the Group. The Issuer's ability to pay principal and interest on or refinance the Notes is dependent upon payments from other members of the Group to fund payments to you on the Notes, and such other members might not be able to make such payments in some circumstances. The Letter of Comfort is not a binding instrument and does not create any obligations on, or rights against, Tata Steel.

The Notes are not guaranteed by Tata Steel or any other member of the Group. Tata Steel is the guarantor of the Issuer's S$300,000,000 Guaranteed Notes due 2023, the Issuer's US$500,000,000 Guaranteed Notes due 2020 and the Issuer's US$1,000,000,000 Guaranteed Notes due 2024 but will not guarantee the Notes. While the terms and conditions of the Notes reference Tata Steel, and certain covenants relate to Tata Steel, Tata Steel will not be a party to the Trust Deed and noteholders will have no rights against, or contractual privity with, Tata Steel.

The Issuer does not itself conduct any business operations and does not have any assets or sources of income of its own, other than intercompany loans to one or more members of the Group. In addition, the Issuer, as at September 30, 2017, had a net capital deficiency of US$36.2 million. As a result, the Issuer's ability to make payments on the Notes or refinance its debt is dependent directly upon payments it receives on these intercompany loans. There can be no assurance that those assets or sources of income will be sufficient to enable the Issuer to pay interest or principal amount on the Notes. In making decisions relating to the repayment of the intercompany loan(s), the borrower(s) may take actions that conflict with the interests of the Issuer or the holders of the Notes.

You will not have any direct claim on the cash flows or assets of any entity other than the Issuer and no member of the Group (other than the Issuer) has any obligation, contingent or otherwise, to make payments with respect to the Notes or to make funds available to the Issuer. The Letter of Comfort provided by Tata Steel to the trustee on behalf of noteholders is not a binding instrument and does not create any obligations on, or rights against, Tata Steel.

Risks Related to the Group

The steel industry is affected by global economic conditions. Slower than expected or uneven growth of the global economy or a renewed global recession could have a material adverse effect on the steel industry and the Group.

The Group's business and results of operations have been and continue to be affected by international, national and regional economic conditions. Following the global financial crisis in 2007 to 2009, the Eurozone crisis in 2009 to 2013 and the decline in commodity prices that began in 2014, there has been significant volatility in an number of indicators, making it more difficult to forecast short and medium term growth. Rates of economic growth have significant impacts on substantial consumers of steel products, such as the automotive and construction industries and declines in steel consumption caused by poor or unfavorable economic conditions in one or more of the Group's major markets or by the deterioration of the financial condition of its key customers would have a material adverse effect on demand for its products and hence on its business and results of operations. Unfavorable economic conditions in any of the Group's key markets could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Europe is a significant market for the Group, and its current business and future growth could be materially and adversely affected by poor economic conditions in Europe.

Europe is a significant market for the Group, accounting for 39% and 41% of the Group's revenue for the years ended March 31, 2017 and 2016, respectively. Sales of the Group's products in Europe are affected by the condition of major steel consuming industries, such as the automobile, infrastructure and construction sectors, and the European economy in general. In addition, a significant majority of the Group's operations and assets are located in Europe.

The Eurozone sovereign debt crisis, resulting austerity measures and other factors, led to recession or stagnation in many of the national economies in the Eurozone. While conditions have since improved, there can be no certainty that such improvement will continue. The United Kingdom's decision to leave the European Union has increased economic uncertainty and is expected to impact the level of investment activity and the pace of recovery for both the United Kingdom and the Eurozone economy. Any future deterioration of the European and global economy could adversely affect the Group's business, financial condition, results of operations and prospects.

On June 23, 2016, the United Kingdom held a referendum on its membership of the European Union and voted to leave ("Brexit"). There is significant uncertainty at this stage as to the impact of Brexit on the general economic conditions in the United Kingdom and the European Union and any consequential impact on global financial markets. For example, Brexit could give rise to increased volatility in foreign exchange rate movements and the value of equity and debt investments. A lack of clarity over the process for managing the exit and uncertainties surrounding the economic impact could lead to a further slowdown and instability in financial markets. These and other related events have had a significant impact on the global credit and financial markets as a whole, including reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in the United States, Europe and global credit and financial markets. In response to such developments, legislators and financial regulators in the United States, Europe and other jurisdictions, including India, have implemented several policy measures designed to add stability to the financial markets. In addition, any announcement by the United State Federal Reserve to increase interest rates may lead to an increase in the borrowing costs in the United States and may impact borrowing globally as well. Further, in several parts of the world, there are signs of increasing retreat from globalisation of goods, services and people, as pressures for protectionism are building up and such developments could have the potential to affect exports from India.

The United Kingdom's decision to leave the European Union has increased economic uncertainty and is expected to impact the level of investment activity and the pace of recovery for both the United Kingdom and the Eurozone economy. Any future deterioration of the European and global economy could adversely affect the Group's business, financial condition, results of operations and prospects.

The steel industry is highly cyclical and a decrease in steel prices may have a material adverse effect on the Group's results of operations, prospects and financial condition.

Steel prices are volatile, reflecting the highly cyclical nature of the global steel industry. Steel prices fluctuate based on a number of factors, such as the availability and cost of raw material inputs, fluctuations in domestic and international demand and supply of steel and steel products, worldwide production and capacity, fluctuation in the volume of steel imports, transportation costs, protective trade measures and various social and political factors, in the economies in which the steel producers sell their products and are sensitive to the trends of particular industries, such as the automotive, construction, packaging, appliance, machinery, equipment and transportation industries, which are among the biggest consumers of steel products. When downturns occur in these economies or sectors, the Group may experience decreased demand for its products, which may lead to a decrease in steel prices, which may, in turn, have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Global steel prices fell sharply in 2008 as the global credit crisis led to a collapse in global demand. If there is a weakness in sectors of the economy that are substantial consumers of steel products, such as the construction and automobile industries, steel producers would be also be hurt. While steel prices have increased in recent years, they have been subject to fluctuation. Low steel prices adversely affect the businesses and results of operations of steel producers generally, including the Group, resulting in lower revenue and margins and write downs of finished steel products and raw material inventories. In addition, the volatility, length and nature of business cycles affecting the steel industry have become increasingly unpredictable, and the recurrence of another major downturn in the industry may have a material adverse impact on the Group's business, results of operations, financial condition and prospects.

In addition, substantial decreases in steel prices during periods of economic weakness have not always been balanced by commensurate price increases during periods of economic strength. Any sustained price recovery will most likely require a broad economic recovery, in order to underpin an increase in real demand for steel products by end users.

Overcapacity and oversupply in the global steel industry may adversely affect the Group's profitability.

China is the largest steel producing country in the world by a significant margin, with the balance between its domestic production and demand being an important factor in the determination of global steel prices. In addition, Chinese steel exports may have a significant impact on steel prices in markets outside of China, including in the markets where the Group operates. Any production overcapacity and oversupply in the steel industry would likely cause increased competition in steel markets around the world which would likely lead to reduced profit margins for steel producers, and would also likely have a negative effect on the Group's ability to increase steel production in general. No assurance can be given that the Group will be able to continue to compete in such an economic environment or that a prolonged stagnation of the global economy or production overcapacity will not have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

Developments in the competitive environment in the steel industry, such as consolidation among the Group's competitors, could have a material adverse effect on the Group's competitive position and hence its business, financial condition, results of operations or prospects.

The Group believes that the key competitive factors affecting its business include product quality, changes in manufacturing technology, workforce skill and productivity, cash operating costs, pricing power with large buyers, access to funding, the degree of regulation and access to low-cost raw materials. Although the Group believes that it is a competitive steel producer, it cannot assure prospective investors that it will be able to compete effectively against its current or emerging competitors with respect to each of these key competitive factors.

In the past, there have been instances of consolidation among the Group's competitors. For example, the merger of Mittal and Arcelor in 2006 created a company that continues to be the largest steel producer in the world. In 2012, Nippon Steel merged with Sumitomo Metal Corporation, creating the second largest steel producer in the world. Competition from global steel producers with expanded production capacities and new market entrants, especially from China and India, could result in significant price competition, declining margins and a reduction in revenue. For example, these companies may be able to negotiate preferential prices for certain products or receive discounted prices for bulk purchases of certain raw materials that may not be available to the Group.

Recent changes in India's debt restructuring and insolvency laws, including the introduction of the Insolvency and Bankruptcy Code, 2016 (the "IBC"), could also lead to consolidation among the Group's competitors.

In addition, the Group's competitors may have lower leverage and stronger balance sheets. Larger competitors may also use their resources, which may be greater than the Group's, against the Group in a variety of ways, including by making additional acquisitions, investing more aggressively in product development and capacity and displacing demand for the Group's export products. The market is still highly fragmented, and if the trend towards consolidation continues, the Group could be placed in a disadvantageous competitive position relative to other steel producers and its business, results of operations, financial condition and prospects could be materially and adversely affected. In addition, a variety of known and unknown events could have a material adverse impact on the Group's ability to compete. For example, changes in the level of marketing undertaken by competitors, governmental subsidies provided to foreign competitors, dramatic reductions in pricing policies, exporters selling excess capacity from markets such as China, Ukraine and Russia, irrational market behavior by competitors, increases in tariffs or the imposition of trade barriers could all affect the ability of the Group to compete effectively. Any of these events could have a material adverse impact on the Group's business, results of operations, financial condition and prospects.

The steel industry is characterized by a high proportion of fixed costs and volatility in the prices of raw materials and energy, including mismatches between trends in prices for raw materials and steel, as well as limitations on or disruptions in the supply of raw materials, which could adversely affect the Group's profitability.

Steel production requires substantial amounts of raw materials and energy, including iron ore, coking coal and coke, scrap and power, which are subject to significant price volatility. The production of steel is capital intensive, with a high proportion of fixed costs to total costs. Consequently, steel producers generally seek to maintain high capacity utilization. If capacity exceeds demand, there is a tendency for prices to fall sharply if supply is largely maintained. Conversely, expansion of capacity requires long lead times so that, if demand grows strongly, prices increase rapidly, as unutilized capacity cannot be brought on line as quickly. The result can be substantial price volatility. While the Group has taken steps to reduce operating costs, such as entering into strategic joint ventures in India and overseas to secure supplies of raw materials and energy, the Group may be negatively affected by significant price volatility, particularly in the event of excess production capacity in the global steel market, and incur operating losses as a result.

Volatility in the prices of raw materials and energy, including mismatches between trends in prices for raw materials and steel, and limitations on (or disruptions in) supply of raw materials could adversely affect the Group's profitability. The availability and prices of raw materials may be negatively affected by, among other factors: new laws or regulations; suppliers' allocations to other purchasers; business continuity of suppliers; interruptions in production by suppliers; accidents or other similar events at suppliers' premises or along the supply chain; wars, natural disasters and other similar events; fluctuations in exchange rates; consolidation in steel-related industries; the bargaining power of raw material suppliers and the availability and cost of transportation. Although the Group's Indian operations source a portion of their iron ore and coal requirements from their captive mines and also have new mines under development, the Group currently obtains a significant majority of its raw materials requirements, including all raw materials for its operations in Europe, under supply contracts or from the spot market. The raw materials industry is highly concentrated and suppliers in recent years have had significant pricing power. Further consolidation among suppliers would exacerbate this trend. Since 2010, raw materials suppliers began to move towards sales based on quarterly prices rather than annually priced contracts under which steel producers, such as the Group, face increased exposure to production cost and price volatility. This change may in turn reduce the steel producers' access to reliable supplies of raw materials. Further, operations at some of the Group's mines in India were disrupted in 2015 due to various reasons, including judicial orders and regulatory disputes. Such disruptions forced us to purchase iron ore and coal on a spot basis or rely on imports, resulting in increased raw material costs.

In recent years, many steel companies have been focused on acquiring raw materials around the world in an effort to limit their exposure to the volatility and instability of the markets for raw materials. To the extent such companies use these raw materials in their own steel production, these acquisitions will further limit the supply of these raw materials available for purchase in the global markets. Any prolonged interruption in the supply of raw materials or energy, or failure to obtain adequate supplies of raw materials or energy at reasonable prices or at all, or increases in costs which the Group cannot pass on to its customers, could have a material adverse effect on its business, financial condition, results of operations or prospects.

Despite the high correlation between steel and raw material prices, with both having experienced significant declines during the global economic crisis, there can be no assurance that this correlation will continue. If raw materials and energy prices rise significantly (either as a result of supply constraints or other reasons) but prices for steel do not increase commensurately, it would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

In addition, energy costs, including the cost of electricity and natural gas, represent a substantial portion of the cost of goods sold by steel producers generally, including the Group. Historically, energy prices have varied significantly, and this trend may continue due to market conditions and other factors beyond the control of steel producers. Because the production of direct reduced iron and the re-heating of steel involve the use of significant amounts of energy, steel producers are sensitive to energy prices and are dependent on having access to reliable supplies. For example, the Group mothballed its steel processing plant at Llanwern, United Kingdom in 2015 due to high energy prices. Accordingly, even moderate increases in energy prices can have a significant effect on the Group's business, financial condition, results of operations and prospects.

The Group faces risks relating to its proposed joint venture with Thyssenkrupp AG.

The Group has signed a memorandum of understanding with respect to the creation of a 50-50 joint venture with Thyssenkrupp AG, as announced on September 20, 2017. The proposed joint venture relates to the parties' flat steel activities based in Europe and Thyssenkrupp AG's steel mill services. It would significantly change the Group's European operations. The commitments regarding the creation of this joint venture in the memorandum of understanding are not binding on either party and the successful creation of the joint venture is subject to a number of conditions, including negotiation of definitive documentation, regulatory approvals and informing and, where necessary, consulting with various stakeholders, including employee representative bodies, and other matters outside the Group's control. The debt finance for the European business will also need to be refinanced prior to the creation of the joint venture. Therefore, there can be no certainty that this joint venture will be created, nor that if it is created it will succeed or that we will be able to realize the expected benefits. In addition, if the joint venture is created, the Group's European operations will be subject to the risks inherent with joint ventures including (since it is a 50-50 joint venture) the loss of Group control over the business. The Group will also of course be subject to business risks inherent in the Thyssenkrupp AG business, in relation to which due diligence is ongoing.

The Group's UK business has separated from the BSPS, and BSPS members are currently undergoing a consensual transfer exercise to a new scheme sponsored by the UK business.

On March 31, 2017, the BSPS was closed to future accrual and replaced by a defined contribution scheme. On September 11, 2017, the BSPS separated from TSUK and a number of affiliated companies by way of a Regulated Apportionment Arrangement ("RAA"). TSUK has also agreed to sponsor a proposed new pension scheme ("BSPS2"), to which BSPS members may choose to transfer subject to certain qualifying conditions in relation to BSPS2. Since the RAA has completed, all members of the BSPS have been invited to transfer to BSPS2. If the qualifying conditions are met, those members who choose to do so will transfer to the BSPS2 at the end of March 2018. There is uncertainty with respect to the creation and composition of the BSPS2, the composition of which in terms of number of members, the funding position and its risk profile will not be known until March 2018.

The Group has a substantial amount of indebtedness, which may adversely affect its cash flow and its ability to operate its business.

The Group's outstanding indebtedness was Rs.830,145 million as of March 31, 2017. Any downturn in the steel industry increases the possibility that the Group may be unable to generate cash sufficient to pay, when due, the principal of, interest on or other amounts due in respect of its indebtedness. In addition, as this debt matures, the Group may need to refinance or secure new debt which may not be available on favorable terms or at all. Approximately 22.9% of this outstanding indebtedness is due within one year and, a portion of which will be refinanced by the Group through loans with longer tenors. Approximately 68.2% of this outstanding indebtedness matures within the next five years (including indebtedness maturing within one year).

The Group's high indebtedness levels, and other financial obligations and contractual commitments, may have other significant consequences for its business and results of operations, including:

- increased vulnerability to adverse changes in economic conditions, government regulation or the competitive environment;

- diversion of its cash flow from operations to payments on its indebtedness and other obligations and commitments, thereby reducing the availability of its cash flows to fund working capital, capital expenditure, acquisitions and other general corporate purposes;

- limiting additional borrowings for working capital, capital expenditure, acquisitions, debt refinancing service requirements, execution of its business strategy or other purposes;

- impairing its ability to pay dividends in the future; and

- exacerbating the impact of foreign currency movements on the profitability and cash flows of the Group.

A significant portion of the Group's indebtedness has been incurred by the Group's subsidiaries, including TSE. The Group may be required, under the Group's various financing arrangements, to provide financial resources to support such subsidiaries under their existing and future indebtedness. The Group has provided financial support to TSE and other subsidiaries in the past and there can be no assurance that the Group will not be required to contribute additional funds to reduce the outstanding debt or otherwise provide substantial support to its subsidiaries in the future. While the Group expects to transfer a portion of the Group's external debt in TSE to the proposed joint venture in Europe with Thyssenkrupp AG, the establishment of the joint venture is not certain and the Group, as a 50% shareholder in the joint venture, may be required to provide additional support to the business if the joint venture is created.

In addition, the Group's high indebtedness levels, and other financial obligations and contractual commitments could lead to a downgrade of its credit rating by international and domestic rating agencies, thereby adversely impacting the Group's ability to raise additional financing and the interest rates and commercial terms on which such additional financing is available.

The Group may incur additional borrowings in the future, including by way of issuing bonds. The Group's inability to meet its debt service obligations and repay its outstanding indebtedness depends primarily on the revenue generated by its business. The Group cannot assure you that it will generate sufficient revenues to service existing or proposed borrowings or fund other liquidity needs.

Mining operations are subject to substantial risk, including those related to operational hazards and environmental issues.

The Group currently operates several iron ore and coal mines in India and has an interest in mines in Mozambique, Canada and South Africa. The Group may substantially increase the scope of its mining activities in the future. These operations are subject to hazards and risks normally associated with the exploration, development and production of natural resources including industrial accidents, such as explosions, fires, transportation interruptions and inclement weather. The occurrence of any of these events, or similar events, could delay production, increase production costs and result in death or injury to persons, damage to property and liability for the Group, some or all of which may not be covered by insurance, as well as substantially harm the Group's reputation.

These operations are also subject to hazards and risks relating to negative environmental consequences such as those resulting from tailings and sludge disposal, effluent management and disposal of mineralized waste water and rehabilitation of land disturbed during mining processes. In addition, environmental awareness throughout the world, including in India and other emerging markets, has grown significantly in recent years, and opposition to mining operations have also increased due to the perceived negative impact they have on the environment. Public protests over the Group's mining operations could cause operations to slow down, damage the Group's reputation and goodwill with the governments or public in the countries and communities in which the Group operates, or cause damage to its facilities. Public protest could also affect the ability of the Group to obtain necessary licenses to expand existing facilities or establish new operations. Consequently, negative environmental consequences as well as public opposition to the Group's current or planned mining operations could have a material adverse effect on the Group's results of operations and financial condition.

The Group's estimates of its Indian mineral reserves and the mineral reserves of its other mining investments are subject to assumptions, and if the actual amounts of such reserves are less than estimated, or if the Group is unable to gain access to sufficient mineral reserves, the Group's results of operations and financial condition may be adversely affected.

The Group's estimates of its iron ore and coal resources, including in India, Australia, Mozambique, Canada and South Africa, are subject to probabilistic assumptions based on interpretations of geological data obtained from sampling techniques and projected rates of production in the future. In addition, no independent third-party reports have been generated to ascertain the level of mineral reserves located at certain of the Group's existing and potential mining sites. Actual reserves and production levels may differ significantly from reserve estimates. Furthermore, it may take many years from the initial phase of exploration before production is possible during which time the economic feasibility of exploiting such reserves may change. There can be no assurance that commercial levels of raw materials will be discovered or that the mines will produce raw materials at the estimated amounts or at all.

If mineral reserves or the quality of such reserves are overestimated, the level of viable reserves would be lower than expected, and the Group may be forced to purchase such minerals in the open market. Prices of minerals in the open market may significantly exceed the cost at which the Group might otherwise be able to extract these minerals, which would cause costs to increase and consequently adversely affect the Group's businesses, results of operations, financial condition and prospects.

The Group's leased mines are valuable to its operations and consequently if it is unable to renew any lease or obtain new lease rights it may be required to purchase such minerals for higher prices in the open market or pay escalated royalties for the existing leases which may negatively impact its results of operations and financial condition.

The Group extracts minerals in India pursuant to mining leases from state governments in the areas in which such mines are located including leases for iron ore mines in the Noamundi, Joda and Khondbond regions and coal mines in the West Bokaro, Odisha and Jamadoba, Jharkhand. These leases are granted under the Indian Mines and Minerals (Development and Regulations) Act, 1957 (the "MMDR Act"). In addition, the Group has plans to increase the scope of its mining activities pursuant to new leases with the state governments in Odisha and Jharkhand. The Group's current leases have been extended (disputes in respect of renewal of the lease for the mines at Noamundi are being contested by the Group based on the interpretation of the MMDR Act, 2015) and the extension is subject to the lessee not being in breach of any applicable laws, including environmental laws and complying with such other conditions as the relevant governmental authorities may impose.

While granting approval for the extension of the mining lease for the Noamundi iron ore mines, the State Government of Jharkhand imposed certain additional conditions, including a demand of Rs.35,683 million towards penalty for alleged illegal mining by the Group. For further details, please see "Business — Litigation".

If the Group's mining leases in India are not renewed, or renegotiated on terms that are less advantageous, no new leases are made available, or royalties charged against the Group's leases are increased, the Group may be forced to purchase such minerals in the open market or pay increased royalties. If prices in the open market exceed the cost at which the Group might otherwise be able to extract these minerals or there is an increase in royalties payable, the Group's costs would increase and the Group's business, results of operations, financial condition and prospects would be materially and adversely affected.

Inability to obtain, renew or maintain the statutory and regulatory permits, licenses and approvals required to operate the Group's business could have a material adverse effect on its business.

The Group requires certain statutory and regulatory permits, licenses and approvals for its business in each of the jurisdictions in which it operates. There can be no assurance that the relevant authorities will issue such permits or approvals in the time frame anticipated by the Group or at all.

In relation to compliance with approvals, the Group, for instance, has received demand notices in the aggregate amount of Rs.1,329 million from the Office of the Deputy Director Mines, Joda in Odisha where it has been alleged that production of iron ore and manganese ore from the Group's mines during the periods between 2000-01 and 2010-11 was in excess of the quantity approved by the Indian Bureau of Mines and the limits approved under the provisions of, amongst others, the Environment (Protection Act), 1986 and the Air (Prevention and Control of Pollution) Act, 1981. The Group has responded to these notices. The Group has also received a demand notice from the Government of Jharkhand in the aggregate amount of Rs.21,400 million in relation to four of the Group's coal mines in Jharkhand. See "Business — Litigation". If the Group is unable to obtain and maintain the requisite licenses in a timely manner or at all, or to renew or maintain existing permits or approvals, or comply with the terms and conditions prescribed in such permits or approvals, it may result in the interruption of the Group's operations (including suspension or termination of its mining leases) and may have a material adverse effect on the Group's business, financial condition and results of operations.

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, including intangible assets such as goodwill.

The Group reviews the carrying amounts of its tangible and intangible assets (including investments) to determine whether there is any indication that the carrying amount of those assets may not be recoverable through continuing use.

Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. The Group makes a number of significant assumptions and estimates when applying its impairment test, including in estimation of the net present value of future cash flows attributable to assets or cash generating units. The actual results or performance of these assets or cash generating units could differ from estimates used to evaluate the impairment of assets. In the event that the recoverable amount of any cash-generating unit is less than the carrying amount of the unit, the impairment loss will first be allocated to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit in proportion to the carrying amount of each asset in the unit. However, the decrease in recoverable amount of assets is not conclusively indicative of a long-term diminution in value of the assets.

While impairment does not affect reported cash flows, the decrease in estimated recoverable amount, as well as, the related non-cash charge in the consolidated statement of profit and loss could have a material adverse effect on the Group's financial results or on key financial ratios. Since the 2008 financial crisis, the Group's businesses, including its European operations, have been under severe pressure, and the Group has recognized non-cash write downs of goodwill and assets in connection with these operations. Many of the Group's peers in the steel industry have taken substantial impairment charges in their accounts for their most recent financial year.

Impairment loss recognised in respect of property, plant and equipment (including capital work-in-progress) and intangible assets for the year ended March 31, 2017 was Rs.2,679 million. For the year ended March 31, 2017, provision for advances given for repurchase of equity shares in Tata Teleservices Limited from NTT Docomo Inc. was Rs.1, 255 million.

In accordance with the Group's policy, impairment review is conducted only at the end of the last quarter of the financial year. There can be no assurance that the Group will not be required to take impairment charges for the year ended March 31, 2018, in relation to its operations or elsewhere, or thereafter and, if taken, such charges may be significant. Any future impairment charges may adversely impact the Group's financial covenants, liquidity position and results of operations.

***The production of steel is capital intensive, with long gestation periods*.**

The production of steel is capital intensive, with a high proportion of investment in fixed assets such as land, plant and machinery. Further, setting up of new capacities or expansion of existing capacities require long lead times. If total capacity in the industry exceeds demand, there is a tendency for prices to fall sharply if supply is largely maintained. Conversely, if demand grows strongly, prices increase rapidly, as unutilized capacity cannot be brought on line as quickly. The result can be substantial price volatility. While the Group has taken steps to reduce operating costs, it may be negatively affected by significant price volatility, particularly in the event of excess production capacity in the global steel market, and incur operating losses as a result.

If the Group is unable to successfully implement its growth strategies, its results of operations and financial condition could be adversely affected.

As part of its future growth strategy, the Group plans to expand its steelmaking capacity through a combination of brownfield growth, new greenfield projects and acquisition opportunities and to focus this additional capacity on the increased production of high value products. For further details see "Business — Expansion and Development Projects". These projects, and a number of other expansion projects, to the extent that they proceed, would involve risks, including risks associated with the timely completion of these projects, and failure by the Group to adequately manage these risks notwithstanding its upgraded operational and financial systems, procedures and controls could have a material adverse effect on the Group's business, financial condition, results of operations and prospects. Factors that could affect the Group's ability to complete these projects include receiving financing on reasonable terms, obtaining or renewing required regulatory approvals and licenses, delays in land acquisitions, a decline in demand for the Group's products and general economic conditions. For example, the Group's Odisha project experienced delays primarily associated with land acquisition, licenses and construction delays due to extreme weather conditions. Delays associated with land acquisitions and obtaining various licenses and approvals require the coordination and cooperation of various governmental agencies and third parties that are outside the control of the Group. In many cases, even though the Group paid for or applied for acquisitions, services or licenses, delays associated with the responsiveness of counterparties were one of the key reasons for construction delays. To accommodate this growth, the Group has needed to implement a variety of new and upgraded operational and financial systems, procedures and controls, including the improvement of its accounting and other internal management systems, all of which require substantial management time and effort. In addition, the feasibility of the Group's growth strategies are also dependent upon the ability of the Group to negotiate extensions of memorandums of understanding with the relevant state governments, obtain new iron ore mining leases from the relevant state governments and on certain political factors including the resettlement and rehabilitation of people living on the land to be used in a project. Any of these factors may cause the Group to delay, modify or forego some or all aspects of its expansion plans. Further, there can be no assurance that the Group will be able to execute its strategies on time and within the estimated budget.

In addition, certain brownfield expansions, at the particular facility being upgraded, would have require the temporary shut-down of operations. During these periods, the Group could experience reduced production volumes which could translate into reduced sales volume. This could have a direct negative impact on revenue and operating results for such period. Consequently, the Group cannot assure prospective investors that it will be able to execute these projects and, to the extent that they proceed, that it will be able to complete them on schedule or within budget. In addition, there can be no assurance that the Group will be able to achieve its goal of increasing the production of high value products or that it will otherwise be able to achieve an adequate return on its investment. Failure to do so could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Further, as part of the Group's growth strategy and to improve liquidity, the Group endeavors to undertake portfolio rationalization through divestment of assets and businesses from time to time. These include some of the Group's operating steel assets, logistics and downstream assets. Divestment of these assets and businesses could be significant. The Group cannot assure you that any the divestments will be completed in a timely manner on commercially acceptable terms, or at all, or that the divestments undertaken in the past could not have been completed on more favorable terms.

If industry-wide steel inventory levels are high, customers may draw from inventory rather than purchase new products, which would reduce the Group's sales and earnings.

Above-normal industry inventory levels can cause a decrease in demand for the Group's products and thereby adversely impact its earnings. High industry-wide inventory levels of steel reduce the demand for production of steel because customers can draw from inventory rather than purchase new products. This reduction in demand could result in a corresponding reduction in prices and sales, both of which could contribute to a decrease in earnings. Industry-wide inventory levels of steel products can fluctuate significantly from period to period.

The Group is subject to certain restrictive covenants in its financing arrangements which may limit operational and financial flexibility, and failure to comply with these covenants may have a material adverse effect on the Group's future results of operations and financial condition.

Certain of the Group's financing arrangements include covenants to maintain certain debt to equity ratios, debt coverage ratios and certain other liquidity and profitability ratios. There can be no assurance that such covenants will not hinder business development and growth.

In the event that the Group breaches any covenants under its financing arrangements or requisite consents/waivers cannot be obtained, the outstanding amounts due under such financing agreements could become due and payable immediately. A default under one of these financing agreements may also result in cross-defaults under other financing agreements and result in the outstanding amounts under such financing agreements becoming due and payable immediately. Defaults under one or more of the Group's financing agreements could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Some of the Group's financing agreements and debt arrangements set limits on or require it to obtain lender consents before, among other things, undertaking certain projects, issuing new securities, changing the business of the Group, merging, consolidating, selling significant assets or making certain acquisitions or investments. In the past, the Group has been able to obtain required lender consents for such activities. However, there can be no assurance that the Group will be able to obtain such consents in the future. If the Group's financial or growth plans require such consents, and such consents are not obtained, or other condition or covenant under the Group's financing agreements is not waived by the lender, the Group may be forced to forgo or alter its plans, which could adversely affect its results of operations, financial condition and prospects.

In addition, certain covenants may limit the Group's ability to raise incremental debt or to provide collateral.

The Group's contingent liabilities could adversely affect its financial condition.

The Group has created provisions for certain contingent liabilities in its financial statements. There can be no assurance that the Group will not incur similar or increased levels of contingent liabilities in the current fiscal year or in the future and that the Group's existing contingent liabilities will not have material adverse effect on its business, financial condition and results of operations.

The Group relies on licensing arrangements with Tata Sons Limited to use the "Tata" brand. Any improper use of the associated trademarks by the licensor or any other third parties could materially and adversely affect the Group's business, financial condition and results of operations.

Rights to trade names and trademarks are a crucial factor in marketing the Group's products. Establishment of the "Tata" word mark and logo mark in and outside India is material to the Group's operations. The Group has licensed the use of the "Tata" brand from Tata Sons. If Tata Sons, or any of their subsidiaries or affiliated entities, or any third party uses the trade name "Tata" in ways that adversely affect such trade name or trademark, the Group's reputation could suffer damage, which in turn could have a material adverse effect on its business, financial condition and results of operations.

The Group may not be able to obtain adequate funding required to carry out its future plans for growth.

Disruptions in global credit and financial markets and the resulting governmental actions around the world could have a material adverse impact on the Group's ability to meet its funding needs. The Group requires continuous access to large quantities of capital in order to carry out its day-to-day operations. The Group has historically required, and in the future expects to require, outside financing to fund capital expenditure needed to support the growth of its business (including the additional operational and control requirements of this growth) as well as to refinance its existing debt obligations and meet its liquidity requirements.

In the event of adverse market conditions, or if actual expenditure exceeds planned expenditure, the Group's external financing activities and internal sources of liquidity may not be sufficient to support current and future operational plans, and the Group may be forced to, or may choose to, delay or terminate the expansion of the capacity of certain of its facilities or the construction of new facilities. The Group's ability to arrange external financing and the cost of such financing, as well as the Group's ability to raise additional funds through the issuance of equity, equity-related or debt instruments in the future, is dependent on numerous factors. These factors include general economic and capital market conditions, interest rates, credit availability from banks or other lenders, investor confidence in the Group, the success of the Group, provisions of tax and securities laws that may be applicable to the Group's efforts to raise capital, the political and economic conditions in the geographic locations in which the Group operates, the amount of capital that other entities may seek to raise in the capital markets, the liquidity of the capital markets and the Group's financial condition and results of operations.

There can be no assurance that the Group will be able to obtain bank loans or renew existing credit facilities granted by financial institutions in the future on reasonable terms or at all or that any fluctuation in interest rates will not adversely affect its ability to fund required capital expenditure. The Group may be unable to raise additional equity on terms or with a structure that is favorable, if at all. If the Group is unable to arrange adequate external financing on reasonable terms, the Group's business, operations, financial condition and prospects may be adversely and materially affected.

The Group operates a global business and its financial condition and results of operations are affected by the local conditions in or affecting countries where it operates.

The Group operates a global business and has facilities in the United Kingdom, the Netherlands, India, Germany, Thailand, Singapore, China, Vietnam, Mozambique and Australia. As a result, the Group's financial condition and results of operations are affected by political and economic conditions in or affecting countries where it operates.

The Group faces a number of risks associated with its operations, including: challenges caused by distance, local business customs, languages and cultural differences, adverse changes in laws and policies, including those affecting taxes and royalties on energy resources. In September 2014, royalty rates on iron ores in India were increased, which had a temporary adverse impact on the Group's profitability, as there was a lag in passing this cost through to customers. Other risks may be relating to labor, local competition law regimes, environmental compliance and investments, difficulty in obtaining licenses, permits or other regulatory approvals from local authorities; adverse effects from fluctuations in exchange rates; multiple and possibly overlapping and conflicting standards and practices of the regulatory, tax, judicial and administrative bodies of the relevant foreign jurisdiction; political strife, social turmoil or deteriorating economic conditions; military hostilities or acts of terrorism; and natural disasters, including earthquakes in India and flooding and tsunamis in Southeast Asia, and epidemics or outbreaks such as avian flu, swine flu or severe acute respiratory syndrome. In addition, the infrastructure of certain countries where the Group operates its business, in particular India but also Thailand and Vietnam is less developed than that of many developed nations and problems with its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt the Group's normal business activities.

Investments in certain countries could also result in adverse consequences to the Group under existing or future trade or investment sanctions. The effect of any such sanctions could vary, but if sanctions were imposed on the Group or one of its subsidiaries, there could be a material adverse impact on the market for the Group's securities or it could significantly impair the Group's ability to access the U.S. or international capital markets.

Any failure on the Group's part to recognize and respond to these risks may materially and adversely affect the success of its operations, which in turn could materially and adversely affect the Group's business, results of operations, financial condition and prospects.

A substantial and increasing portion of the Group's revenues is derived from India and consequentially it is exposed to risks associated with economic conditions in India.

India is principally the largest market for the Group's operations and contributed to approximately 43% of its revenue on a consolidated basis for the year ended March 31, 2017. A significant and ever-increasing portion of the Group's revenue is generated in India. Existing and potential competitors may increase their focus on India, which could reduce the Group's market share. For example, the Group's competitors may intensify their efforts to capture a larger market share by undertaking aggressive pricing strategies and increasing their focus on product development.

Investors in emerging markets such as India should be aware that these markets are subject to various risks, including in some cases significant legal, economic and political risks. In addition, adverse political or economic developments in other Asian countries could have a significant negative impact on, among other things, India's GDP, foreign trade and economy in general. Investors should note that emerging markets, including India, are subject to rapid change and information contained in this document may quickly become outdated. Investors should exercise particular care in evaluating risks involved and must decide for themselves whether, in light of those risks, an investment in the Notes is appropriate.

The unexpected loss, shutdown or slowdown of operations at any of the Group's facilities could have a material adverse effect on the Group's results of operations and financial condition.

The Group's facilities are subject to operating risks, such as the breakdown or failure of equipment, power supply interruptions, facility obsolescence or disrepair, labor disputes, natural disasters and industrial accidents. The occurrence of any of these risks could affect the Group's operations by causing production at one or more facilities to shutdown or slowdown. No assurance can be given that one or more of the factors mentioned above will not occur, which could have a material adverse effect on the Group's results of operations and financial condition.

In addition, the Group's manufacturing processes depend on critical pieces of steelmaking equipment. Such equipment may, on occasion, be out of service as a result of unanticipated failures, which could require the Group to close part or all of the relevant production facility or cause production reductions on one or more of its production facilities. The Group's facility and equipment would be difficult and expensive to replace on a timely basis. Any interruption in production may require significant and unanticipated capital expenditure to affect repairs, which could have a negative effect on profitability and cash flows. Although the Group maintains business interruption insurance, the recoveries under its insurance coverage may be delayed or may not be sufficient to offset the lost revenues or increased costs resulting from a disruption of its operations. A sustained disruption to the Group's business could also result in a loss of customers. Any or all of these occurrences could result in the temporary or long-term closure of the Group's facilities, severely disrupt its business operations and materially adversely affect the Group's business, results of operations, financial condition and prospects.

Costs related to the Group's obligations to pension and other retirement funds could escalate, thereby adversely affecting the Group's results of operations and financial conditions.

The Group has significant pension and other retirement obligations to its employees. For details in relation the pension schemes and other retirement benefits made available to employees, please see the section entitled "Business — Employees". The relevant European entities of the Group, most materially in the UK and the Netherlands, provide retirement benefits for substantially all of their respective employees under several defined benefit and defined contribution plans. UK defined benefit pensions contributions are calculated by independent actuaries using various assumptions about future events. The actuarial assumptions used may differ from actual future results due to changing market and economic conditions, higher or lower withdrawal rates, longer or shorter life spans of participants or other unforeseen factors. These differences may impact the actual net pension expense and liability, as well as future funding requirements. However, one of the qualifying conditions to BSPS members transferring to BSPS2 will be that BSPS2 members, after the transfer, will enjoy a material surplus of scheme assets relative to calculated scheme liabilities which, in the UK, materially mitigates, but does not eliminate, the principal financial pension risks.

The Group faces numerous protective trade restrictions, including anti-dumping laws, countervailing duties and tariffs, which could adversely affect its results of operations and financial condition.

Protectionist measures, including anti-dumping laws, countervailing duties and tariffs and government subsidization adopted or currently contemplated by governments in some of the Group's export markets could adversely affect the Group's sales. Anti-dumping duty proceedings or any resulting penalties or any other form of import restrictions may limit the Group's access to export markets for its products, and in the future additional markets could be closed to the Group as a result of similar proceedings, thereby adversely impacting its sales or limiting its opportunities for growth.

Tariffs are often driven by local political pressure in a particular country and therefore there can be no assurance that quotas or tariffs will not be imposed on the Group in the future. In the event that such protective trade restrictions are imposed on the Group or any of the Group companies, its exports could decline. Additionally, there can be no assurance that the Group will benefit from trade restrictions that protect the markets in which it produces the majority of its products, being India and Europe. Foreign steel manufacturers may, as a result of trade restrictions in other regions or other factors, attempt to increase their sales in these markets thereby causing increased competition in India and Europe. A decrease in exports from India and Europe or an increase in steel imports to India and Europe as a result of protective trade restrictions could have a negative impact on the Group's business, financial condition, results of operations and prospects.

The Group does avail itself to certain conditional concessionary arrangements with respect to trade that may impose conditions on the Group which could lead to penalties if such conditions are not met.

Any change in existing government policies providing support to steel manufacturers, or new policies withdrawing support presently available could adversely affect the Group's business and results of operations.

Any change in existing government policies providing support to steel manufactures, or new policies withdrawing support presently available, in the jurisdictions in which the Group has operations could adversely affect the supply and demand balance and the competitive environment. For example, in February 2016, the Government of India announced a minimum import price on 173 steel products to prevent dumping of steel products. Subsequently, the minimum import price was discontinued and the Government of India imposed anti-dumping duties on steel products with effect from August 2016 for a period of five years. Similarly, in February 2016, the European Union announced provisional anti-dumping duties on cold-rolled flat steel from China and Russia. If any such measures are withdrawn or not renewed upon expiry, it may adversely affect the competitive environment and the Group cannot assure you that it would be able to pass on any resultant increase in costs to the Group's customers, which could adversely affect its business and results of operations.

Environmental matters, including compliance with laws and regulations and remediation of contamination, could result in substantially increased capital requirements and operating costs.

The Group's businesses are subject to numerous laws, regulations and contractual commitments relating to the environment in the countries in which it operates and the Group's operations generate large amounts of pollutants and waste, some of which are hazardous. These laws, regulations and contractual commitments concern air emissions, wastewater discharges, solid and hazardous waste material handling and disposal, and the investigation and remediation of contamination or other environmental restoration. The risk of substantial costs and liabilities related to compliance with these laws and regulations is an inherent part of the Group's business. Facilities currently or formerly owned or operated by the Group, or where wastes have been disposed or materials extracted, are all subject to risk of environmental cost and liabilities, which includes the costs or liabilities relating to the investigation and remediation of past or present contamination or other environmental restoration. In addition, future conditions and contamination may develop, arise or be discovered that create substantial environmental compliance, remediation or restoration liabilities and costs despite the Group's efforts to comply with environmental laws and regulations, violations of such laws or regulations can result in civil and/or criminal penalties being imposed, the suspension of permits, requirements to curtail or suspend operations, lawsuits by third parties and negative reputational effects. There can be no assurance that substantial costs and liabilities will not be incurred in the future. For example, the Deputy Director Mines, Joda Circle, District Keonjhar has issued demand notices to the Group in relation to seven of its iron ore and manganese ore mines located in Odisha, aggregating to Rs.38,185 million for allegedly carrying out mining in excess of the permitted limits. In addition, the same authority has issued a demand notice to the Group demanding an amount of Rs.4,111 million in relation to royalty at sized ore rates on despatches of ore fines.

An increase in the requirements of environmental laws and regulations, increasingly strict enforcement thereof by governmental authorities, or claims for damages to property or injury to persons resulting from the environmental impacts of the Group's operations or past contamination, could prevent or restrict some of the Group's operations, require the expenditure of significant funds to bring the Group into compliance, involve the imposition of cleanup requirements and reporting obligations, and give rise to civil and/or criminal liability.

There can be no assurance that any such legislation, regulation, enforcement or private claim will not have a material adverse effect on the Group's business, financial condition or results of operations. In the event that production at one of the Group's facilities is partially or wholly disrupted due to this type of sanction, the Group's business could suffer significantly and its results of operations and financial condition could be materially and adversely affected.

In addition, the Group's current and future operations may be located in areas where communities may regard its activities as having a detrimental effect on their natural environment and conditions of life. Any actions taken by such communities in response to such concerns could compromise the Group's profitability or, in extreme cases, the viability of an operation or the development of new activities in the relevant region or country.

The Group's steel manufacturing operations are hazardous processes that can cause personal injury and loss of life, severe damage to property and equipment as well as environmental damage, which could cause the Group to incur significant costs and liabilities and may damage the Group's reputation.

The Group is subject to a broad range of health and safety laws and regulations in each of the jurisdictions in which it operates. These laws and regulations, as interpreted by the relevant agencies and the courts, impose increasingly stringent health and safety protection standards. The costs of complying with, and the imposition of liabilities pursuant to, health and safety laws and regulations could be significant, and failure to comply could result in the assessment of civil and/or criminal penalties, the suspension of permits or operations and lawsuits by third parties.

Despite the Group's efforts to monitor and reduce accidents at its facilities, there remains a risk that health and safety incidents may occur. Such incidents could include explosions or gas leaks, fires or collapses in underground mining operations, vehicular accidents, other incidents involving mobile equipment or exposure to potentially hazardous materials. Due to the nature of the Group's business, certain incidents can and do result in employee fatalities. Some of the Group's industrial activities involve the use, storage and transportation of dangerous chemicals and toxic substances, and the Group is therefore subject to the risk of industrial accidents which could have significant adverse consequences for the Group's workers and facilities, as well as the environment. Such incidents could lead to production stoppages, the loss of key assets, or put employees (and those of sub-contractors and suppliers) or persons living near affected sites at risk. In addition, such incidents could damage the Group's reputation, leading to the rejection of products by customers, devaluation of the Tata brands and diversion of management time into rebuilding and restoring its reputation.

The Group's operating results are affected by movements in exchange rates and interest rates.

There has been considerable volatility in foreign exchange rates in recent years, including rates between the Euro, Indian Rupee, U.S. Dollar, Japanese Yen and other major foreign currencies. To the extent that the Group incurs costs in one currency and generates sales in another, the profit margins may be impacted by changes in the exchange rates between the two currencies. The sales from the Group's European operations are denominated mainly in Euro, and sales from its Indian operations are denominated primarily in Rupees. However, exports from India have increased significantly in recent years, which are mainly denominated in U.S. Dollars. The raw material purchases for the Group's European operations are denominated mainly in U.S. Dollars while employee related expenses and other costs are primarily denominated in GBP and Euros. The costs of the Group's Indian operations are denominated primarily in Indian Rupees, although its revenue and capital goods imports are denominated mostly in U.S. Dollars, and in a lesser way, in Euros, Japanese Yen and other currencies. The Group's Indian operations have debt denominated in foreign currency, and imports of the Group's Indian operations that are denominated in U.S. Dollars currently exceed its exports denominated in U.S. Dollars on an annual basis. In addition, because of ongoing growth projects in India for which the Group expects to incur significant capital expenditure, including the purchase of steel production equipment, the Group is expected to have imports in Euros, U.S. Dollars, GBP and Japanese Yen. The Group has hedging policies that help minimize the volatility in cash flows, however, fluctuations in exchange rates, may impact the Group's profit margins and revenue from its operations.

The Group books forward contracts on a rolling basis to hedge currency mismatches in its European business. For other exposures, it maintains a policy of booking forward contracts to hedge exposures once they are crystallized. The Group has hedging policies that permit the use of different hedging instruments including forward contracts, option contracts and other derivatives to hedge foreign exchange and interest rate risks. Changes in exchange rates may nevertheless have a material and adverse effect its business results, financial condition and prospects.

As at March 31, 2017, the Group's indebtedness included outstanding floating-rate debt in the principal amount of Rs.499,500 million. If interest rates rise, interest payable on this debt will also rise, thereby increasing the Group's interest expense and cost of new financing. Such rise in interest rates may therefore materially and adversely affect the Group's cash flow and results of operations.

Competition from other materials, or changes in the products or manufacturing processes of customers that use the Group's steel products, could reduce market prices and demand for steel products and thereby reduce the Group's cash flow and profitability.

In many applications, steel competes with other materials that may be used as substitutes, such as aluminum (particularly in the automobile industry), cement, composites, glass, plastic and wood. Government regulatory initiatives mandating or creating incentives for the use of such materials in lieu of steel, whether for environmental or other reasons, as well as the development of other new substitutes for steel products, could significantly reduce market prices and demand for steel products and thereby reduce the Group's cash flow and profitability.

In addition, the steel market is characterized by evolving technology standards that require improved quality, changing customer specifications and wide fluctuations in product supply and demand. The products or manufacturing processes of the customers that use the Group's steel products may change from time to time due to improved technologies or product enhancements. These changes may require the Group to develop new products and enhancements for its existing products to keep pace with evolving industry standards and changing customer requirements. If the Group cannot keep pace with market changes and produce steel products that meet its customers' specifications and quality standards in a timely and cost-effective manner, its business, results of operations, financial condition and prospects could be materially adversely affected.

The Group has undertaken, and may undertake in the future, strategic acquisitions, which may be difficult to integrate, and may end up being unsuccessful.

The Group has in the past pursued, and may from time to time pursue in the future, acquisitions. From 2005 to 2007, the Group acquired operations in Europe through the acquisition of Corus Group plc. ("Corus") as well as operations in Thailand, Singapore, China, Vietnam and Australia through the acquisitions of Tata Steel Thailand and NatSteel. These acquisitions posed significant logistical and integration issues for the Group, as it had no previous experience in managing substantial foreign companies or large-scale international operations.

The Group's ability to achieve the benefits it anticipates from future acquisitions will depend in large part upon whether it is able to integrate the acquired businesses into the rest of the Group in an efficient and effective manner. The integration of acquired businesses and the achievement of synergies require, among other things, coordination of business development and procurement efforts, manufacturing improvements and employee retention, hiring and training policies, as well as the alignment of products, sales and marketing operations, compliance and control procedures, research and development activities and information and software systems. Any difficulties encountered in combining operations could result in higher integration costs and lower savings than expected. Integration of certain operations also requires the dedication of significant management resources, and time and costs devoted to the integration process may divert management's attention from day to day business.

In addition, the Group is considering additional acquisitions, including acquisition of brownfield steel manufacturing operations in India, and may make further acquisitions which may require the Group to incur or assume substantial new debt, expose it to future funding obligations and expose it to integration risks, and the Group cannot assure prospective investors that such acquisitions will contribute to its profitability. The failure to successfully integrate an acquired business or the inability to realize the anticipated benefits of such acquisitions could materially and adversely affect the Group's business, results of operations, financial condition and prospects.

The Group faces risks relating to its joint ventures.

The Group has also entered into, and may from time to time in the future enter into, joint venture agreements, including for raw material projects. The Group may have limited control of these projects and therefore may be unable to require that its joint ventures sell assets or return invested capital, make additional capital contributions or take any other action. If there is a disagreement between the Group and its partners in a joint venture regarding the business and operations of the project, there can be no assurance that it will be able to resolve such disagreement in a manner that will be in the Group's best interests or at all. Certain major decisions, such as selling a stake in the joint project, may require the consent of all other partners. These limitations may adversely affect the Group's ability to obtain the economic and other benefits it seeks from participating in these projects. In addition, the Group's joint venture partners may have economic or business interests or goals that are inconsistent with the Group; take actions contrary to the Group's instructions, requests, policies or objectives; be unable or unwilling to fulfill their obligations; withdraw technology licenses provided to the Group; have financial difficulties; or have disputes as to their rights, responsibilities and obligations. Joint venture partners of the Group may also enter into business partnerships with competitors of the Group after the expiry of applicable non-compete periods, if any. Any of these and other factors may have a material adverse effect on the Group's joint venture projects, which may in turn materially and adversely affect the Group's business, results of operations, financial condition and prospects.

The Group faces risks relating to the restructuring of the Group's European operations.

The Group is currently in the process of restructuring the Group's European operations in order to increase efficiency in servicing the European markets, which may include the sale of some of its European operations and facilities. Such restructuring may include, *inter alia*, entering into joint venture agreements, undertaking mergers or debt restructurings of the Group's European operations. This may result in a reduction of the Group's overall production capacity in Europe. There can be no assurances that such restructuring exercises would result in an increase in efficiency as envisaged by the Group. There may be external factors such as a delay in obtaining regulatory approvals, dead-locks in negotiations and labor disputes which may hinder the Group's restructuring exercise. This may adversely affect the Group's business, results of operations, financial condition and prospects.

Labor problems could adversely affect the Group's results of operations and financial condition.

Most of the Group's employees in India, and a substantial portion of the Group's employees in Europe, other than management, are members of labor unions and are covered by collective-bargaining agreements with those labor unions, which have different terms at different locations and are subject to periodic renegotiation. Although the Group works to maintain good relations with its unions, there can be no assurance that there will be no labor unrest in the future, which may delay or disrupt its operations. If strikes, work stoppages, work slow-downs or lockouts at its facilities occur or continue for a prolonged period of time, the Group's business, results of operations, financial condition and prospects could be adversely affected.

The Group's insurance policies provide limited coverage, potentially leaving it uninsured or under insured against some business risks.

As part of risk management, the Group maintains insurance policies that may provide some insurance cover for labor unrest, mechanical failures, power interruptions, natural calamities or other problems at any of its steelmaking and mining facilities. While the Group believes that it maintains insurance coverage in amounts consistent with industry norms, the Group's insurance policies do not cover all risks and are subject to exclusions and deductibles.

If the Group's production facility is damaged in whole or in part and its operations are interrupted for a sustained period due to fire and similar perils, there can be no assurance that its insurance policies will be adequate to cover the losses that may be incurred as a result of such interruption or the costs of repairing or replacing the damaged facilities.

Notwithstanding the insurance coverage that it carries, the occurrence of any event that causes losses in excess of limits specified under the policy, or losses arising from events not covered by insurance policies, could have a material adverse effect on the Group's business, financial condition and operating results.

The Group is involved in certain outstanding litigation, investigations and other proceedings and cannot assure Noteholders that it will prevail in these actions.

There are several outstanding litigations against the Group and its Directors. There are also various criminal cases against the Group, its Directors and its subsidiaries. The Group is a defendant in legal proceedings incidental to its business and operations. These legal proceedings are pending at different levels of adjudication before various courts and tribunals in different jurisdictions. Should the proceedings be decided adversely against the Group, or any new developments arise, such as a change in Indian law or rulings against the Group by appellate courts or tribunals, the Group may incur significant expenses and management time in such legal proceedings and may need to make provisions in its financial statements, which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects. See "Business — Litigation".

The Group's business is dependent on its continuing relationships with its customers and suppliers who can suspend or cancel delivery of products.

Events of force majeure such as disruptions of transportation services because of weather-related problems, strikes, lock-outs, inadequacies in the road infrastructure and port facilities, government actions or other events that are beyond the control of the parties and allow the Group's suppliers to suspend or cancel deliveries of raw materials could impair its ability to source raw materials and components and its ability to supply its products to customers. Similarly, the Group's customers may suspend or cancel delivery of its products during a period of force majeure and any suspensions or cancellations that are not replaced by deliveries under new contracts or sales to third parties on the spot market would reduce cash flows and could adversely affect the Group's financial condition and results of operations. There can be no assurance that such disruptions will not occur.

The Group's success depends on the continued services of its senior management team.

The Group's success and growth depend on the continued services of its directors and other members of its senior management team. Their extensive experience in the steel industry and in-depth knowledge of various aspects of the Group's business operations. There can be no assurance that any executive director or member of senior management will continue in his or her present position, or that the Group will be able to find and hire a suitable replacement if any of them retires or joins a competing company. Moreover, along with the Group's steady growth and business expansion, the Group needs to employ, train and retain additional suitable skilled and qualified management and employees from a wider geographical area. If the Group cannot attract and retain suitable personnel, its business and future growth may be materially and adversely affected.

Product liability claims could adversely affect the Group's operations.

The Group sells products to major manufacturers who are engaged to sell a wide range of end products. Furthermore, the Group's products are also sold to, and used in, certain safety-critical applications. If the Group were to sell steel that does not meet specifications or the requirements of the application, significant disruptions to the customer's production lines could result. There could also be significant consequential damages resulting from the use of such products. The Group has a limited amount of product liability insurance coverage, and a major claim for damages related to products sold could leave the Group uninsured against a portion or all of the award and, as a result, materially harm its financial condition and future operating results.

Investors should not rely on any speculative information released in the press or other media regarding the Group, its business or the offering of Notes.

The Group is one of the leading steel producers in the world. As a result of this position, there may be information about the Group, its business, its employees or the offering of Notes carried by the press and other media which may be speculative and unconfirmed by the Group. Prospective investors are cautioned that the Group does not accept any responsibility for the accuracy or completeness of any such information in the press or other media regarding the Group, its business, its employees or the offering of Notes. Prospective investors should rely only on information included in this Offering Memorandum in making an investment decision with respect to this offering of Notes.

Furthermore, speculative information about the Group, its directors, officers and key employees could adversely affect the Group's reputation. Such speculation could potentially disrupt the Group's ability to do business with counterparties who give weight to media comment, thereby distracting the Group's management from their responsibilities and adversely affecting the trading price of the Notes.

The Group may not be successful in acquiring assets under the IBC.

The Group is in the process of submitting resolution plans in respect of certain companies and may submit resolution plans in respect of other companies undergoing the corporate insolvency resolution process under the IBC.

The IBC is a recent legislation which, among others, consolidates the law relating to reorganization and insolvency resolution of corporate entities. Under the IBC, a confidential information memorandum is provided to prospective applicants who satisfy the eligibility criteria with information about the corporate debtor including the liquidation value, the latest annual financial statements and the assets and liabilities. The applicant is required to submit a resolution plan within the prescribed period providing for, among others, payment of insolvency resolution process costs (including amount of any interim finance provided for the corporate debtor), repayment of the creditors as prescribed in the IBC and the details of management and control of the corporate debtor during the term of the resolution plan. The resolution plan is required to be approved by 75% of the committee of creditors and thereafter by the National Company Law Tribunal ("NCLT"). The corporate insolvency resolution process under the IBC (the "IBC Process") is new and relatively untested.

The Group may not be able to submit its resolution plan in a timely manner or at all, or the resolution plan it submits may not be approved by the committee of creditors or the NCLT. Further, while the IBC has prescribed a maximum period for the IBC Process, as it is relatively untested, the Group cannot assure you that it will be completed in a timely manner or at all.

The IBC Process may be challenged in court and the Group may be made a party to such litigation as a bidder or otherwise. Any such litigation could be time-consuming and expensive.

The Group cannot assure you that it will successfully acquire any entity in respect of which it has or choose to submit a resolution plan. Participation in the IBC Process may distract management attention from business operations and lead the Group to incur significant costs, which may have a material adverse effect on the Group's business, reputation and results of operation.

The Group may be unable to realize the anticipated benefits of any acquisition it makes under the IBC Process, which could have a materially adverse impact on its business, financial condition, reputation and results of operation.

Certain Indian steel manufacturing companies such as Bhushan Steel Limited, Electrosteel Steels Limited, Essar Steel India Limited, Bhushan Power and Steel Limited and Monnet Ispat and Energy Limited are currently undergoing the corporate insolvency resolution process under the IBC. The Group is in the process of submitting resolution plans in respect of certain companies and may submit resolution plans in respect of other companies undergoing the corporate insolvency resolution process under the IBC. The Group may also evaluate other strategic acquisition opportunities in financially stressed companies, including with respect to the above companies, which may include submitting bids, discussions with lenders and participating in auctions.

The valuation of the company depends on and is influenced by the cyclical nature of the global steel industry and may lead the Group to overvalue the assets it acquires or may be unable to effectively utilize or turnaround the acquired assets. The Group cannot assure you that any of these acquisitions will actually yield the benefits that may have been envisaged by the Group at the time of undertaking the same.

If the resolution plan submitted by the Group is approved by the committee of creditors and the NCLT, the Group will be required to implement the terms of the resolution plan. Acquisition of assets through the IBC Process requires repayment of the creditors of the corporate debtor and may require additional investment to revive the stressed assets. The Group may finance such an acquisition, wholly or in part, by incurring additional debt. As of September 30, 2017, the Group had gross outstanding indebtedness of Rs.902,594 million on a consolidated basis. The Group may not be able to secure additional debt in terms favorable to it or at all. Further, additional debt incurred for such an acquisition may increase the Group's level of indebtedness substantially and it may be unable to generate sufficient cash to pay the principal of, or interest on, or other amounts due in respect of such indebtedness when they are due.

The Group's resolution plans are based on certain assumptions and expectation that the acquisition would generate synergies and growth opportunities. However, the Group's assumptions may be incorrect and the acquisition may fail to generate synergies or expected benefits for various reasons. For example, the Group's evaluation of information available as part of the IBC Process may be faulty and as a result, the acquisition may not yield the anticipated benefits. The Group's analysis of potential benefits of acquisitions may be inaccurate as the assets are situated in a geographic region where it does not operate or are manufacturing products in which it does not have sufficient experience.

The Group's ability to achieve the benefits it anticipates from its acquisition may depend significantly on whether the Group is able to integrate its business with that of the acquired entity in an efficient and effective manner. Such integration may involve, among other things, coordination of business development, employee retention, alignment of products, sales and marketing operations. The Group may also have to rely on the management team of the acquired entity and there can be no assurance that such team will be integrated with its management or remain with the acquired entity.

The Group's acquisition may also be adversely affected if there are unfavorable changes in government policy or market conditions. Any change in government policy which affects the steel industry directly or indirectly (including due to impact on supply of raw materials or reduction of demand), or significant change in market conditions which affects steel prices in India or globally, may result in the Group's acquisition not achieving the anticipated benefits.

As the IBC Process is relatively untested, the Group may face unanticipated delays in completion of the acquisition. Further, even after approval of the resolution plan in terms of the IBC, the acquisition may be challenged in court and the Group may have to be involved in a protracted litigation process, the outcome of which would be uncertain. Further, the Group may require regulatory approvals including from the Competition Commission of India before effecting the acquisition. Such approvals may not be received in time, in terms favorable to the Group or at all.

Any of the above factors could have a material adverse impact on the Group's business, financial condition, reputation and results of operation.

External Risks

The Group's business is substantially affected by prevailing economic, political and other prevailing conditions in India, Europe and the other markets it currently services.

The Group is incorporated in India, and the majority of its assets and employees are located in India and Europe. As a result, it is highly dependent on prevailing economic conditions in India and Europe and its results of operations are significantly affected by factors influencing the Indian and Eurozone economy. Factors that may adversely affect the Indian and Eurozone economy, and therefore the Group's results of operations, may include:

- any increase in interest rates or inflation;
- any exchange rate fluctuation;
- any scarcity of credit or other financing in India, resulting in an adverse impact on the economic conditions in India and scarcity of financing of its developments and expansions;
- debt crisis in certain European countries;
- political instability, a change in government or a change in the economic and deregulation policies;
- domestic consumption and savings;
- balance of trade movements, namely export demand and movements in key imports (oil and oil products);
- annual rainfall in India which affects agricultural production;
- any exchange rate fluctuations;
- any scarcity of credit or other financing, resulting in scarcity of financing for its expansions;
- prevailing economic and income conditions among Indian and European consumers and corporations;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- changes in tax, trade, fiscal or monetary policies, including application of GST;

- political instability, terrorism or military conflicts in India or in countries in the region or globally;
- occurrence of natural or man-made disasters;
- infectious disease outbreaks or other serious public health concerns;
- prevailing regional or global economic conditions, including in India's principal export markets;
- other significant regulatory or economic developments in or affecting India or its financial services and pharmaceutical sectors;
- increase in India's trade deficits or such trade deficits becoming unmanageable; and
- decline or future material decline in India's foreign exchange reserves.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely impact the Group's business, results of operations and financial condition. The Group's performance and the growth of its business depend on the performance of the Indian economy and the economies of the regional markets it currently serves. These economies could be adversely affected by various factors, such as political and regulatory changes including adverse changes in liberalization policies, social disturbances, religious or communal tensions, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. Any slowdown in these economies could adversely affect the ability of the Group's customers to afford its services, which in turn would adversely impact the Group's business and financial performance.

High rates of inflation in India could increase the Group's costs without proportionately increasing its revenues, and as such decrease its operating margins. Any slowdown or perceived slowdown in the Indian and Eurozone economy, or in specific sectors thereof, could adversely impact the Group's business, results of operations and financial condition.

India's trade relationships with other countries can influence Indian economic conditions. For the year ended March 31, 2017, the trade deficit was approximately US$105.73 billion. This large trade deficit neutralizes the surpluses in India's invisibles in the current account, resulting in a current account deficit. If India's trade deficits increase or become unmanageable, the Indian economy, and therefore the Group's business, future financial performance, and cash flows could be adversely affected.

A decline or future material decline in India's foreign exchange reserves could impact the valuation of the Rupee and could result in reduced liquidity and higher interest rates which could adversely affect the Group's financial condition and future financial performance.

Changing laws, rules and regulations and legal uncertainties including adverse application of tax laws and regulations such as application of Goods and Services Tax, may adversely affect the Group's business results of operations, cash flows and financial performance.

The Group's business and financial performance could be adversely affected by changes in law or interpretations of existing, or the promulgation of new, laws, rules and regulations in India applicable to the Group and its. There can be no assurance that the central or the state governments may not implement new regulations and policies which will require the Group to obtain approvals and licenses from the governments and other regulatory bodies or impose onerous requirements and conditions on its operations. For example, the majority of the Group's pharmaceuticals business and healthcare insights and analytics business is based outside India and outward investments in India is governed by RBI regulations. Any change in such RBI regulation may have a severe impact on the Group's businesses outside India or any expansion plans that involve support from its local operations. Any new regulations and policies and the related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on the Group's business, financial condition and results of operations. In addition, the Group may have to incur capital expenditures to comply with the requirements of any new regulations, which may also materially harm the Group's results of operations. The Government of India has recently enacted the Central Goods and Services Tax Act, 2017 which lays down a comprehensive national GST regime which has combined taxes and levies collected by the central and state governments into a unified rate structure. This legislation was notified and made effective from July 1, 2017.

Based on such available information and to the best of the Group's understanding it is of the view that there will be an increase in overall taxes on procurement which will lead to an additional working capital requirement. While there will be an increase in overall taxes on procurement, the procurement cost is likely to reduce due to the free flow of credits under GST regime. The ability of the Group to take the benefit of reduction in procurement cost shall be dependent on its ability to increase or maintain the sale price of its products and negotiation of the purchase price with its vendors. Further in the transition period, the Group expects some disruptions in the procurement and sale of goods, which could affect the immediate financial performance, however this is expected to a temporary and short term event.

The Government has also proposed major reforms in Indian tax laws with respect to the provisions relating to the general anti-avoidance rule ("GAAR"). The provisions have been introduced in the Finance Act, 2012 and have come into effect from April 1, 2017. The GAAR provisions intend to catch arrangements declared as "impermissible avoidance arrangements", which is any arrangement, the main purpose or one of the main purposes of which is to obtain a tax benefit and which satisfy at least one of the following tests (i) creates rights, or obligations, which are not ordinarily created between persons dealing at arm's length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) is entered into, or carried out, by means, or in a manner, which are not ordinarily employed for bona fide purposes. If GAAR provisions are invoked, then the Indian tax authorities have wide powers, including denial of tax benefit or a benefit under a tax treaty. As the taxation system is intended to undergo significant overhaul, its consequent effects on the Group cannot be determined at present and there can be no assurance that such effects would not adversely affect the Group's business and future financial performance.

Financial instability in other countries, particularly countries with emerging markets, could disrupt Indian markets and the Group's business.

The Indian financial markets and the Indian economy are influenced by the economic and market conditions in other countries. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in other financial systems may cause volatility in Indian financial markets, including with respect to the movement of exchange rates and interest rates in India, and, indirectly, in the Indian economy in general. Any such continuing or other significant financial disruption could have an adverse effect on the Group's business, financial results and the trading price of the Notes.

Changes in the policies of, or changes in, the Indian Government, could adversely affect economic conditions in India, and thereby adversely impact the Group's results of operations and financial condition.

India remains the Group's largest market, representing 43% of the Group's revenue for the year ended March 31, 2017. In addition, a significant portion of the Group's facilities are located in India. Consequently, the Group may be affected by changes to Central Government policies, changes in the Central Government itself, or any other political instability in India. For example, the imposition of foreign exchange controls, rising interest rates, increases in taxation or the creation of new regulations could have a detrimental effect on the Indian economy generally and the Group in particular.

The Central Government has sought to implement a number of economic reforms in recent years, including a review of the national steel policy and the preparation of a five-year strategy paper for the promotion of the steel sector in India, and has also continued the economic liberalization policies pursued by previous Central Governments. However, the roles of the Central Government and the state governments in the Indian economy as producers, consumers and regulators have remained significant. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India generally which may have an adverse effect on the Group's results of operations and financial condition.

The business and activities of the Group, as applicable, may be regulated by the Competition Act, 2002.

The Competition Act seeks to prevent business practices that have a material adverse effect on competition in India. Under the Indian Competition Act, any arrangement, understanding or action in concert between enterprises, whether formal or informal, which causes or is likely to cause a material adverse effect on competition in India is void and attracts substantial monetary penalties. Any agreement that directly or indirectly determines purchase or sale prices, limits or controls production, shares the market by way of geographical area, market, or number of customers in the market is presumed to have a material adverse effect on competition. Provisions of the Competition Act relating to the regulation of certain acquisitions, mergers or amalgamations which have a material adverse effect on competition and regulations with respect to notification requirements for such combinations came into force on June 1, 2011. The effect of the Competition Act on the business environment in India is unclear and it is difficult to predict its impact on the growth and expansion strategies of the Group. If the Group, as applicable, is affected, directly or indirectly, by the application or interpretation of any provision of the Indian Competition Act, or any enforcement proceedings initiated by the Competition Commission of India, or any adverse publicity that may be generated due to scrutiny or prosecution by the Competition Commission of India, it may have a material adverse effect on its business, prospects, results of operations, cash flows and financial condition.

If regional hostilities, terrorist attacks or social unrest in India increase, the Group's businesses could be adversely affected.

India has from time to time experienced instances of civil unrest, terrorist attacks and hostilities with neighboring countries. These hostilities and tensions could lead to political or economic instability in India and have a possible adverse effect on the Indian economy, the Group's businesses, prospects, results of operations, cash flows and financial condition and future financial performance.

India has also experienced localized social unrest and communal disturbances in some parts of the country. If such tensions become more widespread, leading to overall political and economic instability, it could have an adverse effect on the Group's business, future financial performance and cash flows.

In addition, certain of the Group's current and planned facilities, including its captive mines, are located in geographically remote areas that may be at risk of terror attacks. For example, attacks by Naxalite rebels in 2009 targeted transportation infrastructure of mining operations in Chhattisgarh. While the Group was not directly affected by these attacks, there can be no assurance that it will not be the target of such attacks in the future. Such attacks may be directed at Group property or personnel, at property belonging to the Group's customers or at the state-owned infrastructure used by the Group to transport goods to customers. Such attacks, or the threat of such attacks, whether or not successful, may disrupt the Group's operations and/or delivery of goods, result in increased costs for security and insurance and may adversely impact the Group's business, results of operations, financial condition and prospects, as well as place the Group's assets and personnel at risk.

If natural disasters occur in India, the Group's results of operations and financial condition could be adversely affected.

India has experienced floods, earthquakes, tsunamis, cyclones and droughts in recent years. Such natural catastrophes could disrupt the Group's operations, production capabilities or distribution chains or damage its facilities located in India, including its production facilities and mines. While the Group's facilities were not damaged in the past, a significant portion of its facilities and employees are located in India where they are exposed to such natural disasters.

Additionally, in the event of a drought, the state governments in which the Group's facilities are located could cut or limit the supply of water to the Group's facilities, thus adversely affecting the Group's production capabilities by reducing the volume of products the Group can manufacture and consequently reducing its revenues. In the event of any of the foregoing natural disasters, the ability of the Group to produce and distribute steel may be adversely affected. There can be no assurance that such events will not occur again in the future, or that its business, results of operations, financial condition and prospects will not be adversely affected.

Health epidemics and natural calamities in Asia or elsewhere could adversely affect the Indian economy or the Group's business and the price of the Notes.

Since 2003, outbreaks of Severe Acute Respiratory Syndrome in Asia, avian influenza across Asia and Europe, Ebola virus in western Africa, Zika virus in South America and Influenza A across the world have adversely affected a number of countries and companies. Any future outbreak of infectious diseases or other serious public health epidemics may have a negative impact on the economies, financial markets and level of business activity in affected areas, which may adversely affect the Group's business.

India has also experienced natural calamities such as earthquakes, floods, drought and a tsunami in the recent past. The length and severity of these natural disasters determine the extent of their impact on the Indian economy. Prolonged spells of abnormal rainfall and other natural calamities could have an adverse impact on the Indian economy. Any future outbreak of infectious disease among humans and/or animals or any other serious public health concerns or the occurrence of any natural calamities could materially and adversely affect the Group's business, prospects, financial condition, cash flows and results of operations, and the price of the Notes.

The Group's ability to raise foreign capital may be constrained by Indian law.

As an Indian company, the Group is subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit the Group's financing sources and hence could constrain its ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, there can be no assurance that the required approvals will be granted to the Group without onerous conditions, on favorable terms or at all.

Limitations on raising foreign debt may have an adverse effect on the Group's business growth, financial condition and results of operations.

Any downgrade of India's sovereign debt rating by an international rating agency could have a negative impact on the Group's results of operations and financial condition.

Any downgrade by international rating agencies of the credit rating for Indian domestic and international debt may adversely impact the Group's ability to raise additional financing and the interest rates and commercial terms on which such additional financing is available. This could have an adverse effect on the Group's ability to obtain financing to fund its growth on favorable terms or at all and, as a result, could have a material adverse effect on its business, results of operations, financial condition and prospects.

Public companies in India, including the Group, are required to compute income tax under the ICDS. The transition to ICDS in India is recent and the Group may be negatively affected by this transition.

The Ministry of Finance had issued a notification dated March 31, 2015 presenting the ICDS which creates a new framework for the computation of taxable income. The ICDS was to take effect from April 1, 2015. However, in view of the representations from stakeholders, the Central Board of Direct Taxes, Ministry of Finance, according to its press release dated July 6, 2016, has deferred the applicability of the ICDS to fiscal year 2017, thus fiscal year 2017 was the first year for applicability for ICDS. The prescribed ICDS are prescribed in addition to the provisions of the Income Tax Act, 1961 (the "IT Act"). However in the event that there is a conflict between the provisions of the ICDS and the IT Act, the provisions of the IT Act would prevail. It is understood that ICDS are based on the Accounting Standards. However the ICDS deviate in several respects from concepts that are followed under general accounting standards, including Ind AS. ICDS are likely to increase the overall tax liability of the Group. There can be no assurance that the adoption of the ICDS will not adversely affect the Group's business, results of operation and financial condition.

Differences exist between Ind-AS and other accounting principles, such as IFRS and Indian GAAP, which may be material to investors' assessments of the Group's financial condition.

The Group is required to prepare annual financial statements under Ind-AS for the year ended March 31, 2017 as required under Section 133 of the Companies Act, 2013. The Group has adopted Ind-AS with effect from April 1, 2016. In doing so, it is required to present comparative numbers for the previous year, March 31, 2016, prepared in compliance with Ind-AS. As such, the date of transition to Ind-AS for the Group is April 1, 2015, being the opening balance sheet of the comparative previous financial year. Given that Ind-AS differs in many respects from Indian GAAP, the Group's historical financial statements relating to any period prior to the year ended March 31, 2016 may not be comparable to the audited consolidated and standalone financial statements prepared under Ind-AS.

Ind-AS and other accounting standards like IFRS differ in certain respects including first time adoption choices available. The Group has not attempted to quantify the impact of IFRS on the financial data included in this document, nor does it provide a reconciliation of its financial statements to those of Ind-AS with IFRS.

Accordingly, the degree to which the financial statements prepared under earlier Indian GAAP, Ind-AS and other accounting principles, such as IFRS, will provide meaningful information is entirely dependent on the reader's level of familiarity with these standards. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this document should accordingly be limited.

A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely affect the Group's financial conditions.

According to a 'Weekly Statistical Supplement' released by RBI on November 24, 2017, India's foreign exchange reserves totaled approximately US$375.1 billion as of November 17, 2017. India's foreign exchange reserves have declined recently and may have negatively affected the valuation of the Rupee. Further declines in foreign exchange reserves could adversely affect the valuation of the Rupee and could result in reduced liquidity and higher interest rates that could adversely affect the Group's future financial condition and the market price of the Notes.

The Government of India had implemented certain currency demonetization measures, which may affect the Indian economy and the Group's business, prospects, financial condition and results of operations.

On November 8, 2016, the RBI and the Ministry of Finance of the Government of India withdrew the legal tender status of Rs.500 and Rs.1,000 currency notes pursuant to a notification dated November

8, 2016. The short-term impact of these developments has been, among other things, a decrease in the liquidity of cash in India. There is uncertainty with regard to the medium- and long-term impacts of this action. The medium and long-term effects of demonetization on the Indian economy and the Group's business are uncertain and it cannot accurately predict their effect on its business, prospects, financial condition and results of operations.

Risks Related to the Notes

The Issuer is a special purpose vehicle with no revenue generating operations of its own.

The Issuer is a special purpose vehicle that has no revenue-generating operations of its own. The Issuer conducts no business or operations and has no significant assets. The Issuer's ability to service its indebtedness, including the Notes, is entirely dependent upon the receipt of funds from Tata Steel and Tata Steel's subsidiaries to whom the Issuer has onlent funds.

The payment of dividends and the making of loans and advances to Tata Steel and its subsidiaries are subject to various restrictions. Existing and future debt and related agreements to which the Issuer is or may become subject may prohibit the payment of dividends or the making of loans or advances to Tata Steel and its subsidiaries. In addition, the ability of Tata Steel Limited's subsidiaries to make payments, loans or advances or pay dividends may be limited by the relevant jurisdictions in which such subsidiaries are located.

The Issuer may be able to redeem the Notes in whole at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest in the event the Issuer is required to pay additional amounts.

As described in "Terms and Conditions of the [●] Notes — Redemption and Purchase — Redemption for Taxation Reasons" and "Terms and Conditions of the [●] Notes — Redemption and Purchase — Redemption for Taxation Reasons", in the event the Issuer or Tata Steel are required to pay additional amounts as a result of certain changes in tax law, including changes in existing official position or the stating of an official position, the Issuer may redeem the Notes in whole at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest.

The Notes are intended to be "qualifying debt securities" for the purposes of the Income Tax Act, Chapter 134 of Singapore.

The Notes are intended to be "qualifying debt securities" for the purposes of the Income Tax Act, Chapter 134 of Singapore ("ITA") subject to the fulfillment of certain conditions more particularly described in the section "Taxation — Singapore Taxation". However, there is no assurance that such Notes will continue to enjoy the tax concessions in connection therewith should the relevant tax laws be amended or revoked at any time. For more information on the Singapore income tax consequences, please refer to "Taxation — Singapore Taxation". In addition, in the event that the Issuer exercises its exchange rights under Condition 9.4 of the Terms and Conditions of the Notes, the New Notes (as defined therein) may not qualify as "qualifying debt securities".

An active trading market may not develop for the Notes, in which case your ability to transfer the Notes will be more limited.

The Notes are new securities for which there is currently no existing trading market. Prior to this offering there has been no trading market in the Notes. The liquidity of any market for the Notes will depend on a number of factors, including general economic conditions and the Issuer's and Tata Steel's own financial condition, performance and prospects, as well as recommendations of securities analysts. The Issuer has been informed by the Joint Lead Managers that they may make a market in the Notes after the Issuer has completed this offering. However, they are not obligated to do so and may discontinue such market-making activity at any time without notice. In addition, market-making activity by the Joint Lead Managers' affiliates may be subject to limits imposed by applicable law. As a result, neither the Issuer nor Tata Steel can assure you that any market in the Notes will develop or, if it does develop, it will be maintained. If an active market in the Notes fails to develop or be sustained, you may not be able to sell the Notes or may have to sell them at a lower price.

Developments in other markets may adversely affect the market price of the Notes.

The market price of the Notes may be adversely affected by declines in the international financial markets and world economic conditions. The market for Indian securities is, to varying degrees, influenced by economic and market conditions in other markets, especially those in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can affect the securities markets and the securities of issuers in other countries, including India. Since the sub-prime mortgage crisis in 2008, the international financial markets have experienced significant volatility. If similar developments occur in the international financial markets in the future, the market price of the Notes could be adversely affected.

The Notes are subject to restrictions on resales and transfers.

The Notes have not been registered under the Securities Act or any U.S. state securities laws or under the securities laws of any other jurisdiction and are being issued and sold in reliance upon exemptions from registration provided by such laws. No Notes may be sold or transferred unless such sale or transfer is exempt from the registration requirements of the Securities Act (for example, in reliance on the exemption provided by Regulation S under the Securities Act) and applicable state securities laws. For certain restrictions on resales and transfers, see "Transfer Restrictions".

The Issuer may not be able to redeem the Notes upon the occurrence of a Change of Control.

The Issuer must offer to purchase the Notes upon the occurrence of a Change of Control, at a purchase price equal to 101% of the principal amount plus accrued and unpaid interest. See "Terms and Conditions of the [●] Notes" and "Terms and Conditions of the [●] Notes".

The source of funds for any such purchase would be available cash or third-party financing. However, the Issuer may not have or be able to obtain sufficient available funds at the time of the occurrence of any Change of Control Triggering Event to make purchases of outstanding Notes. The Issuer's failure to make the offer to purchase or to purchase the outstanding Notes would constitute an Event of Default under the Notes. The Event of Default may, in turn, constitute an event of default under other indebtedness, any of which could cause the related debt to be accelerated after any applicable notice or grace periods. If the Issuer's other debt were to be accelerated, it may not have sufficient funds to purchase the Notes and repay the debt.

In addition, the definition of Change of Control does not necessarily afford protection for the Noteholders in the event of some highly leveraged transactions, including certain acquisitions, mergers, refinancing, restructurings or other recapitalizations. These types of transactions could, however, increase indebtedness or otherwise affect capital structure or credit ratings. The definition of Change of Control for purposes of the Conditions also includes a phrase relating to the sale of "all or substantially all" of Tata Steel's assets. Although there is a limited body of case law interpreting the phrase "substantially all", there is no precise established definition under applicable law. Accordingly, the Issuer's obligation to make an offer to purchase the Notes and the ability of a Noteholder to require it to purchase its Notes pursuant to the Offer as a result of a highly-leveraged transaction or a sale of less than all of the Issuer's assets may be uncertain.

Notes may not be a suitable investment for all investors.

Each prospective investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Offering Memorandum or any applicable supplement;

- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;

- have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

- understand thoroughly the terms of the relevant Notes and be familiar with the behavior of any relevant indices and financial markets; and

- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Issuer may not be the sole bond financing issuer in the Group and the Group may establish in the future additional bond issuing companies.

The Issuer is a special purpose vehicle with no revenue generating operations of its own. In the future the Group may establish additional bond issuing companies. As a result, the Issuer may not be the sole bond financing issuer in the Group. Any such indebtedness incurred by additional bond issuing companies may adversely impact the value of the Notes.

MiFID II Product Governance

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

USE OF PROCEEDS

The Issuer estimates that the net proceeds from the sale of Notes pursuant to this Offering Memorandum will be approximately US$[●] million after deducting fees, commissions and estimated expenses. The Issuer intends to use a majority of the net proceeds to fund the pre-payment, repayment or refinancing of the Group's offshore debt obligations, and the rest to fund general corporate purposes of the Group outside of India. Certain of the Joint Lead Managers participating in this offering are lenders under the offshore debt obligations that will be refinanced with the net proceeds of the offering. See "Description of Material Indebtedness" and "Subscription and Sale".

Pending application of the net proceeds of this offering, the Issuer may apply such proceeds to initially repay certain of its offshore working capital facilities or invest in cash and cash equivalents outside India.

CAPITALIZATION

The following table sets forth the Group's short-term and long-term debt and shareholders' equity at September 30, 2017 on a consolidated basis and as adjusted to give effect to the issuance of the Notes offered, as if such issuance had occurred as of such date. No adjustments have been made in the following table to reflect the intended use of proceeds from the issuance of the Notes. See "Use of Proceeds".

You should read the following table together with "Summary Financial and Operation Data", "Management's Discussion and Analysis of Financial Condition and Results of Operations of the Group", "Management's Discussion and Analysis of Financial Condition and Results of Operations of the Group", "Terms and Conditions of the Notes" and the Annual Financial Statements set forth in this Offering Memorandum.

	As at September 30, 2017			
	Actual	**Actual**	**As Adjusted**	**As Adjusted**
	Rs. million	**US$ million[1]**	**Rs. Million**	**US$ million[1]**
Indebtedness:				
Short-term debt	213,045	3,264	[●]	[●]
Long-term debt[2]	689,559	10,564	[●]	[●]
Total Indebtedness	**902,604**	**13,828**	**[●]**	**[●]**
Hybrid Perpetual Securities	**22,750**	**349**	**[●]**	**[●]**
Shareholders' funds:				
Share capital	9,702	149	[●]	[●]
Other Equity	338,204	5,181	[●]	[●]
Non-controlling interest	(50,371)	(772)	[●]	[●]
Total Equity	**297,535**	**4,558**	**[●]**	**[●]**
Total indebtedness, hybrid perpetual securities and equity	**1,222,889**	**18,735**	**[●]**	**[●]**

(1) For the reader's convenience, U.S. Dollar translations of Indian Rupee amounts as at September 30, 2017 have been provided at a rate of US$1.00 = Rs.65.28.

(2) Long-term borrowing includes (i) Current maturities of long-term debt and (ii) Current maturities of finance lease obligations.

Except as otherwise disclosed in this Offering Memorandum there have been no material changes in the Group's capitalization since September 30, 2017.

SELECTED CONSOLIDATED FINANCIAL DATA AND OTHER INFORMATION

You should read the summary financial and other data below, together with the financial statements and related notes thereto appearing elsewhere in this Offering Memorandum, as well as "Management's Discussion and Analysis of Financial Condition and Results of Operations" and other financial information included elsewhere in this Offering Memorandum. The Group's fiscal year ends on March 31. Accordingly, references in this Offering Memorandum to a particular fiscal year are to the year ended March 31 of that year. References to a year other than a "fiscal year" are to the calendar year ended December 31 of that year.

The Group is required to prepare its financial statements in accordance with Ind-AS with effect from April 1, 2016. Accordingly, the financial statements as at and for the year ended March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016, have been prepared in in accordance with Ind-AS. The Issuer is required to prepare its financial statements in accordance with the Singapore Financial Reporting Standards ("SFRS"). Accordingly, all of the Issuer's financial statements presented in this Offering Memorandum have been prepared in accordance with SFRS.

All historical consolidated financial information in this Offering Memorandum is that of the Group, its consolidated subsidiaries and proportionately consolidated joint ventures. In this Offering Memorandum, unless otherwise specified, all financial information is of the Group on a consolidated basis. All historical non-consolidated financial information in this Offering Memorandum is that of Tata Steel or the Issuer, as specified.

The annual financial statements of the Group, on a consolidated basis, and of Tata Steel, on a standalone basis, as at and for the years ended March 31, 2015, 2016 and 2017, and for the six month periods ended September 30, 2016 and 2017, (collectively, the "Annual Financial Statements"), have each been prepared in accordance with the following:

(i) with respect to the six months ended September 30, 2016 and 2017, prepared and presented in accordance with Ind-AS;

(ii) with respect to the years ended March 31, 2016 and 2017, prepared and presented in accordance with Ind-AS; and

(iii) with respect to the comparative period data for the years ended March 31, 2015 and 2016, prepared and presented in accordance with Indian GAAP.

Ind-AS differs in certain respects from generally accepted accounting principles in the International Financial Reporting Standards ("IFRS"). For a discussion of certain significant differences between Ind-AS and IFRS, see "Description of Certain Differences between Ind-AS and IFRS". In making an investment decision, investors must rely on their own examination of the Group, the terms of the offering and the financial information contained in this Offering Memorandum. Potential investors should consult their own professional advisers for an understanding of the differences between Ind-AS, Indian GAAP, US GAAP, SFRS or IFRS, and how these differences might affect their understanding of the financial information contained herein.

The Annual Financial Statements for the Group have been audited by Deloitte Haskins and Sells LLP, Chartered Accountants ("Deloitte"), as set forth in their audit reports included herein. For the financial year beginning from April 1, 2017 onwards, Price Waterhouse and Co. Chartered Accountants LLP ("Price Waterhouse and Co.") became the statutory auditor for the Group, and PricewaterhouseCoopers LLP became the auditors for the Issuer.

The Annual Financial Statements for the Issuer have been audited by Deloitte, as set forth in their audit reports included herein. The unaudited interim financial statements of the Issuer for the six months ended September 30, 2017, have been subject to limited review by PricewaterhouseCoopers LLP as set forth in their report dated January 12, 2018.

The standalone financial results of Tata Steel for the quarter and six months ended September 30, 2017 have been audited by Price Waterhouse and Co. and the consolidated financial results of the Group for the quarter ended September 30, 2017 have been subjected to a limited review by Price Waterhouse and Co. as set forth in their respective review reports included herein.

The unaudited interim financial statements of the Issuer for the six months ended September 30, 2017, have been subjected to a limited review by PricewaterhouseCoopers LLP as set forth in their review report dated January 12, 2018.

Consolidated Statement of Profit and Loss of the Group

Consolidated Statement of Profit and Loss Data (Ind-AS)	Six months ended September 30, 2017		Quarter ended September 30, 2017	Quarter ended June 30, 2017	Six months ended September 30, 2016
	(US$ millions)	(Unaudited) (Rs. in millions)			
I. Revenue from operations	**9,718**	**634,375**	**324,641**	**309,733**	**530,904**
II. Other income	**63**	**4,087**	**2,532**	**1,555**	**2,452**
III. Total Income	**9,781**	**638,462**	**327,174**	**311,288**	**533,356**
IV. Expenses					
(a) Raw materials consumed	3,161	206,340	103,546	102,794	144,492
(b) Purchases of finished, semi-finished and other products	825	53,843	26,266	27,577	57,071
(c) Changes in stock of finished goods, work-in-progress and stock-in-trade	(101)	(6,589)	13,084	(19,673)	(26,769)
(d) Employee benefit expenses	1,317	85,980	42,941	43,039	88,561
(e) Finance costs	413	26,936	13,499	13,437	24,217
(f) Depreciation and amortisation expense	456	29,744	14,733	15,011	27,047
(g) Other expenses	3,098	202,247	94,111	108,136	209,067
Subtotal expenses	9,169	598,502	308,181	290,321	523,685
(h) Less: Expenditure (other than interest) transferred to capital and other accounts	67	4,393	2,514	1,880	4,983
Total Expenses	**9,102**	**594,108**	**305,667**	**288,442**	**518,703**
V. Share of profit/(loss) of joint ventures and associates	**4**	**257**	**198**	**59**	**51**
VI. Profit before exceptional items and tax (III-IV+V)	**683**	**44,610**	**21,705**	**22,905**	**14,705**
VII. Exceptional Items					
(a) Provision for diminution in value of investments/doubtful advances	(4)	(267)	(267)	—	(1,169)
(b) Provision for demands and claims	(94)	(6,144)	—	(6,144)	—
(c) Employee separation compensation	(3)	(204)	(180)	(24)	(1,102)
Total exceptional items	**(101)**	**(6,614)**	**(447)**	**(6,168)**	**(2,271)**
VIII. Profit/(loss) before tax (VI+VII)	**582**	**37,996**	**21,258**	**16,738**	**12,434**

(1) For the reader's convenience, U.S. Dollar translations of Indian Rupee amounts for the six months ended September 30, 2017 have been provided at a rate of US$1.00 = Rs.65.28

Consolidated Statement of Profit and Loss of the Group

Consolidated Statement of Profit and Loss Data (Ind-AS)	Six months ended September 30, 2017 (US$ millions)	Six months ended September 30, 2017	Quarter ended September 30, 2017	Quarter ended June 30, 2017	Six months ended September 30, 2016
		(Unaudited) (Rs. in millions)			
IX. Tax expense					
(a) Current tax	143	9,364	6,109	3,255	4,891
(b) Deferred tax	144	9,421	5,271	4,150	6,146
Total tax expense	**288**	**18,785**	**11,380**	**7,405**	**11,036**
X. Profit/(loss) after tax from continuing operations	**294**	**19,211**	**9,879**	**9,332**	**1,397**
XI. Profit/(loss) after tax from discontinued operations					
(a) Profit/(loss) after tax from discontinued operations	0.4	24	332	(308)	(1,846)
(b) Profit/(loss) on disposal of discontinued operations	2	154	(32)	186	(31,876)
Profit/(loss) after tax from discontinued operations	**3**	**178**	**299**	**(121)**	**(33,722)**
XII. Profit/(loss) for the year (A)	**297**	**19,389**	**10,178**	**9,211**	**(32,325)**
XIII. Other Comprehensive Income/(loss)					
A) (i) Items that will not be reclassified subsequently to the consolidated statement of profit and loss	(1,002)	(65,381)	(37,451)	(27,930)	(47,015)
(ii) Income tax on Items that will not be reclassified subsequently to the consolidated statement of profit and loss	82	5,374	2,612	2,762	10,617
B) (i) Items that will be reclassified subsequently to the consolidated statement of profit and loss	(284)	(18,513)	(7,658)	(10,855)	14,204
(ii) Income tax on items that will be reclassified subsequently to the consolidated statement of profit and loss	12	757	152	605	(285)
Total Other Comprehensive/(loss) (B)	**(1,191)**	**(77,763)**	**(42,345)**	**(35,418)**	**(22,479)**
XIII. Total Comprehensive Income for the year: (A+B)	**(894)**	**(58,374)**	**(32,167)**	**(26,207)**	**(54,804)**
XIV. Earnings per equity share (from continuing operations)					
Basic & Diluted (in rupees)	**0.3**	**19**	**10**	**9**	**1**
XV. Earnings per equity share (from discontinued operations)					
Basic & Diluted (in rupees)	**0.0**	**0.2**	**0.3**	**(0.1)**	**(35)**
XVI. Earnings per equity share (from continuing and discontinued operations)					
Basic & Diluted (in rupees)	**0.3**	**19**	**10**	**9**	**(34)**

(1) For the reader's convenience, U.S. Dollar translations of Indian Rupee amounts for the six months ended September 30, 2017 have been provided at a rate of US$1.00 = Rs.65.28

Consolidated Statement of Profit and Loss of the Group

Consolidated Statement of Profit and Loss Data (Ind-AS)		Year ended March 31,	
	2017		2016
	(US$ millions)	(audited) (Rs. in millions)	
I. Revenue from operations	**18,108**	**1,174,199**	**1,063,399**
II. Other income	**81**	**5,275**	**4,122**
III. Total Income	**18,189**	**1,179,474**	**1,067,521**
IV. Expenses			
(a) Raw materials consumed	4,999	324,181	281,149
(b) Purchases of finished, semi-finished and other products	1,762	114,249	105,814
(c) Changes in stock of finished goods, work-in-progress and stock-in-trade	(700)	(45,381)	19,252
(d) Employee benefit expenses	2,661	172,522	175,876
(e) Finance costs	782	50,722	42,214
(f) Depreciation and amortisation expense	875	56,729	53,064
(g) Other expenses	6,881	446,197	412,555
Subtotal expenses	17,260	1,119,219	1,089,923
(h) Less: Expenditure (other than interest) transferred to capital and other accounts	118	7,647	10,930
Total Expenses	**17,142**	**1,111,572**	**1,078,994**
V. Share of profit/(loss) of joint ventures and associates	**1**	**77**	**(1,104)**
VI. Profit before exceptional items and tax (III-IV+V)	**1,048**	**67,979**	**(12,576)**
VII. Exceptional Items			
(a) Profit on sale of non-current investments	4	227	472
(b) Profit on sale of non-current asset	13	859	—
(c) Provision for diminution in value of investments/ doubtful advances	(19)	(1,255)	(730)
(d) Provision for impairment of non-current assets	(41)	(2,679)	(15,302)
(e) Provision for demands and claims	(34)	(2,183)	(8,801)
(f) Employee separation compensation	(32)	(2,074)	(5,563)
(g) Restructuring and other provisions	(557)	(36,138)	69,827
Total exceptional items	**(667)**	**(43,242)**	**39,904**
VIII. Profit/(loss) before tax (VI+VII)	**381**	**24,736**	**27,327**

(1) For the reader's convenience, U.S. Dollar translations of Indian Rupee amounts for the year ended March 31, 2017 have been provided at a rate of US$1.00 = Rs.64.85

Consolidated Statement of Profit and Loss of the Group

Consolidated Statement of Profit and Loss Data (Ind-AS)	Year ended March 31, 2017 (US$ millions)	2017 (audited) (Rs. in millions)	2016 (audited) (Rs. in millions)
IX. Tax expense			
(a) Current tax	269	17,417	13,210
(b) Deferred tax	160	10,363	(6,311)
Total tax expense	**428**	**27,780**	**6,900**
X. Profit/(loss) after tax from continuing operations	**(47)**	**(3,044)**	**20,428**
XI. Profit/(loss) after tax from discontinued operations			
(a) Profit/(loss) after tax from discontinued operations	(120)	(7,789)	(25,399)
(b) Profit/(loss) on disposal of discontinued operations	(476)	(30,853)	—
Profit/(loss) after tax from discontinued operations	**(596)**	**(38,642)**	**(25,399)**
XII. Profit/(loss) for the year (A)	**(643)**	**(41,686)**	**(4,971)**
XIII. Other Comprehensive Income/(loss)			
A) (i) Items that will not be reclassified subsequently to the consolidated statement of profit and loss	(539)	(34,943)	(11,882)
(ii) Income tax on Items that will not be reclassified subsequently to the consolidated statement of profit and loss	121	7,823	(5,760)
B) (i) Items that will be reclassified subsequently to the consolidated statement of profit and loss	337	21,883	(1,190)
(ii) Income tax on items that will be reclassified subsequently to the consolidated statement of profit and loss	(6)	(395)	(149)
Total Other Comprehensive/(loss) (B)	**(87)**	**(5,631)**	**(18,982)**
XIII. Total Comprehensive Income for the year: (A+B)	**(730)**	**(47,316)**	**(23,953)**
XIV. Earnings per equity share (from continuing operations)			
Basic & Diluted (in rupees)	**(0.1)**	**(5)**	**19**
XV. Earnings per equity share (from discontinued operations)			
Basic & Diluted (in rupees)	**(1)**	**(40)**	**(26)**
XVI. Earnings per equity share (from continuing and discontinued operations)			
Basic & Diluted (in rupees)	**(1)**	**(45)**	**(7)**

(1) For the reader's convenience, U.S. Dollar translations of Indian Rupee amounts for the year ended March 31, 2017 have been provided at a rate of US$1.00 = Rs.64.85

Consolidated Statement of Profit and Loss of the Group (Indian GAAP)

Statement of Profit and Loss Data (Indian GAAP)	Year ended March 31, 2016	2015
	(audited)	
	(Rs. in millions)	
(1) Revenue		
(a) Revenue from operations	1,216,184	1,442,984
Less: Excise Duty	44,668	47,946
	1,171,516	1,395,037
(b) Other income	39,257	7,962
Total Revenue	**1,210,773**	**1,402,999**
(2) Expenses		
(a) Raw materials consumed	321,883	407,410
(b) Purchase of finished, semi-finished and other products	101,740	138,042
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	24,538	11,222
(d) Employee benefits expense	199,668	214,076
(e) Depreciation and amortisation expense	50,818	59,436
(f) Finance costs	41,286	48,478
(g) Other expenses	459,053	510,611
(h) Less: Expenditure (other than interest) transferred to capital and other accounts	11,223	11,682
Total Expenses	**1,187,764**	**1,377,593**
(3) Profit before Exceptional Items and Tax	**23,008**	**25,406**
(4) Exceptional Items		
(a) Profit on sale of non-current investments	1,800	13,153
(b) Profit on sale of non-current assets	11,469	
(c) Provision for diminution in the value of investments/doubtful advances	(1,291)	(3,383)
(d) Provision for impairment of non-current assets	(97,206)	(60,526)
(e) Provision for demands and claims	(8,801)	—
(f) Employee separation compensation	(5,563)	—
(g) Restructuring and other provisions	71,312	—
Total exceptional items	**(39,749)**	**(39,287)**
(5) Profit/(Loss) before tax	**(16,740)**	**(13,881)**
(6) Tax Expense		
(a) Current tax	16,311	22,147
(b) MAT credit	(1,526)	(1,173)
(c) Deferred tax	264	4,700
Total tax expense	**15,050**	**25,674**
(7) Profit/(Loss) after tax	**(31,790)**	**(39,555)**
(8) Minority Interest	1,089	133
(9) Share of Profit of Associates	207	167
(10) Profit/(Loss) after Tax, Minority Interest and Share of Profit of Associates	**(30,493)**	**(39,255)**
(11) Nominal Value per Share (in rupees)	10	10
(12) Basic Earnings per Share (in rupees)	(33)	(42)
(13) Diluted Earnings per Share (in rupees)	(33)	(42)

Consolidated Balance Sheets of the Group

Balance Sheet Data (Ind-AS)	As at September 30, 2017		As at March 31, 2017		As at March 31, 2016
		(unaudited)		(audited)	
	(US$ in millions)	(Rs. in millions)	(US$ in millions)	(Rs. in millions)	
ASSETS					
I. Non-current assets					
(a) Property, plant and equipment . . .	13,592	887,191	13,398	868,806	665,692
(b) Capital work-in-progress	2,371	154,788	2,393	155,144	357,933
(c) Goodwill on consolidation	575	37,553	539	34,947	40,676
(d) Other Intangible assets	241	15,728	252	16,312	15,630
(e) Intangible assets under development	57	3,723	42	2,698	2,028
(f) Equity accounted investments . . .	251	16,370	246	15,937	16,204
(g) Financial assets:					
(i) Investments	167	10,869	800	51,903	44,298
(ii) Loans	102	6,643	58	3,731	4,122
(iii) Derivative assets	3	215	13	832	328
(iv) Other financial assets	4	243	13	856	410
(h) Retirement benefit assets	1	34	270	17,526	114,774
(i) Income tax assets	154	10,048	151	9,812	10,403
(j) Deferred tax assets	151	9,864	137	8,859	6,275
(k) Other assets	429	28,007	567	36,750	38,422
Total non-current assets	**18,097**	**1,181,273**	**18,878**	**1,224,112**	**1,317,195**
II. Current assets					
(a) Inventories	4,067	265,488	3,825	248,038	200,133
(b) Financial assets:					
(i) Investments	1,401	91,427	875	56,731	46,636
(ii) Trade receivables	1,867	121,868	1,787	115,868	120,662
(iii) Cash and cash equivalents .	407	26,568	745	48,323	61,091
(iv) Other balances with bank .	21	1,378	14	888	773
(v) Loans	48	3,138	35	2,245	2,074
(vi) Derivative assets	76	4,966	16	1,040	3,096
(vii) Other financial assets	95	6,183	60	3,878	2,413
(c) Retirement benefit assets	0.1	4	—	—	—
(d) Income tax assets	4	291	5	351	502
(e) Other assets	591	38,597	338	21,944	20,279
Total current assets	**8,578**	**559,910**	**7,700**	**499,306**	**457,659**
III. Assets held for sale	**16**	**1,020**	**153**	**9,914**	**261**
TOTAL ASSETS	**26,690**	**1,742,203**	**26,730**	**1,733,332**	**1,775,114**

(1) For the reader's convenience, U.S. Dollar translations of Indian Rupee amounts for the year ended March 31, 2017, and for the six months ended September 30, 2017, have been provided at a rate of US$1.00 = Rs.64.85 and US$1.00 = Rs.65.28, respectively.

Consolidated Balance Sheets of the Group

Balance Sheet Data (Ind-AS)	As at September 30, 2017		As at March 31, 2017		As at March 31, 2016
		(unaudited)		(audited)	
	(US$ in millions)	(Rs. in millions)	(US$ in millions)	(Rs. in millions)	
EQUITY AND LIABILITIES					
IV. Equity					
(a) Equity share capital	149	9,702	150	9,702	9,702
(b) Hybrid Perpetual Securities	349	22,750	351	22,750	22,750
(c) Other equity	5,181	338,204	5,332	345,741	404,873
Equity attributable to shareholders of the Company	5,678	370,657	5,832	378,193	437,326
Non-controlling interest	(772)	(50,371)	247	16,017	7,809
Total equity	**4,907**	**320,285**	**6,079**	**394,210**	**445,135**
V. Non-current liabilities					
(a) Financial liabilities:					
(i) Borrowings	10,453	682,310	9,873	640,223	648,728
(ii) Derivative liabilities	19	1,209	28	1,800	1,655
(iii) Other financial liabilities	17	1,098	17	1,088	4,544
(b) Provisions	496	32,401	660	42,797	44,405
(c) Retirement benefit obligations	427	27,878	411	26,663	29,295
(d) Deferred income	289	18,889	317	20,576	24,314
(e) Deferred tax liabilities	1,484	96,837	1,547	100,301	94,209
(f) Other liabilities	24	1,593	35	2,265	3,291
Total non-current liabilities	**13,209**	**862,214**	**12,888**	**835,712**	**850,440**
VI. Current liabilities					
(a) Financial liabilities:					
(i) Borrowings	3,264	213,045	2,826	183,281	157,221
(ii) Trade payables	2,794	182,372	2,864	185,745	185,567
(iii) Derivative liabilities	147	9,581	104	6,737	4,983
(iv) Other financial liabilities	985	64,287	974	63,155	69,011
(b) Provisions	323	21,106	152	9,874	15,219
(c) Retirement benefit obligations	12	770	15	952	1,111
(d) Deferred income	1	53	3	225	37
(e) Income tax liabilities	204	13,323	114	7,392	10,011
(f) Other liabilities	845	55,166	665	43,153	36,380
Total current liabilities	**8,575**	**559,704**	**7,719**	**500,513**	**479,540**
VII. Liabilities held for sale	**—**	**—**	**45**	**2,898**	**—**
TOTAL EQUITY AND LIABILITIES	**26,690**	**1,742,203**	**26,730**	**1,733,332**	**1,775,114**

(1) For the reader's convenience, U.S. Dollar translations of Indian Rupee amounts for the year ended March 31, 2017, and for the six months ended September 30, 2017, have been provided at a rate of US$1.00 = Rs.64.85 and US$1.00 = Rs.65.28, respectively.

Consolidated Balance Sheets of the Group (Indian GAAP)

Balance Sheet Data (Indian GAAP)	As at March 31, 2016	As at March 31, 2015
	(audited)	
	(Rs. in millions)	
Equity and Liabilities		
(1) Shareholders' funds		
(a) Equity share capital	9,702	9,714
(b) Reserves and surplus	275,086	303,780
	284,789	**313,494**
(2) Preference share capital issued by subsidiary	**200**	**200**
(3) Hybrid Perpetual Securities	**22,750**	**22,750**
(4) Minority interest	16,542	17,039
(5) Non-current liabilities		
(a) Long-term borrowings	683,541	656,752
(b) Deferred tax liability (net)	29,049	28,845
(c) Other long-term liabilities	13,837	17,488
(d) Long-term provisions	76,227	75,038
	802,654	**778,123**
(6) Current liabilities		
(a) Short-term borrowings	154,499	95,986
(b) Trade Payables:		
(i) Total outstanding dues of micro enterprises and small enterprises	207	229
(ii) Total outstanding dues of creditors of other than micro enterprises and small enterprises	203,676	191,670
	203,883	**191,899**
(c) Other current liabilities	112,090	144,796
(d) Short-term provisions	35,094	27,035
	505,566	**459,715**
TOTAL	**1,632,500**	**1,591,321**
Assets		
(7) Non-current Assets		
(a) Fixed Assets		
(i) Tangible assets	450,807	512,479
(ii) Intangible assets	18,488	34,449
(iii) Capital work-in-progress	349,940	278,371
(iv) Intangible assets under development	4,939	8,410
(b) Goodwill on consolidation	137,194	134,075
(c) Non-current investments	20,845	20,804
(d) Deferred tax assets (net)	219	228
(e) Long-term loans and advances	161,109	51,066
(f) Other non-current assets	14,059	14,037
	1,157,599	**1,053,919**
(8) Current Assets		
(a) Current investments	47,161	13,746
(b) Inventories	203,560	251,499
(c) Trade receivables	117,012	133,099
(d) Cash and bank balances	67,156	87,499
(e) Short-term loans and advances	35,778	47,483
(f) Other current assets	4,235	4,075
	474,901	**537,401**
TOTAL	**1,632,500**	**1,591,321**

Summary Consolidated Cash Flow Statement of the Group

Cash flow statement of the Group (Ind-AS)	Year ended March 31, 2017		2016
	(US$ in millions)	(audited) (Rs. in millions)	
Net cash flow from/(used in) operating activities	1,673	108,481	114,554
Net cash from/(used in) investing activities	(1,401)	(90,862)	(92,538)
Net cash flow from/(used in) financing activities	(400)	(25,924)	(47,291)
Net increase/(decrease) in cash and cash equivalents	**(128)**	**(8,306)**	**(25,276)**
Opening cash and cash equivalents	**937**	**60,769**	**81,771**
Effect of exchange rate on translation of foreign currency cash and cash equivalents	(64)	(4,141)	4,595
Closing cash and cash equivalents	**745**	**48,323**	**61,091**

(1) For the reader's convenience, U.S. Dollar translations of Indian Rupee amounts for the year ended March 31, 2017 have been provided at a rate of US$1.00 = Rs.64.85

Summary Consolidated Cash Flow Statement of the Group (Indian GAAP)

Cash flow statement of the Group (Indian GAAP)	Year ended March 31, 2016	2015
	(audited) (Rs. in millions)	
Net cash flow from/(used in) operating activities	119,632	118,798
Net cash from/(used in) investing activities	(104,242)	(84,221)
Net cash flow from/(used in) financing activities	(39,284)	(26,172)
Net increase/(decrease) in cash and cash equivalents	**(23,894)**	**8,404**
Opening cash and cash equivalents	**85,257**	**84,063**
Effect of exchange rate on translation of foreign currency cash and cash equivalents	4,727	(5,990)
Closing cash and cash equivalents	**66,090**	**86,478**

Standalone Statement of Profit and Loss of Tata Steel

Statement of Profit and Loss Data (Ind-AS)	Six months ended September 30, 2017		Quarter ended September 30, 2017	Quarter ended June 30, 2017	Six months ended September 30, 2016
		(audited)			
	US$ millions)	(Rs. in millions)			
I. Revenue from operations	**4,388**	**286,427**	**142,209**	**144,217**	**220,418**
II. Other income	**55**	**3,616**	**2,495**	**1,121**	**2,702**
III. Total Income	**4,443**	**290,042**	**144,704**	**145,338**	**223,119**
IV. Expenses					
(a) Raw materials consumed	1,328	86,686	44,490	42,196	49,518
(b) Purchases of finished, semi-finished and other products	53	3,438	813	2,626	4,776
(c) Changes in stock of finished goods, work-in-progress and stock-in-trade	2	143	9,189	(9,046)	(9,376)
(d) Employee benefit expenses	348	22,728	11,151	11,577	23,412
(e) Finance costs	216	14,093	7,092	7,001	12,659
(f) Depreciation and amortisation expense	288	18,788	9,124	9,664	16,146
(g) Other expenses	1,707	111,394	43,736	67,659	112,280
Subtotal expenses	3,941	257,271	125,594	131,677	209,416
(h) Less: Expenditure (other than interest) transferred to capital and other accounts	21	1,378	921	457	1,554
Total Expenses	**3,920**	**255,893**	**124,673**	**131,220**	**207,862**
V. Profit before exceptional items and tax (III-IV)	**523**	**34,150**	**20,032**	**14,119**	**15,258**
VI. Exceptional Items					
(a) Provision for diminution in value of investments/ doubtful advances	(4)	(267)	(267)	—	(1,382)
(b) Provision for demands and claims	(94)	(6,144)	—	(6,144)	—
(c) Employee separation compensation	(0.4)	(24)	—	(24)	(815)
Total exceptional items	**(99)**	**(6,434)**	**(267)**	**(6,168)**	**(2,198)**
VII. Profit/(loss) before tax (V+VI)	**425**	**27,716**	**19,765**	**7,951**	**13,060**

(1) For the reader's convenience, U.S. Dollar translations of Indian Rupee amounts for the six months ended September 30, 2017 have been provided at a rate of US$1.00 = Rs.65.28

Standalone Statement of Profit and Loss of Tata Steel

Statement of Profit and Loss Data (Ind-AS)	Six months ended September 30, 2017				2016
	(US$ millions)	(audited) (Rs. in millions)			
VIII. Tax expense					
(a) Current tax	109	7,089	4,894	2,195	4,495
(b) Deferred tax	40	2,622	1,931	691	315
Total tax expense	**149**	**9,711**	**6,824**	**2,886**	**4,810**
IX. Profit/(loss) for the year (A)	**276**	**18,005**	**12,941**	**5,064**	**8,250**
X. Other Comprehensive Income/(loss)					
A) (i) Items that will not be reclassified subsequently to the statement of profit and loss	(29)	(1,904)	(756)	(1,148)	11,482
(ii) Income tax on Items that will not be reclassified subsequently to the statement of profit and loss	(3)	(180)	(64)	(116)	620
B) (i) Items that will be reclassified subsequently to the statement of profit and loss	(0)	(26)	16	(43)	3
(ii) Income tax on items that will be reclassified subsequently to the statement of profit and loss	0	9	(6)	15	(1)
Total Other Comprehensive/(loss) (B)	**(32)**	**(2,101)**	**(809)**	**(1,292)**	**12,104**
XI. Total Comprehensive Income for the year: (A+B)	**244**	**15,904**	**12,131**	**3,773**	**20,354**
XII. Earnings per equity share					
Basic & Diluted (in rupees)	**0.3**	**18**	**13**	**5**	**8**

(1) For the reader's convenience, U.S. Dollar translations of Indian Rupee amounts for the six months ended September 30, 2017 have been provided at a rate of US$1.00 = Rs.65.28

Standalone Statement of Profit and Loss of Tata Steel

Statement of Profit and Loss Data (Ind-AS)	Year ended March 31, 2017 (US$ millions)	2017 (audited) (Rs. in millions)	2016 (audited) (Rs. in millions)
I. Revenue from operations	**8,214**	**532,610**	**426,974**
II. Other income	**64**	**4,145**	**3,912**
III. Total Income	**8,277**	**536,754**	**430,886**
IV. Expenses			
(a) Raw materials consumed	1,927	124,968	97,000
(b) Purchases of finished, semi-finished and other products	136	8,812	9,915
(c) Changes in stock of finished goods, work-in-progress and stock-in-trade	(205)	(13,297)	708
(d) Employee benefit expenses	710	46,051	43,199
(e) Finance costs	415	26,886	18,481
(f) Depreciation and amortisation expense	546	35,416	29,623
(g) Other expenses	3,847	249,491	206,024
Subtotal expenses	7,376	478,326	404,949
(h) Less: Expenditure (other than interest) transferred to capital and other accounts	34	2,175	5,989
Total Expenses	**7,343**	**476,151**	**398,960**
V. Profit before exceptional items and tax (III-IV)	**935**	**60,603**	**31,926**
VI. Exceptional Items			
(a) Profit on sale of non-current investments	—	—	(9)
(b) Provision for diminution in value of investments/ doubtful advances	(26)	(1,709)	(1,606)
(c) Provision for impairment of non-current assets	—	—	(515)
(d) Provision for demands and claims	(34)	(2,183)	(8,801)
(e) Employee separation compensation	(28)	(1,787)	(5,563)
(f) Restructuring and other provisions	(21)	(1,356)	—
Total exceptional items	**(108)**	**(7,034)**	**(16,493)**
VII. Profit/(loss) before tax (V+VI)	**826**	**53,569**	**15,433**

(1) For the reader's convenience, U.S. Dollar translations of Indian Rupee amounts for the year ended March 31, 2017 have been provided at a rate of US$1.00 = Rs.64.85

Standalone Statement of Profit and Loss of Tata Steel

Statement of Profit and Loss Data (Ind-AS)	Year ended March 31, 2017		2016
		(audited)	
	(US$ millions)	(Rs. in millions)	
VIII. Tax expense			
(a) Current tax	216	14,005	11,933
(b) Deferred tax	79	5,118	(6,056)
Total tax expense	**295**	**19,124**	**5,877**
IX. Profit/(loss) for the year (A)	**531**	**34,446**	**9,556**
X. Other Comprehensive Income/(loss)			
A) (i) Items that will not be reclassified subsequently to the statement of profit and loss	93	6,012	(31,685)
(ii) Income tax on Items that will not be reclassified subsequently to the statement of profit and loss	12	754	(2,398)
B) (i) Items that will be reclassified subsequently to the statement of profit and loss	(0.2)	(12)	18
(ii) Income tax on items that will be reclassified subsequently to the statement of profit and loss	0.1	4	(6)
Total Other Comprehensive/(loss) (B)	**104**	**6,758**	**(34,071)**
XI. Total Comprehensive Income for the year: (A+B)	**635**	**41,203**	**(24,515)**
XII. Earnings per equity share			
Basic & Diluted (in rupees)	**1**	**34**	**8**

(1) For the reader's convenience, U.S. Dollar translations of Indian Rupee amounts for the year ended March 31, 2017 have been provided at a rate of US$1.00 = Rs.64.85

Standalone Statement of Profit and Loss of Tata Steel (Indian GAAP)

Statement of Profit and Loss Data (Indian GAAP)	Year ended March 31, 2016	2015
	(audited)	
	(Rs. in millions)	
(1) Revenue		
(a) Revenue from operations	426,863	465,773
Less: Excise Duty	44,760	47,923
	382,103	417,850
(b) Other income	38,907	5,828
Total Revenue	**421,010**	**423,678**
(2) Expenses		
(a) Raw materials consumed	97,000	116,786
(b) Purchase of finished, semi-finished and other products	9,915	6,883
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,430	(7,159)
(d) Employee benefits expense	43,249	46,019
(e) Depreciation and amortisation expense	19,331	19,976
(f) Finance costs	14,603	19,760
(g) Other expenses	164,381	161,100
(h) Less: Expenditure (other than interest) transferred to capital and other accounts	5,989	5,867
Total Expenses	**343,920**	**357,497**
(3) Profit before Exceptional Items and Tax	**77,091**	**66,180**
(4) Exceptional Items		
(a) Profit on sale of non-current investments	1,043	8,061
(b) Profit on sale of non-current assets	—	11,469
(c) Provision for diminution in the value of investments/doubtful advances	(1,990)	(1,984)
(d) Provision for impairment of non-current assets	(515)	1,363
(e) Provision for demands and claims	(8,801)	—
(f) Employee separation compensation	(5,563)	—
Total exceptional items	**(15,826)**	**18,909**
(5) Profit/(Loss) before tax	**61,265**	**85,089**
(6) Tax Expense		
(a) Current tax	14,331	19,086
(b) MAT credit	(1,522)	(1,172)
(c) Deferred tax	(553)	2,784
Total tax expense	**12,256**	**20,698**
(7) Profit/(Loss) after tax	**49,010**	**64,391**
(8) Nominal Value per Share (in rupees)	10	10
(9) Basic Earnings per Share (in rupees)	49	64
(10) Diluted Earnings per Share (in rupees)	49	64

Standalone Balance Sheets of Tata Steel

Balance Sheet Data (Ind-AS)	As at September 30, 2017 (US$ in millions)	As at September 30, 2017 (unaudited) (Rs. in millions)	As at March 31, 2017 (US$ in millions)	As at March 31, 2017 (audited) (Rs. in millions)	As at March 31, 2016 (audited) (Rs. in millions)
ASSETS					
I. Non-current assets					
(a) Property, plant and equipment	10,955	715,065	11,069	717,790	495,611
(b) Capital work-in-progress	855	55,819	945	61,254	281,740
(c) Intangible assets	119	7,747	122	7,882	5,273
(d) Intangible assets under development	8	493	6	386	319
(e) Investments in subsidiaries, associates and joint ventures	528	34,466	524	33,976	33,410
(f) Financial assets:					
(i) Investments	886	57,815	765	49,583	41,195
(ii) Loans	32	2,112	33	2,120	2,060
(iii) Derivative assets	0	18	0	1	8
(iv) Other financial assets	3	181	12	795	369
(g) Income tax assets (net)	135	8,841	134	8,678	8,377
(h) Other assets	331	21,632	481	31,216	33,252
Total non-current assets	**13,852**	**904,189**	**14,090**	**913,680**	**901,612**
II. Current assets					
(a) Inventories	1,572	102,586	1,579	102,369	71,374
(b) Financial assets:					
(i) Investments	1,345	87,813	819	53,098	43,250
(ii) Trade receivables	268	17,497	309	20,065	11,332
(iii) Cash and cash equivalents	48	3,125	140	9,052	9,747
(iv) Other balances with bank	15	1,000	10	651	615
(v) Loans	17	1,087	4	271	188
(vi) Derivative assets	5	345	1	63	62
(vii) Other financial assets	70	4,553	49	3,151	2,078
(c) Other assets	396	25,818	189	12,255	10,889
Total current assets	**3,735**	**243,823**	**3,099**	**200,974**	**149,533**
TOTAL ASSETS	**17,587**	**1,148,012**	**17,190**	**1,114,654**	**1,051,145**

(1) For the reader's convenience, U.S. Dollar translations of Indian Rupee amounts for the year ended March 31, 2017, and for the six months ended September 30, 2017, have been provided at a rate of US$1.00 = Rs.64.85 and US$1.00 = Rs.65.28, respectively.

Standalone Balance Sheets of Tata Steel

Balance Sheet Data (Ind-AS)	As at September 30, 2017		As at March 31, 2017		As at March 31, 2016
		(unaudited)		(audited)	
	(US$ in millions)	(Rs. in millions)	(US$ in millions)	(Rs. in millions)	
EQUITY AND LIABILITIES					
III. Equity					
(a) Equity share capital	149	9,714	150	9,714	9,714
(b) Hybrid Perpetual Securities	349	22,750	351	22,750	22,750
(c) Other equity	7,511	490,312	7,508	486,876	456,660
Total equity	**8,009**	**522,776**	**8,009**	**519,340**	**489,124**
IV. Non-current liabilities					
(a) Financial liabilities:					
(i) Borrowings	4,136	269,976	3,808	246,944	239,268
(ii) Derivative liabilities	17	1,137	28	1,793	1,160
(iii) Other financial liabilities	3	196	3	182	3,965
(b) Provisions	157	10,233	312	20,247	18,621
(c) Retirement benefit obligations	232	15,165	229	14,842	12,525
(d) Deferred income	265	17,266	291	18,852	22,285
(e) Deferred tax liabilities	864	56,386	942	61,113	56,107
(f) Other liabilities	12	763	12	777	768
Total non-current liabilities	**5,685**	**371,120**	**5,625**	**364,751**	**354,698**
V. Current liabilities					
(a) Financial liabilities:					
(i) Borrowings	578	37,732	500	32,397	58,880
(ii) Trade payables	1,565	102,148	1,653	107,174	61,969
(iii) Derivative liabilities	5	297	42	2,702	782
(iv) Other financial liabilities	611	39,871	626	40,624	46,334
(b) Provisions	253	16,500	108	7,006	2,806
(c) Retirement benefit obligations	8	539	9	566	567
(d) Income tax liabilities (net)	158	10,304	72	4,657	7,326
(e) Other liabilities	716	46,725	547	35,438	28,660
Total current liabilities	**3,893**	**254,116**	**3,556**	**230,563**	**207,323**
TOTAL EQUITY AND LIABILITIES	**17,587**	**1,148,012**	**17,190**	**1,114,654**	**1,051,145**

(1) For the reader's convenience, U.S. Dollar translations of Indian Rupee amounts for the year ended March 31, 2017, and for the six months ended September 30, 2017, have been provided at a rate of US$1.00 = Rs.64.85 and US$1.00 = Rs.65.28, respectively.

Standalone Balance Sheets of Tata Steel (Indian GAAP)

Balance Sheet Data (Indian GAAP)	As at March 31, 2016	As at March 31, 2015
	(audited)	
	(Rs. in millions)	
Equity and liabilities		
(1) Shareholders' funds		
(a) Equity share capital	9,714	9,714
(b) Reserves and surplus	695,053	656,925
	704,767	**666,639**
(2) Hybrid Perpetual Securities	**22,750**	**22,750**
(3) Non-current liabilities		
(a) Long-term borrowings	234,578	239,004
(b) Deferred tax liability (net)	21,798	22,504
(c) Other long-term liabilities	8,427	11,289
(d) Long-term provisions	28,882	28,759
	293,684	**301,556**
(4) Current liabilities		
(a) Short-term borrowings	52,610	349
(b) Trade Payables:		
(i) Total outstanding dues of micro enterprises and small enterprises	149	165
(ii) Total outstanding dues of creditors of other than micro enterprises and small enterprises	76,912	57,855
	77,061	58,020
(c) Other current liabilities	61,158	92,569
(d) Short-term provisions	20,050	16,754
	1,232,082	**1,158,636**
TOTAL		
Assets		
(5) Non-current Assets		
(a) Fixed Assets		
(i) Tangible assets	249,012	250,714
(ii) Intangible assets	5,274	1,771
(iii) Capital work-in-progress	269,539	230,236
(iv) Intangible assets under development	285	131
	524,110	482,852
(b) Non-current investments	523,604	521,642
(c) Long-term loans and advances	37,879	32,079
(d) Other non-current assets	2,274	2,118
	1,087,867	**1,038,691**
(6) Current Assets		
(a) Current investments	43,202	10,001
(b) Inventories	70,838	80,420
(c) Trade receivables	6,328	4,915
(d) Cash and bank balances	10,147	4,786
(e) Short-term loans and advances	12,435	19,272
(f) Other current assets	1,266	553
	144,215	**119,946**
TOTAL	**1,232,082**	**1,158,636**

Standalone Cash Flow Statement of Tata Steel (Ind -AS)

Cash flow statement (Ind-AS)	Year ended March 31, 2017		2016
		(audited)	
	(US$ in millions)	(Rs. in millions)	
Net cash flow from/(used in) operating activities	1,717	111,313	73,718
Net cash from/(used in) investing activities	(605)	(39,210)	(43,517)
Net cash flow from/(used in) financing activities	(1,123)	(72,797)	(25,404)
Net increase/(decrease) in cash and cash equivalents	**(11)**	**(695)**	**4,796**
Opening cash and cash equivalents	**150**	**9,747**	**4,952**
Effect of exchange rate on translation of foreign currency cash and cash equivalents	—	—	(1)
Closing cash and cash equivalents	**140**	**9,052**	**9,747**

(1) For the reader's convenience, U.S. Dollar translations of Indian Rupee amounts for the year ended March 31, 2017 have been provided at a rate of US$1.00 = Rs.64.85.

Standalone Cash Flow Statement of Tata Steel (Indian GAAP)

Cash flow statement (Indian GAAP)	Year ended March 31, 2016	2015
	(audited)	
	(Rs. in millions)	
Net cash flow from/(used in) operating activities	75,677	48,519
Net cash from/(used in) investing activities	(54,052)	(23,821)
Net cash flow from/(used in) financing activities	(16,310)	(29,572)
Net increase/(decrease) in cash and cash equivalents	**5,314**	**(4,874)**
Opening cash and cash equivalents	**4,219**	**9,093**
Effect of exchange rate on translation of foreign currency cash and cash equivalents	(1)	0
Closing cash and cash equivalents	**9,532**	**4,219**

Statement of Financial Position of ABJA Investment Co. Pte. Ltd.

	As at September 30,	As at March 31,		
	2017	**2017**	**2016**	**2015**
	(unaudited)	**(audited)**		
	(US$ in thousand)	**(US$ in thousand)**		
ASSETS				
Current assets				
Cash and cash equivalents	2,497	16,233	11,770	7,360
Other receivables	26,159	24,848	21,699	17,235
Derivative financial instruments	0	309	150	265
Total current assets	**28,656**	**41,390**	**33,619**	**24,860**
Non-current asset				
Loan receivables due from related companies	1,695,195	1,679,085	1,690,932	1,670,502
Derivative financial instruments	2,816	12,808	4,793	7,563
Total non-current asset	**1,698,011**	**1,691,893**	**1,695,725**	**1,678,065**
TOTAL ASSETS	**1,726,667**	**1,733,283**	**1,729,344**	**1,702,925**
LIABILITIES AND NET CAPITAL DEFICIENCY				
Current liabilities				
Other payables	24,742	27,879	32,254	24,564
Loan payable	0	0	37,800	37,800
Derivative financial instrument	53	—	—	—
Tax payable	1,800	1,707	450	310
Total current liabilities	**26,595**	**29,586**	**70,504**	**62,674**
Non-current liabilities				
Guaranteed notes	1,709,138	1,703,077	1,708,921	1,702,524
Loans payable due to related company	21,800	37,800	0	0
Deferred tax liability	1,817	1,797	1,796	93
Other Payable	2,406	1,907	0	0
Derivative financial instruments	1,102	68	688	469
Total non-current liabilities	**1,736,263**	**1,744,649**	**1,711,405**	**1,703,086**
Capital, accumulated losses and reserve				
Share capital	200	200	200	200
Accumulated losses	(36,381)	(41,142)	(52,755)	(63,025)
Translation reserve	(10)	(10)	(10)	(10)
Net capital deficiency	**(36,191)**	**(40,952)**	**(52,565)**	**(62,835)**
Total liabilities and net of capital deficiency	**1,726,667**	**1,733,283**	**1,729,344**	**1,702,925**

Note: The audited statement of financial position of the Issuer as at March 31, 2015, 2016 and 2017 have been prepared in accordance with SFRS. The unaudited statement of financial position of the Issuer as at September 30, 2017 has been extracted from the Issuer's unaudited interim financial statements for the six months ended September 30, 2017, which were prepared in accordance with SFRS 34, *Interim Financial Reporting*.

Statement of Profit or Loss of ABJA Investment Co. Pte. Ltd.

Statement of Profit or Loss and Other Comprehensive Income	Six months ended September 30,		Year ended March 31,		
	2017	2016	2017	2016	2015
	(Unaudited)		(audited)		
	(US$ in thousand)		(US$ in thousand)		
Interest Income	59,286	58,130	117,014	119,591	32,875
Finance costs	(51,293)	(51,231)	(102,337)	(102,142)	(69,027)
Foreign currency exchange gain, net	12,667	298	(2,975)	6,532	(29,245)
Fair value losses on derivative financial instruments, net	(11,389)	501	8,794	(3,104)	14,052
Other operating expenses	(3,554)	(3,568)	(7,116)	(8,482)	(3,739)
Profit/(loss) before tax	**5,717**	**4,040**	**13,380**	**12,395**	**(55,084)**

Note: The audited statement of profit and loss of the Issuer for the years ended March 31, 2015, 2016 and 2017 has been prepared in accordance with SFRS. The unaudited statement of profit and loss of the Issuer for the six months ended September 30, 2016 and 2017 have been extracted from the Issuer's unaudited interim financial statements for the six months ended September 30, 2017, which were prepared in accordance with SFRS 34, *Interim Financial Reporting*.

Statement of Cash Flows of ABJA Investment Co. Pte. Ltd.

Summary Cash Flow Statement	Year ended March 31,		
	2017	2016	2015
	(audited)		
	(US$ in thousand)		
Net cash flow from/(used in) operating activities	**4,462**	**4,134**	**1,173**
Net cash from/(used in) investing activities	**—**	**—**	**—**
Net cash flow from/(used in) financing activities	**—**	**—**	**—**
Net increase/(decrease) in cash and cash equivalents	**4,462**	**4,134**	**1,173**
Opening cash and cash equivalents	**11,770**	**7,360**	**7,536**
Effect of exchange rate on translation of foreign currency cash and cash equivalents	1	276	(1,349)
Closing cash and cash equivalents	**16,233**	**11,770**	**7,360**

Note: The audited statement of cash flows of the Issuer for the years ended as at March 31, 2015, 2016 and 2017 have been prepared in accordance with SFRS.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF THE GROUP

The following discussion is intended to convey management's perspective on the financial condition and results of operations of the Group as at the end of and for the years ended March 31, 2015, 2016 and 2017, and the six month periods ended September 30, 2016 and 2017. The following discussion of the Group's financial condition and results of operations should be read in conjunction with the Group's financial statements, the schedules and notes thereto and the other information included elsewhere in this Offering Memorandum. The Group's financial statements are prepared in accordance with Ind-AS and Indian GAAP, as explained below. For a discussion of certain significant differences between Ind-AS and IFRS, see "Summary of Certain Differences between Ind-AS and IFRS".

The Group is required to prepare its consolidated financial statements in accordance with Ind-AS with effect from April 1, 2016. Accordingly, the Group has prepared its consolidated financial statements as at and for the year ended March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016, in accordance with Ind-AS. For periods up to and including the year ended March 31, 2016, the Group had prepared its consolidated financial statements in accordance with the Indian GAAP. As a result of the change in accounting standards applicable to the Group from Indian GAAP to Ind-AS with effect from April 1, 2016 its consolidated financial statements as at and for the years ended March 31, 2015 and 2016 prepared in accordance with Indian GAAP are not comparable with its consolidated financial statements as at and for the year ended March 31, 2017 prepared in accordance with Ind-AS. See "Presentation of Financial Information".

In this section, the financial information presented has been (i) with respect to the six months ended September 30, 2016 and 2017, prepared and presented in accordance with Ind-AS on a consolidated basis; (ii) with respect to the years ended March 31, 2016 and 2017, prepared and presented in accordance with Ind-AS on a consolidated basis; (iii) with respect to the years ended March 31, 2015 and 2016, prepared and presented in accordance with Indian GAAP on a consolidated basis. See "Presentation of Financial Information" and "Summary of Certain Differences between Ind-AS and IFRS" for further details.

This section contains forward-looking statements that involve risks and uncertainties. The Group's actual results may differ materially from those discussed in such forward-looking statements as a result of various factors, including those described under the sections "Forward-Looking Statements and Associated Risks" and "Risk Factors" beginning on pages x and 39 of this Offering Memorandum, respectively.

Overview

The Group is one of the world's largest steel companies with a steel production capacity of approximately 27.5 mtpa. According to the World Steel Association ("WSA"), the Group was the world's 10th largest steel maker by crude steel production volume in 2016. The Group is also one of the most geographically diversified steel producers, with operations in 26 countries and a commercial presence in more than 50 countries. As of March 31, 2017, the Group had over 70,000 employees.

Tata Steel was established as India's first integrated steel company in 1907 by Jamsetji N. Tata and is one of the flagship companies of the Group. The Group has a presence across the entire value chain of steel manufacturing, including producing and distributing finished products as well as mining and processing iron ore and coal for its steel production. The Group's operations are primarily focused in India, Europe, and South East Asia. For the year ended March 31, 2017, the Group's operations in India and Europe represented approximately 43% and 39%, respectively, of the revenue of the Group, and for the six months ended September 30, 2017, represented approximately 45% and 46%, respectively, of the revenue of the Group.

The steel production capacity of the Group has increased from approximately 5.0 mtpa in the year ended March 31, 2006 to approximately 27.5 mtpa as of March 31, 2017. In India, as of September

30, 2017, the Group has steel production facilities located in Jamshedpur and Kalinganagar, with a total steel production capacity of 12.7 mtpa. The Group's operations in India also include captive iron ore and coal mines. Additionally, the Group has significant operations in the United Kingdom and the Netherlands, where the Group has a total steel production capacity of 12.4 mtpa. The remaining steel production capacity of the Group is located in South East Asia.

For the year ended March 31, 2017, the Group's business in India recorded sales of 10.97 mt, recording a growth of 15.0% over the year ended March 31, 2016 and a growth of 22.0% for the six months ended September 30, 2017, compared to the six months ended September 30, 2016. This increase was largely due to the ramping up of operations at the Kalinganagar plant in Odisha, which is now operating at full capacity.

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, sections, plates, rebars, wire rods, tubes, rails and wires. The Group is also a large producer of ferro-chrome in India.

The Group's main markets for its products are India and Europe, which together accounted for approximately 82% and 83% of the Group's revenue for the year ended March 31, 2016 and 2017, respectively, with the remaining sales primarily taking place in other markets in Asia. The Group's customers are primarily in the construction, infrastructure, automotive, consumer goods, material handling, aerospace and general engineering industries.

For the years ended March 31, 2016 and 2017, the Group recorded revenues of Rs.1,063,399 million and Rs.1,174,199 million, respectively. The Group recorded a loss of Rs.4,971 million for the year ended March 31, 2016, a loss of Rs.41,686 million for the year ended March 31, 2017, a profit of Rs.19,389 million for the six months ended September 30, 2017 against a loss of Rs.32,325 million for the six months ended September 30, 2016. The Group had total assets of Rs.1,733,332 million as of March 31, 2017 and Rs.1,742,203 million as of September 30, 2017.

For the years ended March 31, 2016 and 2017, the Group had total steel production of 22.9 mt and 24.2 mt, respectively. Similarly, the Group had steel production of 11.5 mt and 12.5 mt for the six month periods ended on September 30, 2016 and September 30 2017, respectively.

Key Factors Affecting the Results of Operations

The primary factors affecting the Group's results of operations are:

- sales volume and steel prices;
- production costs;
- product mix; and
- capacity utilization and expansion.

See "— Results of Operations" for a discussion of the extent to which these factors have affected the Group's results of operations in the periods stated.

Sales Volume and Prices

The primary factors affecting the Group's results of operations are its sales volume and the price of steel. The Group derives its revenue primarily from the sale of finished steel products. The market for steel is substantially driven by changes in supply and demand in the global steel market, which are significantly affected by the state of the global economy and competition and consolidation within the steel industry. The Group's sales revenue also depends on the price of steel in the international markets. The global price of steel, in turn, depends upon a combination of factors, including the availability and cost of raw material inputs, steel demand, worldwide production and capacity, fluctuations in the volume of steel imports, transportation costs, protective trade measures and various social and political factors. China has become the largest steel producing country in the world by a significant margin, with the balance between its domestic production and demand being an important factor in the determination of global steel prices. According to the WSA, China's crude steel production of approximately 808 mt in 2016, which represents a 1.2% increase in production over 2015. The positive momentum has continued in 2017 with crude steel production for China for the month of September 2017 at 71.8 mt, a growth of 5.3% over September 2016. See "Industry Overview — The Global Steel Industry."

While China's production growth has slowed since the global financial crisis in 2009, barring the decline seen in 2015, it is still growing. In addition, China has been affected by reduced levels of growth in GDP, index of industrial production, services and other factors which have all resulted in lower growth in China's apparent steel usage in recent years, barring the year-on-year declines seen in 2014 and 2015, though it experienced an estimated growth of 1.3% in 2013 and is expected to be followed by growth of 3% in 2017. Nonetheless, Chinese steel production and exports have had, and can be expected to continue to have a significant impact on steel prices in Europe, India and other markets outside of China, even more so if the growth of China's steel production accelerates and/or China's apparent steel usage falls. See "Industry Overview — Global Steel Outlook".

Over the last 18 months, demand for steel and prices in the European markets have generally improved due to a combination of factors including shut down of certain producing facilities in China on account of pollution, GDP growth in the European Union region as well as protection measures undertaken by the region. As per European Steel Association report in October 2017, "Economic and Steel Market Outlook for 2017-18", the macroeconomic factors for the European Union continue to strengthen. GDP growth in the second quarter of 2017 accelerated to 0.6% and 2.3% on a quarter-on-quarter and year-on-year basis, respectively, for the Euro area. The monthly business and consumer survey conducted by the European Commission indicates that in September 2017 economic sentiment reached levels last seen in the summer of 2007. This improvement has been driven by strengthening confidence in industry, the retail sector and construction. Investment cycle is also gaining momentum. Gross fixed capital formation grew by 1.1% quarter-on-quarter in the second quarter of 2017, which resulted in a 3% year-on-year rise of investment over the first half of 2017. Business conditions in steel-using sectors in the European Union remained supportive to growth in the second quarter of 2017; production activity grew by 3.1% year-on-year and is expected to have grown 4.2% in 2017. The momentum is expected to continue into 2018 though at a lower level of 1.9% as per the report.

The Group relies heavily on key consumers of steel products in the construction, automotive, packaging, appliance, engineering and transportation industries. These industries are in turn affected by the state of the markets in which they operate. While the global economy showed signs of recovery in 2010, subsequent years have been volatile primarily due to the sovereign debt crisis in certain European countries, such as Greece, Portugal and Cyprus. Presently, the macroeconomic environment has shown signs of improvement.

According to the Asian Development Bank, India's economy has grown significantly in recent years, with an average annual growth of 8.2% from 2005 to 2009; a GDP growth rate of 7.1% in 2017 and an estimated GDP growth rate of 7.0% in 2018. Steel consumption in India grew 4.1% in 2016, as compared to growth of 5.7% over the previous year. According to WSA, India's per capita steel consumption of finished steel is relatively low at 63.0 kg in 2016, as compared to China at 492.7 kg, Japan at 492.6 kg, the United States at 282.7 kg, South Korea at 1,130.2 kg, Taiwan at 782.1 kg, the United Kingdom at 163.9 kg and a world average at 207.9 kg in 2016.

Europe has been on the path to recovery in recent quarters. The European construction industry which had been particularly affected, is showing strong signs of a rebound. As per European Steel Association, the growth over the first half of 2017 in the construction sector in the European Union area was the strongest over a period of many years and clearly reflects improving fundamentals in the European Union construction industry. In the automotive segment, European Union passenger car and commercial vehicle demand continued to increase during the first half of 2017, with automotive output up 3% on a year-on-year basis in the first half of 2017. Although the Group operates a globally diversified steel business, it derives a substantial majority of its revenue from Europe and India from a geographic perspective. For the year ended March 31, 2017, the Group's European operations accounted for 39% of the Group's total revenue from operations, compared to 41% in the previous year. For the year ended March 31, 2017, the Group's Indian operations accounted for 43% of the Group's total revenue from operations, compared to 41% in the previous year.

For the year ended March 31, 2017, India, principally the largest market for the Group's operations, accounted for approximately 43% of the Group's total revenue from operations.

The European economy and the European steel industry and market have been witnessing strong recovery from the sovereign debt crisis and the effect of cheap imports from markets such as China. There is also increasing steel trade linkage between India and the European Union. India, on the basis of volume, is the largest exporter to the European Union, also showing the strongest growth as per the European Steel Association. Finished product exports from India grew by 159% year-on-year over the first nine months of 2017, followed by Turkey with an increase of 78%. This bodes well for both of Tata Steel's key markets. There is no assurance that the economic conditions in Europe will continue improving or that they will not deteriorate in the near future. See "Risk Factors — Risks Related to the Group — Europe is the Group's largest market outside of India, and its current business and future growth could be materially and adversely affected by economic conditions in Europe".

Production Costs

After revenue, production costs are the most significant factor affecting the Group's results of operations. The Group's principal production costs are raw material costs (primarily coal and iron ore and their related transportation costs), purchases of semi-finished steel, labor related expenses (primarily salaries), and other production-related costs such as repairs to machinery, energy costs, and freight relating to sales. The Group, except for its Indian operations, primarily purchases raw materials, such as iron ore, coal and scrap, on the international open market from third parties. Therefore, the Group is subject to fluctuations in prices of raw materials. In particular:

- The Group's European operations purchase all of their iron ore and coal from international markets.

- The Group's Indian operations are generally self-sufficient in iron ore, but approximately 64% of their coal requirements were purchased from international markets for the year ended March 31, 2017.

- The Group's operations in Singapore and Thailand purchase a majority of their scrap requirements from third parties.

For the years ended March 31, 2016 and March 31, 2017, total raw materials consumed by the Group's European operations was Rs.170,132 million and Rs.168,827 million, respectively, and for the six months ended September 30, 2017, total raw materials consumed by the Group's European operations was Rs.111,162 million.

Total production from the Group's Indian operations were 9.70 mt and 11.35 mt for the years ended March 31, 2016 and March 31, 2017, respectively, and for the six months ended September 30, 2017, production was 5.98 mt.

For the years ended March 31, 2016 and March 31, 2017, total raw materials consumed by the Group was Rs.281,149 million and Rs.324,181 million, respectively, and for the six months ended September 30, 2017, total raw materials consumed by the Group was Rs.206,340 million. Iron ore and coal are the primary sources of the Group's total cost of raw materials. Raw material consumption amounts reflect only the consumption of raw materials that were purchased from third parties. The costs of mining of iron ore and coal from the Group's captive mines in India are reflected in the respective expenses line items based on their nature and not included as part of raw material costs.

The price of iron ore has been subject to significant fluctuation from a low of approximately US$60 per ton in April 2009 to a high of approximately US$190 per ton in March 2011. Iron ore prices thereafter witnessed a steep drop to approximately US$100 per ton in September 2012 and continued to drop further to approximately US$40 per ton in December 2015. Prices have subsequently recovered and are trading in the range of US$70-77 per ton over the last 30 days.

The price of hard coking coal has steadily decreased by more than 50% during the period between May 2011 and January 2016, from approximately US$127 per ton to approximately US$50 per ton. Since then, the prices of coking coal have nearly doubled to approximately US$102 per ton in December 2017.

The availability and prices of raw materials may be negatively affected by, among other factors: new laws or regulations; suppliers' allocations to other purchasers; business continuity of suppliers; interruptions in production by suppliers; accidents or other similar events at suppliers' premises or along the supply chain; wars, natural disasters and other similar events; fluctuations in exchange rates; consolidation in steel-related industries; the bargaining power of raw material suppliers; and the availability and cost of transportation. The raw materials industry is highly concentrated and suppliers in recent years have had significant pricing power. Starting in 2010, certain suppliers of iron ore and coking coal moved to quarterly fixed-price schemes from annual fixed prices, increasing the Group's exposure to production cost and price volatility. In addition, curtailment of iron ore production due to reduced exports, increase in price of ore due to the increased use of electronic auctions ("e-auctions"), and reduced coking coal availability coupled with increased power and freight costs has led to declining profitability of Indian steel makers. Increases in production costs which the Group cannot pass on to its customers will adversely impact the Group's results of operations. The Group has allocated capital to its overseas raw material projects to develop material recycling technologies in an effort to reduce its exposure to volatility in raw material prices. See "Business — Raw Materials and Other Key Inputs".

The following table sets forth the Group's cost of materials for the periods indicated:

	Year ended March 31,		Six months ended September 30,
	2016	**2017**	**2017**
		(Rs. in millions)	
Raw materials consumed	281,149	324,181	206,340
Purchase of finished, semi-finished steel and other products.	105,814	114,249	53,843
Total cost of materials	386,963	438,430	260,183

	Year ended March 31,	
	2015	2016
	(Rs. in millions)	
Raw materials consumed	407,410	321,883
Purchase of finished, semi-finished steel and other products	138,042	101,740
Total cost of materials	545,452	426,623

Labor related expenses and other production-related costs (i.e., consumption of stores and spares and repairs to machinery) and freight and handling charges relating to sales also constitute a large portion of the Group's total expenditure. Although these costs are not subject to the same level of volatility as raw material costs, which fluctuate significantly depending on market conditions, the relatively fixed nature of such costs can have a material adverse impact on profitability during times of low production, as such costs cannot be reduced in accordance with the Group's lower production volume. In particular, a substantial majority of the Group's total labor related expenses arise from its European operations, where the Group has the majority of its steel production and where wages are higher compared to the other regions in which it operates. Despite the Group's European operations selling a significantly higher proportion of high value-added products relative to its operations elsewhere, the Group's European operations have not performed as well due to the relatively high labor-related expenses in Europe and the higher cost of raw materials consumed, which results from the European operations' purchase of all of their iron ore and coal in international markets from third parties.

Product Mix

The Group's product mix also affects its revenue and profitability. In general, selling a greater proportion of high value-added products should increase revenue and profitability. For example, within the flat product category, cold rolled, galvanized and tinplate products command higher prices and margins, while in the long products category, wires are considered to be high value-added products. The Group's European operations produce a greater percentage of high value-added products relative to its operations elsewhere. The Group has been working to increase the proportion of high value-added products of its portfolio in India, as the Group believes that India will likely continue to be a net importer of high value-added products, meaning that there should be a strong market for the Group's products in this category. Therefore, the Group intends to continue to focus on downstream value addition through new investments and product development.

Capacity Expansion

The Group is focused on expanding the capacity of its Indian operations through brownfield and greenfield projects such as expanding its facilities at Jamshedpur and Kalinganagar. It intends to continue to increase the size of its operations in India, and its competitive advantage as a low-cost producer, through its brownfield and greenfield expansion projects. The Group also continues to pursue inorganic growth opportunities, with a particular focus on acquisitions that generate greater synergies and production capacity, manufacturing facilities, infrastructure and advanced technology, and which allow it to diversify its product and customer base. The Group is pursuing and may continue to pursue opportunities for acquisition of financially stressed assets, including with respect to companies that are undergoing a corporate insolvency resolution process under the IBC. If successful in the IBC Process, the Group may finance the acquisitions by internal accruals, or additional capital raised as debt or equity or any other form in the company, or additional capital in a subsidiary or associate of the company.

Expansion initiatives affect the comparability of the results of operations for different periods. The Group's current growth strategy is focused on expanding its Indian operations in order to take advantage of the lower production costs at its Indian facilities. In recent years, the Group has increased its Indian operations mainly through the expansion of its production facilities in Jamshedpur and Kalinganagar. The Group expanded its existing brownfield crude steel capacity at Jamshedpur from 6.8 mtpa to 9.7 mtpa in December 2012, and established a greenfield project with a capacity of 3.0 mtpa in Kalinganagar, Odisha, which commenced operations in June 2016 and recently ramped up to full capacity, and increased crude steel capacity in India from 9.7 mtpa to 12.7 mtpa.

Critical Accounting Policies

Please see note 2 of our Annual Financial Statements as of and for the year ended March 31, 2017.

Description of Income Statement Items

"Revenue from Operations" includes revenue from the sale of products, income from town, medical and other services, sale of power and water and other operating income.

"Raw Materials Consumed" comprises the expenses associated with the raw materials used, primarily including iron ore, coal, coke, limestone and other major inputs.

"Purchase of Finished, Semi-finished and Other Products" comprises the expenditure for buying goods intended for trading as well as own consumption.

"Changes in stock of finished goods, work-in-progress and stock-in-trade" reflects the net change in these balance sheet items during the period.

"Employee Benefits Expense" comprises salaries and wages (including bonuses), contributions to provident and other funds and staff welfare expenses.

"Depreciation and Amortization Expense" comprises depreciation of fixed assets and amortization of intangible assets.

"Finance Costs" comprises interest on loans, bonds, debentures and other forms of indebtedness, finance charges on finance leases and other borrowing costs less capitalized interest.

"Other Expenses" comprises expenses associated with stores and spare parts, conversion charges, foreign exchange losses and royalties.

"Exceptional Items" comprises profit on sale of non-current investments, provision for diminution in value of investments and provision for impairment of non-current assets.

"Tax Expense" comprises current tax and deferred tax.

Results of Operations

Results of Operations for the six months ended September 30, 2016 and September 30, 2017

The following table sets forth the Group's statement of profit and loss data for the six months ended September 30, 2016 and 2017 which have been extracted without material adjustment from the Annual Financial Statements presented elsewhere in this Offering Memorandum and also includes the percentage change between the Financial Years presented:

Consolidated Statement of Profit and Loss Data (Ind-AS)	**Six months ended September 30, 2016**	**2017**	**% Change**
		(Rs. in millions) (unaudited)	
Revenue			
Revenue from operations	530,904	634,375	19.5
Other income	2,452	4,087	66.7
I. Total Income	**533,356**	**638,462**	**19.7**
(a) Raw materials consumed	144,492	206,340	42.8
(b) Purchases of finished, semi-finished and other products	57,071	53,843	(5.7)
(c) Changes in stock of finished goods, work-in-progress and stock-in-trade	(26,769)	(6,589)	75.4
(d) Employee benefit expenses	88,561	85,980	(2.9)
(e) Finance costs	24,217	26,936	11.2
(f) Depreciation and amortisation expense	27,047	29,744	10.0
(g) Other expenses	204,085	197,854	(3.1)
II. Total Expenses	**518,703**	**594,108**	**14.5**
III. Share of profit/(loss) of joint ventures and associates	**51**	**257**	**403.9**
IV. Profit before exceptional items and tax (I-II+III)	**14,705**	**44,610**	**203.4**
V. Exceptional items	**(2,271)**	**(6,614)**	**(191.2)**
VI. Profit/(loss) before tax (IV+V)	**12,434**	**37,996**	**205.6**
(a) Current tax	4,891	9,364	91.5
(b) Deferred tax	6,146	9,421	53.3
VII. Total tax expense	**11,036**	**18,785**	**70.2**
VIII. Profit/(loss) after tax from continuing operations (VI -VII)	**1,397**	**19,211**	**1,275.2**

The Group's consolidated financial statements presented in this Offering Memorandum as at and for the six months ended September 30, 2017, together with the comparative period data as at and for the six months ended September 30, 2016, have been prepared in accordance with Ind-AS.

Revenue from operations

The Group's revenue from operations for the six months ended September 30, 2017 increased by 19.5% to Rs.634,375 million from Rs.530,904 million for the six months ended September 30, 2016.

The following table presents the Group's revenue from operations by business segment for the periods indicated:

	Six months ended September 30, 2016	Six months ended September 30, 2017
	(Rs. in millions) (unaudited)	
Tata Steel India	220,418	286,427
Other Indian Operations	29,885	39,305
TSE	246,713	290,849
Other Trade Related Operations	92,636	135,419
South East Asian Operations	39,584	44,854
Rest of the World	2,833	3,798
Total	632,068	800,650
Less: Inter segment revenue	101,165	166,275
Revenue from operations	530,904	634,375

Revenue from Tata Steel India increased by 29.9% to Rs.286,427 million for the six months ended September 30, 2017 from Rs.220,418 million for the six months ended September 30, 2016, primarily as a result of an increase in sales volume, as well as an increase in average selling prices and better operating performance by the ferro alloys and minerals division. Sales volume from India increased by 22.1% to 5.83 mt for the six months ended September 30, 2017, from 4.77 mt for the six months ended September 30, 2016, primarily due to the additional production resulting from the commissioning of the Kalinganagar plant in June 2016. Average selling prices increased primarily as a result of improved market conditions and enhanced product mix.

Revenue from Other Indian Operations increased by 31.5% to Rs.39,305 million for the six months ended September 30, 2017 from Rs.29,885 million for the six months ended September 30, 2016. This increase was primarily at the operating Indian subsidiaries of the Group.

Revenue from TSE increased by 17.9% to Rs.290,849 million for the six months ended September 30, 2017 from Rs.246,713 million for the six months ended September 30, 2016, primarily as a result of improvement in average selling prices and increase in sales volume. TSE's 23% increase in average revenue per tonne and 5% increase in sales volume was primarily a result of improved market conditions, partly offset by exchange impact on translation as a result of the appreciation of the Rupee against the GBP during this period.

Revenue from Other Trade Related Operations increased by 46.2% to Rs.135,419 million for the six months ended September 30, 2017 from Rs.92,636 million for the six months ended September 30, 2016. This increase was primarily at Tata Steel Global Procurement, due to its increase in business with Tata Steel India and TSE driven by increased activity at these businesses.

Revenue from South East Asian Operations increased by 13.3% to Rs.44,854 million for the six months ended September 30, 2017 from Rs.39,584 million for the six months ended September 30, 2016. This increase was primarily due to higher revenues at NatSteel Singapore and Tata Steel Thailand driven by higher realizations in line with an increase in input metallic price.

Revenue from Rest of the World increased by 34.1% to Rs.3,798 million for the six months ended September 30, 2017 from Rs.2,833 million for the six months ended September 30, 2016 due to higher product volumes at Tata Steel Global Minerals Holdings.

Raw Materials Consumed

Raw materials consumed increased by 42.8% to Rs.206,340 million for the six months ended September 30, 2017 from Rs.144,492 million for the six months ended September 30, 2016. The increase at Tata Steel India was primarily due to the higher cost and higher consumption of imported coal. The increase at TSE was primarily due to an increase in the cost of coal and iron ore, and a 2% increase in production, partly offset by exchange impact on translation as a result of the appreciation of the Rupee against the GBP during this period.

Purchase of Finished, Semi-finished Steel and Other Products

The purchase of finished steel, semi-finished steel and other products decreased by 5.7% to Rs.53,843 million for the six months ended September 30, 2017 from Rs.57,071 million for the six months ended September 30, 2016. This decrease was mainly the result of a decrease at the Group's operations in Europe, primarily due to exchange impact on translation as a result of the appreciation of the Rupee against the GBP along with lower purchases by the Group's operations in India on account of lower requirements. Higher purchases at NatSteel Holdings Pte. Ltd. ("NatSteel Holdings") in Singapore and Tata Steel Thailand were primarily due to higher production.

Employee Benefits Expense

Employee benefits expense decreased by 2.9% to Rs.85,980 million for the six months ended September 30, 2017 from Rs.88,561 million for the six months ended September 30, 2016. This decrease in Rupee terms at TSE was due to exchange impact on translation, however, there was an increase in GBP terms as a result of an increase in pension costs. The decrease at Tata Steel India was primarily due to a change in actuarial estimates, mainly reflecting a change in the discount rate on leave salary, partly offset by normal salary increase and its impact on provisions.

Depreciation and Amortization Expenses

Depreciation and amortization expenses increased by 10.0% to Rs.29,744 million for the six months ended September 30, 2017 from Rs.27,047 million for the six months ended September 30, 2016. This increase was primarily at Tata Steel India, and mainly due to the commencement of operations at the Kalinganagar plant in June 2016.

Finance Costs

Finance costs increased by 11.2% to Rs.26,936 million for the six months ended September 30, 2017 from Rs.24,217 million for the six months ended September 30, 2016. This increase was primarily due to a decrease in interest capitalization. Finance costs at TSE were higher primarily due to higher borrowings, partly offset by exchange impact on translation.

Other Expenses

Other expenses decreased by 3.1% to Rs.197,854 million for the six months ended September 30, 2017 from Rs.204,085 million for the six months ended September 30, 2016. This increase was primarily due to favorable exchange rate movement at Tata Steel Global Holdings Pte. Ltd. ("TSGH"), Singapore, partly offset by an increase in expenses at the Group's operations in Europe due to higher stores and spares, an increase in levels of maintenance and freight and handling expenses.

Exceptional Items

Exceptional items consisted of provision for diminution in value of doubtful advances, provision for demands and claims and employee separation compensation.

For the six months ended September 30, 2017, provision for doubtful advances given for repurchase of equity shares in Tata Teleservices Limited from NTT Docomo Inc. was Rs.267 million, compared to Rs.1,169 million for the six months ended September 30, 2016.

For the six months ended September 30, 2017, provision for demands and claims in relation to the Indian operations was Rs.6,144 million, with respect to certain statutory demands and claims.

For the six months ended September 30, 2017, provision for employee separation compensation in relation to the Indian operations was Rs.204 million, compared to Rs.1,102 million for the six months ended September 30, 2016.

Tax Expense

Tax expenses increased by 70.2% to Rs.18,785 million for the six months ended September 30, 2017 from Rs.11,036 million for the six months ended September 30, 2016.

Profit/(Loss) after Tax from Continuing Operations

As a result of the foregoing, the Group recorded a profit after taxes from continuing operations of Rs.19,211 million for the six months ended September 30, 2017 compared to Rs.1,397 million for the six months ended September 30, 2016.

Results of Operations

Results of Operations for the Year Ended March 31, 2016 and the Year Ended March 31, 2017

The following table sets forth the Group's statement of profit and loss data for the years ended March 31, 2016 and 2017 which have been extracted without material adjustment from the Annual Financial Statements presented elsewhere in this Offering Memorandum and also includes the percentage change between the Financial Years presented.

Consolidated Statement of Profit and Loss Data (Ind-AS)	**Year ended March 31,**		
	2016	**2017**	**%Change**
		(Rs. in millions) (audited)	
Revenue			
Revenue from operations	1,063,399	1,174,199	10.4
Other income	4,122	5,275	28.0
I. Total Income	**1,067,521**	**1,179,474**	**10.5**
(a) Raw materials consumed	281,149	324,181	15.3
(b) Purchases of finished, semi-finished and other products	105,814	114,249	8.0
(c) Changes in stock of finished goods, work-in-progress and stock-in-trade	19,252	(45,381)	(335.7)
(d) Employee benefit expenses	175,876	172,522	(1.9)
(e) Finance costs	42,214	50,722	20.2
(f) Depreciation and amortisation expense	53,064	56,729	6.9
(g) Other expenses	401,625	438,550	9.2
II. Total Expenses	**1,078,994**	**1,111,572**	**3.0**
III. Share of profit/(loss) of joint ventures and associates	**(1,104)**	**77**	**107.0**
IV. Profit before exceptional items and tax (I-II+III)	**(12,576)**	**67,979**	**640.5**
V. Exceptional items	**39,904**	**(43,242)**	**(208.4)**
VI. Profit/(loss) before tax (IV+V)	**27,327**	**24,736**	**(9.5)**
(a) Current tax	13,210	17,417	31.9
(b) Deferred tax	(6,311)	10,363	264.2
VII. Total tax expense	**6,900**	**27,780**	**302.6**
VIII. Profit/(loss) after tax from continuing operations (VI -VII)	**20,428**	**(3,044)**	**(114.9)**

The Group's consolidated financial statements presented in this Offering Memorandum as at and for the year ended March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016, have been prepared in accordance with Ind-AS.

Revenue from operations

The Group's revenue from operations for the year ended March 31, 2017 increased by 10.4% to Rs.1,174,199 million from Rs.1,063,399 million for the year ended March 31, 2016. The following table presents the Group's revenue from operations for the periods indicated:

	Year ended March 31,	
	2016	2017
	(Rs. in millions) (audited)	
Tata Steel India	426,974	532,610
Other Indian Operations	62,266	66,998
TSE	535,554	520,850
Other Trade Related Operations	150,373	237,514
South East Asian Operations	80,670	81,359
Rest of the World	5,411	6,300
Total	**1,261,247**	**1,445,630**
Less: Inter segment revenue	197,848	271,430
Revenue from operations	**1,063,399**	**1,174,199**

Revenue from operations

Revenue from Tata Steel India increased by 24.7% to Rs.532,610 million for the year ended March 31, 2017 from Rs.426,974 million for the year ended March 31, 2016. This increase was primarily due to the commencement of operations at the Kalinganagar plant in June 2016 and improved market conditions and higher revenue from the ferro alloys and minerals division.

Revenue from Other Indian Operations increased by 7.6% to Rs.66,998 million for the year ended March 31, 2017 from Rs.62,266 million for the year ended March 31, 2016. This increase was primarily at the operating Indian subsidiaries of the Group.

Revenue from TSE decreased by 2.7% to Rs.520,850 million for the year ended March 31, 2017 from Rs.535,554 million for the year ended March 31, 2016. This decrease was primarily due to exchange impact on translation as a result of the appreciation of the Rupee against the GBP during the period. However, in GBP terms, there was an increase of 9% which reflects an increase in realizations due to an increase in price per tonne of sales.

Revenue from Other Trade Related Operations increased by 58.0% to Rs.237,514 million for the year ended March 31, 2017 from Rs.150,373 million for the year ended March 31, 2016. This increase was primarily at Tata Steel Global Procurement, due to its increase in business with Tata Steel India and TSE driven by increased activity at these businesses.

Revenue from South East Asian Operations increased by 0.9% to Rs.81,359 million for the year ended March 31, 2017 from Rs.80,670 million for the year ended March 31, 2016. This increase was primarily at Tata Steel Thailand and driven by higher realizations. The increase was nearly offset by lower revenues at NatSteel Holdings in Singapore due to lower volumes.

Revenue from Rest of the World increased by 16.4% to Rs.6,300 million for the year ended March 31, 2017 from Rs.5,411 million for the year ended March 31, 2016. This increase was primarily due to higher volumes at Tata Steel Global Minerals Holdings.

Raw Materials Consumed

Raw materials consumed increased by 15.3% to Rs.324,181 million for the year ended March 31, 2017 from Rs.281,149 million for the year ended March 31, 2016. This increase was primarily at Tata Steel India and driven by higher consumption due to the commencement of operations at the Kalinganagar plant in June 2016 and the cost of imported coal.

Expense at TSE was lower mainly on account of exchange impact on translation as a result of the appreciation of the Rupee against the GBP, partly offset by an increase in the prices of coal and iron ore.

Purchase of Finished, Semi-finished Steel and Other Products

The purchase of finished steel, semi-finished steel and other products increased by 8.0% to Rs.114,249 million for the year ended March 31, 2017 from Rs.105,814 million for the year ended March 31, 2016. This increase was primarily due to a higher cost of purchase at Tata Steel Thailand and at NatSteel in Singapore, attributable to an increase in production along with an increase in input metallic price. The decrease at TSE was primarily due to exchange impact on translation, partly offset by lower expense at Tata Steel, resulting from a lower requirement at the steel division.

Employee Benefits Expense

Employee benefits expense decreased by 1.9% to Rs.172,522 million for the year ended March 31, 2017 from Rs.175,876 million for the year ended March 31, 2016. This decrease in Rupee terms at TSE was due to exchange impact on translation, however there was an increase in GBP terms. Expense at Tata Steel India was higher primarily due to an increase in salary revisions and its consequential impact on the retirement provisions.

The total strength of permanent employees in the Indian operations decreased to 34,989 as on March 31, 2017 from 35,439 as on March 31, 2016.

Depreciation and Amortization Expenses

Depreciation and amortization expenses increased by 6.9% to Rs.56,729 million for the year ended March 31, 2017 from Rs.53,064 million for the year ended March 31, 2016. This increase was primarily at Tata Steel India due to the commencement of the Kalinganagar plant in June 2016, partly offset by impact of re-assessment of useful life of assets. Expense was lower at TSE mainly on account of exchange impact on translation as a result of appreciation of the Rupee against the GBP during the period.

Finance Costs

Finance costs increased by 20.2% to Rs.50,722 million for the year ended March 31, 2017 from Rs.42,214 million for the year ended March 31, 2016. This increase was primarily at Tata Steel prior to the commencement of operations at the Kalinganagar plant.

Finance costs at TSE were lower mainly on account of exchange impact on translation and decrease in bank and other borrowings.

Other Expenses

Other expenses increased by 9.2% to Rs.438,550 million for the year ended March 31, 2017 from Rs.401625 million for the year ended March 31, 2016. This increase was primarily at Tata Steel India and primarily due to the commencement of operations at the Kalinganagar plant in June 2016 and increased charges under the District Mineral Foundation. The Group's operations in Europe reported a decrease, primarily due to lower operational cost resulting from reduced production. These changes were partly offset by higher expense at TSGH due to adverse exchange rate movement.

Exceptional Items

Exceptional items consisted of profit on sale of non-current investments, profit on sale of non-current assets, provision for diminution in value of doubtful advances, provision for impairment of non-current assets, provision for demands and claims, employee separation compensation and restructuring and other provisions.

For the year ended March 31, 2017, profit on sale investments in subsidiaries, associates and joint ventures was Rs.227 million, compared to Rs.472 million for the year ended March 31, 2016.

For the year ended March 31, 2017, profit on sale of non-current asset was Rs.859 million, relating to sale of assets of a subsidiary in South East Asia on liquidation.

For the year ended March 31, 2017, provision for advances given for repurchase of equity shares in Tata Teleservices Limited from NTT Docomo Inc. was Rs.1,255 million, compared to Rs.730 million for the year ended March 31, 2016, relating to advances paid for a project which the Group has decided to discontinue.

For the year ended March 31, 2017, impairment loss recognised in respect of property, plant and equipment (including capital work-in-progress) and intangible assets was Rs.2,679 million, compared to Rs.15,302 million for the year ended March 31, 2016.

For the year ended March 31, 2017, provision for demands and claims in relation to the Indian operations was Rs.2,183, compared to Rs.8,801 million for year ended March 31, 2016.

For the year ended March 31, 2017, provision for employee separation compensation in relation to the Indian operations was Rs.2,074 million, compared to Rs.5,563 million for year ended March 31, 2016.

For the year ended March 31, 2017, restructuring and other provisions was Rs.36,138 million, primarily due to the curtailment charge relating to closure of TSE's BSPS to future accrual, compared to Rs.69,827 million for year ended March 31, 2016, primarily due to changes to the BSPS, the Stichting Pensioenfonds Hoogovens scheme and other restructuring exercise relating to the European operations.

Tax Expense

Tax expenses increased/decreased by 302.6% to Rs.27,780 million for the year ended March 31, 2017 from Rs.6,900 million for the year ended March 31, 2016.

Profit/(Loss) after Tax from Continuing Operations

As a result of the foregoing, the Group recorded a loss after taxes from continuing operations of Rs.3,044 million for the year ended March 31, 2017, compared to profit after tax of Rs.20,248 million for the year ended March 31, 2016.

Results of Operations

Results of Operations for the Year Ended March 31, 2016 and the Year Ended March 31, 2015

The following table sets forth the Group's statement of profit and loss data for the years ended March 31, 2015 and 2016 which have been extracted without material adjustment from the Annual Financial Statements presented elsewhere in this Offering Memorandum and also includes the percentage change between the Financial Years presented:

Consolidated Statement of Profit and Loss Data	**Year ended March 31,**		
(Indian GAAP)	**2015**	**2016**	**%Change**
		(Rs. in millions) **(audited)**	
Revenue			
Revenue from operations	1,395,037	1,171,516	(16.0)
Other income	7,962	39,257	393.1
I. Total Income	**1,402,999**	**1,210,773**	**(13.7)**
(a) Raw materials consumed	407,410	321,883	(21.0)
(b) Purchases of finished, semi-finished and other products	138,042	101,740	(26.3)
(c) Changes in stock of finished goods, work-in-progress and stock-in-trade	11,222	24,538	118.7
(d) Employee benefit expenses	214,076	199,668	(6.7)
(e) Finance costs	48,478	41,286	(14.8)
(f) Depreciation and amortisation expense	59,436	50,818	(14.5)
(g) Other expenses	498,929	447,830	(10.2)
II. Total Expenses	**1,377,593**	**1,187,764**	**(13.8)**
III. Profit before exceptional items and tax (I-II)	**25,406**	**23,008**	**(9.4)**
IV. Exceptional items	**(39,287)**	**(39,749)**	**(1.2)**
V. Profit/(loss) before tax (III+IV)	**(13,881)**	**(16,740)**	**(20.6)**
(a) Current tax	22,147	16,311	(26.4)
(b) MAT credit	(1,173)	(1,526)	(30.1)
(c) Deferred tax	4,700	264	(94.4)
VI. Total tax expense	**25,674**	**15,050**	**(41.4)**
VII. Profit/(Loss) after tax (V-VI)	**(39,555)**	**(31,790)**	**19.6**

The Group's consolidated financial statements presented in this offering memorandum as at and for the year ended March 31, 2016, together with the comparative period data as at and for the year ended March 31, 2015, have been prepared in accordance with Indian GAAP.

Revenue from Operations

The Group's revenue from operations for the year ended March 31, 2016 decreased by 16.0% to Rs.1,171,516 million from Rs.1,395,037 million for the year ended March 31, 2015. The following table presents the Group's revenue from operations (including inter segment sales which are not included in revenue from operations) by business segment for the periods indicated:

	Year ended March 31, 2015	Year ended March 31, 2016
	(Rs. million) (audited)	
Steel business	1,344,071	1,125,159
Other operations	124,199	108,041
Unallocated	14,481	7,746
Less: Inter segment revenue	87,714	69,430
Revenue from operations	1,395,037	1,171,516

Revenue from the steel business decreased by 16.3% to Rs.1,125,159 million for the year ended March 31, 2016 from Rs.1,344,071 million for the year ended March 31, 2015. This decrease was primarily due to lower realizations across all geographies and attributable to adverse market conditions.

Revenue from other operations decreased by 13% to Rs.108,041 million for the year ended March 31, 2016 from Rs.124,199 million for the year ended March 31, 2015. This decrease in revenue was primarily at Tata Steel India and TSE, and partly offset by an increase in revenue in the ferro alloys and minerals division in India.

Revenue from unallocated segment decreased by 47.0% to Rs.7,746 million for the year ended March 31, 2016 from Rs.14,481 million for the year ended March 31, 2015. This decrease was primarily at TSE due to restructuring of the operations.

Raw Materials Consumed

Raw materials consumed decreased by 21.0% to Rs.321,883 million for the year ended March 31, 2016 from Rs.407,410 million for the year ended March 31, 2015. This decrease was primarily at Tata Steel India due to lower consumption of purchased iron ore and pellet compared to the previous year, which was impacted due to a temporary closure of mines along with lower consumption of imported coal and coke. Expense at TSE decreased primarily due to a decrease in prices of iron ore and coking coal.

Purchase of Finished, Semi-finished Steel and Other Products

The purchase of finished steel, semi-finished steel and other products decreased by 26.3% to Rs.101,740 million for the year ended March 31, 2016 from Rs.138,042 million for the year ended March 31, 2015. This decrease was primarily at Natsteel Holdings and Tata Steel Thailand, and in line with lower sales volume. Expense at TSE was due to the external steel purchases required for operation.

Employee Benefits Expense

Employee benefits expense decreased by 6.7% to Rs.199,668 million for the year ended March 31, 2016 from Rs.214,076 million for the year ended March 31, 2015. This decrease was primarily at TSE and due to a reduction in head count of approximately 2,000 people, resulting in a decrease in retirement provisions. Employee cost at Tata Steel India decreased primarily due to an additional charge in the previous year of a change in actuarial estimates, primarily reflecting discount rates, partly offset by increase in normal salary revisions and its consequential impact on retiral provisions.

The total strength of permanent employees in the Indian operations decreased to 35,439 as on March 31, 2016 from 36,957 as on March 31, 2015.

Depreciation and Amortization Expenses

Depreciation and amortization expenses decreased by 14.5% to Rs.50,818 million for the year ended March 31, 2016 from Rs.59,436 million for the year ended March 31, 2015. This decrease was primarily at TSE due to a write down of assets.

Finance Costs

Finance costs decreased by 14.8% to Rs.41,286 million for the year ended March 31, 2016 from Rs.48,477 million for the year ended March 31, 2015. This decrease was primarily at Tata Steel India due to higher interest capitalization, due to the commencement of the Kalinganagar plant in June 2016. Expense at TSE decreased due to a decrease in bank and other borrowings, partly offset by the addition of a subordinate loan over the year ended March 31, 2015.

Other Expenses

Other expenses decreased by 10.2% to Rs.447,830 million for the year ended March 31, 2016 from Rs.498,929 million for the year ended March 31, 2015. This decrease was primarily at TSE, due to lower production, and at Tata Steel Global Holdings, Singapore, due to favorable exchange rate movement.

Decrease at NatSteel was primarily as previous year included a provision towards doubtful advances, not present during the current year.

Exceptional Items

Exceptional items consisted of profit on sale of non-current investments, profit on sale of non-current assets, provision for diminution in value of doubtful advances, provision for impairment of non-current assets, provision for demands and claims, provision for employee separation compensation and restructuring and other provisions.

For the year ended March 31, 2016, profit on sale investments in subsidiaries, associates and joint ventures was Rs.1,800 million, compared to Rs.13,513 million for the year ended March 31, 2015.

For the year ended March 31, 2016, profit on sale of non-current asset was Rs.11,469 million relating to profit on sale of land at Borivali, Mumbai.

For the year ended March 31, 2016, provision for diminution in value of doubtful advances was Rs.730 million, due to exposure in the Chhattisgarh project and Rs.177 million in advances to Tata Steel KZN Pty. Ltd., compared to Rs.3,383 million for the year ended March 31, 2015, due to exposure in New Millennium Iron Corp.

For the year ended March 31, 2016, impairment loss recognised in respect of goodwill, tangible and intangible assets (including capital work-in-progress) for the year ended March 31, 2016 was Rs.97,206 million, compared toRs.60,526 million for the year ended March 31, 2015.

For the year ended March 31, 2016, provision for demands and claims in relation to the Indian operations was Rs.8,801 million.

For the year ended March 31, 2016, provision for employee separation scheme in relation to the Indian operations was Rs.5,563 million.

For the year ended March 31, 2016, restructuring and other provisions was Rs.71,312 million, which were primarily in relation to European operation.

Tax Expense

Tax expenses decreased by 41.4% to Rs.15,050 million for the year ended March 31, 2016 from Rs.25,674 million for the year ended March 31, 2015.

Profit/(Loss) after Tax

As a result of the foregoing, the Group recorded a loss after taxes of Rs.31,790 million for the year ended March 31, 2016, compared to a loss after taxes of Rs.39,555 million for the year ended March 31, 2015.

Liquidity and Capital Resources

Capital Requirements

The Group's principal capital requirements are for capital expenditure, payment of principal and interest on its borrowings and, in some years, acquisitions of subsidiaries and joint ventures. Geographically, the capital requirements of the Group's European operations have been the greatest due to the relatively weaker operating performance of TSE. This has therefore resulted in substantial funding of those operations from parts of the Group with stronger operating performance, in particular India. The Group will continue to pursue inorganic growth opportunities, with a particular focus on acquisitions that generate greater synergies and production capacity, manufacturing facilities, infrastructure and advanced technology, and which allow the Group to diversify its product and customer bases. The Group is pursuing and may continue to pursue opportunities for acquisition of assets from financially stressed companies, including with respect to companies that are undergoing corporate insolvency resolution processes under the IBC. If successful in the IBC Process, the Group may finance acquisitions by internal accruals, additional capital raised as debt or equity or any other form in the Group, or through the use of additional capital in a subsidiary or associate of the Group. The principal source of funding of the Group has been, and is expected to continue to be, cash generated from its operations, supplemented by funding from bank borrowings and the capital markets. For the three years ended March 31, 2017 the Group had met its funding requirements, including capital expenditure, satisfaction of debt obligations, investments, taxes, other working capital requirements, dividends and other cash outlays, principally with funds generated from operations and equity issuances with the balance principally met using external borrowings.

Cash Management Policy

The Group has a separate treasury function for its operations in Europe, India, Singapore and Thailand. Each location manages its liquidity and cash needs separate and distinct from each other. Cash, except as set forth below, from one of the Group's principal areas of operations has not been used to support the operations one another.

The Group has cash pooling structures in South-East Asia and Europe to manage its liquidity and reduce overall bank borrowing and transaction costs. In each of these structures, the entity designated as the cash pool collect all surplus cash and provides short-term liquidity to the participating entities.

In addition, T S Global Procurement Company Pte. Limited ("TSGP") acts as a centralized procurement center for the Group including the provisions of trade financing structures on an arm's length basis. Pursuant to these arrangements, TSGP provides working capital support primarily for the procurement of materials and services in the case of TSE, and materials for India. Proco Issuer Pte. Ltd., a subsidiary of TSGP also provides working capital support by purchase of receivables from TSE's subsidiaries.

Cash Flow Data

The Group seeks, in normal circumstances, to maintain a substantial cash and cash equivalents balances to provide it with financial liquidity and operational flexibility. The Group's cash is placed in bank fixed deposits, certificates of deposit with banks and mutual funds. As at March 31, 2017, the Group had cash and cash equivalents Rs.48,323 million.

The following table sets forth selected items from the Group's consolidated cash flow statement for the periods indicated:

Cash flow statement of the Group (Ind-AS)	**Year ended March 31, 2016**	**2017**
	(Rs. in millions) (audited)	
Net cash flow from/(used in) operating activities	114,554	108,481
Net cash from/(used in) investing activities	(92,538)	(90,862)
Net cash flow from/(used in) financing activities	(47,291)	(25,924)
Net increase/(decrease) in cash and cash equivalents	(25,276)	(8,306)
Closing cash and cash equivalents	**61,091**	**48,323**

Cash Flows Generated from Operating Activities

The Group generated Rs.108,481 million from operations during the year ended March 31, 2017, compared to Rs.114,554 million during the year ended March 31, 2016. The cash operating profit before working capital changes and direct taxes during year was Rs.175,814 million, compared to Rs.68,240 million during previous year due to higher profitability. Cash from operations was lower than the previous year due to an increase in the working capital during the current period by Rs.48,907 million, compared to a decrease of Rs.61,656 million in the previous year, partly offset by higher profitability. The payments of income taxes during the year was Rs.18,427 million, compared to Rs.15,343 million during the previous year.

Cash Flows Generated From/(Used in) Investing Activities

Cash used in investing activities was Rs.90,862 million for the year ended March 31, 2017, compared to Rs.92,538 million during the year ended March 31, 2016. The outflow during the year broadly represented capital expenditure, which totaled Rs.77,156 million and purchase (net of sale) of current investments amounting to Rs.6,926 million.

Cash Flows Generated From/(Used in) Financing Activities

Cash used in financing activities (which consists of loan receipts net of loan repayments interest payments and dividend payments) for the year ended March 31, 2017 was Rs.25,924 million, compared to Rs.47,291 million during the year ended March 31, 2016.

The net decrease in cash and cash equivalents was Rs.8,306 million, excluding the effect of exchange fluctuation of Rs.4,141 million for the year ended March 31, 2017, with a balance of Rs.48,323 million as on March 31, 2017 against a balance of Rs.61,091 million as on March 31, 2016.

The following table sets forth selected items from the Group's consolidated cash flow statement for the periods indicated:

Cash flow statement of the Group (Indian GAAP)	Year ended March 31, 2015	Year ended March 31, 2016
	(Rs. in millions) (audited)	
Net cash flow from/(used in) operating activities	118,798	119,632
Net cash from/(used in) investing activities	(84,221)	(104,242)
Net cash flow from/(used in) financing activities	(26,172)	(39,284)
Net increase/(decrease) in cash and cash equivalents	8,404	(23,894)
Closing cash and cash equivalents	**86,478**	**66,090**

Cash Flows Generated from Operating Activities

The Group generated Rs.119,632 million from operations during the year ended March 31, 2016 as compared to Rs.118,798 million during the year ended March 31, 2015. The cash operating profit before working capital changes and direct taxes during year was Rs.81,750 million as compared to Rs.139,554 million during previous year due to decline in profitability. Cash from operations was lower than the previous year due to an increase in working capital during the current period by Rs.54,332 million, compared to an increase of Rs.3,514 million in working capital, and lower profitability, in the previous years. The payments of income taxes during the year was Rs.16,450 million as compared to Rs.24,270 million during the previous year.

Cash Flows Generated From/(Used in) Investing Activities

Cash used in investing activities was Rs.104,242 million for the year ended March 31, 2016, compared to Rs.84,221 million for the year ended March 31, 2015. The outflow during the year broadly represented capital expenditure, which totaled Rs.114,859 million and purchase (net of sale) of current investments. These increases were partly offset by sales of non-current investments.

Cash Flows Generated From/(Used in) Financing Activities

Cash used in financing activities (which consists of loan receipts net of loan repayments, interest payments and dividend payments) for the year ended March 31, 2016 was Rs.39,284 million, as compared to Rs.26,172 million during the year ended March 31, 2015.

The net decrease in cash and cash equivalents was Rs.23,894 million, excluding the effect of exchange fluctuation of Rs.4,727 million for the year ended March 31, 2016, with a balance of Rs.66,090 million as on March 31, 2016 against a balance of Rs.86,478 million as on March 31, 2015.

Indebtedness

The Group's principal sources of external financing include both short-term and long-term facilities (in both Rupees and other currencies). The Group is required to secure certain of its borrowings, in line with established market practices. As at March 31, 2017, the Group had total outstanding indebtedness of Rs.830,145 million. 68% of the total outstanding indebtedness as at March 31, 2017 was denominated in foreign currency, principally in U.S. Dollar, with the remainder denominated in Rupees.

The following table sets forth the Group's consolidated debt position and a summary of the maturity profile for its debt obligations as at March 31, 2017:

	Short term	Less than or equal to one year	One to two years	Two to five years	More than 5 years	Unearned interest on Fin. lease obligation and Unamortized transaction cost	Total
	(Rs. in millions)						
Bonds/Debentures	—	—	5,000	59,065	156,796	8,468	212,393
Term Loans	102,679	4,454	13,311	304,870	86,017	3,071	508,262
Repayable on Demand	2,447	12	—	—	—	—	2,459
Finance Lease Obligations	—	5,708	5,848	14,569	47,399	43,069	30,455
Other Borrowings	78,623	—	—	—	101	2,147	76,577
Total loans	**183,749**	**10,174**	**24,159**	**378,504**	**290,313**	**56,754**	**830,145**

Some of the Group's financing agreements and debt arrangements contain financial covenants that require the satisfaction and/or maintenance financial tests and ratios, including requirements to maintain debt to equity ratios, debt coverage ratios and certain other liquidity ratios. In addition, such agreements and arrangements also require the Group to obtain prior lender consents for certain specified actions, including issuing new securities, changing business of the Group, merging, consolidating, selling significant assets or making certain acquisitions or investments. See "Risk Factors — Risks Related to the Notes — The Group is subject to certain restrictive covenants in its financing arrangements which may limit operational and financial flexibility, and failure to comply with these covenants may have a material adverse effect on the Group's future results of operations and financial condition" and "Description of Material Indebtedness".

Operating leases

The Group's operating leases consist of leases associated with its plant and machinery. Operating lease charges were Rs.12,023 million, Rs.9,647 million, Rs.9,496 million for the year ended March 31, 2015, 2016, and 2017 respectively.

The following table sets forth the total minimum lease payments for Group's operating leases in each period:

	Year ended March 31,		
	2015	2016	2017
	(Rs. in millions)		
Period			
Not later than one year	11,600	9,204	6,735
Later than one year but not later than five years	37,451	29,805	14,798
Later than five years	38,195	24,249	25,898
Total	**87,246**	**63,258**	**47,431**

Capital expenditure

The Group's expansion plans, including acquisitions of other businesses, require significant capital expenditure. The Group's capital expenditure totaled Rs.134,924 million, Rs.101,634 million and Rs.77,156 million for the years ended March 31, 2015, 2016, and 2017, respectively. These expenditures related primarily to the expansion projects at the Jamshedpur facility, the development of a new greenfield steel plant in Odisha and the development of iron ore and coal mines as well as expenditures for the maintenance and improvements of various existing facilities.

The Group's current capital investments in India are focused on the expansion of production capacity and increasing production of high value-added products. The Group's capital investments in its European facilities are focused on maintenance and renovation of its existing capacity. The Group is also seeking to improve the efficiency of its facilities in order to reduce production costs.

A significant portion of the Group's total capital expenditures in India is expected to be applied towards the completion of Phase II of the Odisha project. Phase II is the expansion of capacity at Kalinganagar by 5.0 mtpa (from 3.0 mtpa to 8.0 mtpa) with a total estimated capital investment of approximately Rs.235,000 million through a mixture of debt and equity. Phase II will be implemented over a 48 month period from the date of commencement of construction. The commissioning of Phase II is planned to realize synergies with Phase I operations through improvement in productivity of equipment and manpower, improvement in key performance indicators in operations, and the optimization of administration costs. See "Business — Expansion and Development Projects" and "Risk Factors — Risks Related to the Group".

The Group's planned and budgeted capital investments in its European facilities are focused on maintenance and renovation of its existing capacity. The Group is also seeking to improve the efficiency of its facilities in order to reduce production costs.

The Group's expansion plans, including acquisitions of other businesses and joint ventures, require significant capital expenditure. There are a number of factors that could affect the feasibility of the Group's expansion plans and its ability to timely complete them, including receiving financing on reasonable terms or at all, obtaining required regulatory permits and licenses, the expiration of any agreements with local governments related to such projects, demand for the Group's products and general economic conditions. See "Risk Factors — Risks Related to the Group — If the Group is unable to successfully implement its growth strategies, its results of operations and financial condition could be adversely affected" and "Risk Factors — Risks Related to the Group — The Group may not be able to obtain adequate funding required to carry out its future plans for growth."

Capital Resources

The following tables respectively set forth (i) the Group's proceeds from its principal financing activities for the periods indicated and (ii) the Group's consolidated borrowings as at the dates indicated:

	Year ended March 31,		
	2015	2016	2017
	(Rs. in millions)		
Issue of share capital	—	—	0.1
Issue of Preference Shares	—	—	—
Proceeds from issue of Hybrid Perpetual Securities	—	—	—
Proceeds from borrowings	455,186	140,477	194,846

For a discussion of the Group's material indebtedness, please see "Description of Material Indebtedness".

Off-Balance Sheet Arrangements

As at September 30, 2017, the Group did not have any material off-balance sheet arrangements.

Quantitative and Qualitative Disclosures about Market Risk

The Group is exposed in the ordinary course of its business to risks related to changes in exchange rates, interest rates, commodity prices and energy and transportation tariffs.

Exchange Rate Risk

The Group's reporting currency is Rupee. The Group has significant operations in the United Kingdom, the Netherlands and Asia (mainly Singapore, China, Vietnam, Australia and Thailand). Respective units face fluctuations in cash flows to the extent their operating cash flows are transacted in foreign currencies. Volatility in exchange rates affects the Group's results from operations in a number of ways. It impacts the Group's revenue from export markets and the costs of imports, primarily in relation to raw materials.

The Group is exposed to exchange rate risk under its trade and debt portfolio. In order to hedge exchange rate risk under its trade portfolio and capital account transactions, the Group has a policy to hedge cash flows up to a specific tenure using forward cover contracts and options. On its debt portfolio, the Group uses forward contracts, options and principal only swaps to hedge exchange rate risk. Adverse movements in the exchange rate between the Rupee and any relevant foreign currency result's in increase in the Group's overall debt position in Rupee terms without the Group having incurred additional debt. As at March 31, 2017, 32.1% of the Group's total outstanding indebtedness, which totaled Rs.266,826 million, was denominated in Rupees, and the remaining 67.9% was denominated in various foreign currencies, including U.S. dollars, GBP, Euro, Japanese Yen and Singapore dollars. As a result, the Group's results of operations may be materially affected by the significant fluctuations in the exchange rates of relevant foreign currencies. See "Risk Factors — Risks Related to the Group — The Group's operating results are affected by movements in exchange rates and interest rates".

Hedging Activities

The Group uses forward covers, options and principal only swaps to hedge the foreign currency risk arising on account of its revenue and debt portfolio. All hedging activities are carried out in accordance with the Group's internal risk management policies, as approved by the Board of Directors, and in accordance with the applicable regulations where the Group operates. The Group's risk management policies attempt to protect business planning from adverse currency and interest rate movements. The Group does not use derivative contracts for speculative purposes. As at March 31, 2017, approximately half of the Group's loans were subject to hedging arrangements.

The accounting policies of the Group require that the liabilities and hedges thereon be revalued at each balance sheet date. Hedges taken against contracted and forecasts exposures are marked to market gains and losses are taken to the statement of profit and loss and gains if any are ignored. Hedges taken against balance sheet items are revalued along with underlying exposures.

Hedging activities in India are governed by the RBI, whose policies must be complied with at all times. The policies under which the RBI regulates hedging activities can change from time to time, and these policies may affect the effectiveness with which the Group manages its exchange rate risk. The Group generally keeps a hedge of three to six months on its revenue account, keeps a high hedge ratio on capital expenditure based on respective tenures and keep its debt portfolio proactively hedged. Interest rate risk is hedged on case by case basis depending on evolving economic scenario.

Interest Rate Risk

The Group is exposed to the interest rate risk on short-term and long-term floating rate instruments and also on the refinancing of fixed rate debt. The Group's policy is to maintain a balance of fixed and floating interest rate borrowings. As at March 31, 2017, 60.2% of the Group's total outstanding indebtedness, which totaled Rs.499,500 million, was subject to floating rates.

The Group's floating rate debt is mostly linked to the Euro London Interbank Offering Rate ("LIBOR"). The costs of floating rate borrowings may be affected by the fluctuations in the interest rates. The Group has selectively used interest rate swaps and interest rate options to manage its exposure to interest rate movements. These exposures are reviewed by appropriate levels of management on a regular basis. The Group does not enter into hedging instruments for speculative purposes.

Borrowing and interest rate hedging activities in India are governed by the RBI and the Group has to comply with its regulations. The policies under which the RBI regulates these borrowing and interest rate hedging activities can change from time to time and can impact the effectiveness with which the Group manages its interest rate risk. Any increase in interest rates could therefore materially and adversely affect the Group's cash flow, business, results of operations and financial condition. See "Risk Factors — Risks Related to the Group — The Group's operating results are affected by movements in exchange rates and interest rates".

Commodity Price Risk

The Group's revenue is exposed to the market risk of price fluctuations related to the sale of its steel products. Market forces generally determine prices for the steel products that the Group sells. These prices may be influenced by factors such as supply and demand, production costs (including the costs of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may reduce the revenue that the Group earns from the sale of its steel products.

The Group primarily purchases its raw materials on the open market from third parties. The Group is therefore subject to fluctuations in prices for the purchase of coal, ferro alloys, zinc, scrap and other raw material inputs. For example, TSE purchased all of its raw material requirements from third parties on the open market for the year ended September 30, 2017. For the year ended March 31, 2017, approximately 64% of the coal requirements for the Group's Indian operations were sourced from third parties. The Group's exposure to price fluctuations in raw materials is mitigated in part by the fact that its Indian operations are currently self-sufficient in terms of its iron ore needs, as they are able to extract sufficient iron ore from their captive mines to satisfy their needs.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF TATA STEEL

The following discussion is intended to convey management's perspective on the financial condition and results of operations of Tata Steel as at the end of and for the years ended March 31, 2015, 2016 and 2017, and the six-month periods ended September 30, 2016 and 2017. The following discussion of the Tata Steel financial condition and results of operations should be read in conjunction with the financial statements, the schedules and notes thereto and the other information included elsewhere in this Offering Memorandum. The financial statements are prepared in accordance with Ind-AS and Indian GAAP. For a discussion of certain significant differences between Ind-AS and IFRS, see "Summary of Certain Differences between Ind-AS and IFRS".

This section contains forward-looking statements that involve risks and uncertainties. Actual results may differ materially from those discussed in such forward-looking statements as a result of various factors, including those described under the sections "Forward-Looking Statements and Associated Risks" and "Risk Factors" beginning on pages x and 39 of this Offering Memorandum, respectively.

Tata Steel standalone financial information has been presented in this Offering Memorandum together with the Group's financial information in order to provide potential investors with additional information relating to the financial results of the Group as a whole.

Results of Operations

Results of Operations for the six months ended September 30, 2016 and September 30, 2017

The following table sets forth Tata Steel's statement of profit and loss data for the six months ended September 30, 2016 and 2017 which have been extracted without material adjustment from the Annual Financial Statements presented elsewhere in this Offering Memorandum and also includes the percentage change between the Financial Years presented:

Standalone Statement of Profit and Loss of Tata Steel	Six months ended September 30,		
(Ind-AS)	2016	2017	% Change
		(Rs. in millions) (audited)	
Revenue			
Revenue from operations	220,418	286,427	29.9
Other income	2,702	3,616	33.8
I. Total Income	**223,119**	**290,043**	**30.0**
(a) Raw materials consumed	49,518	86,686	75.1
(b) Purchases of finished, semi-finished and other products	4,776	3,438	(28.0)
(c) Changes in stock of finished goods, work-in-progress and stock-in-trade	(9,376)	143	101.5
(d) Employee benefit expenses	23,412	22,728	(2.9)
(e) Finance costs	12,659	14,093	11.3
(f) Depreciation and amortisation expense	16,146	18,788	16.4
(g) Other expenses	110,726	110,016	(0.6)
II. Total Expenses	**207,862**	**255,893**	**23.1**
III. Profit before exceptional items and tax (I-II)	**15,258**	**34,150**	**123.8**

Standalone Statement of Profit and Loss of Tata Steel (Ind-AS)	Six months ended September 30, 2016	2017	% Change
		(Rs. in millions) (audited)	
IV. Exceptional items	**(2,198)**	**(6,434)**	**(192.8)**
V. Profit/(loss) before tax (III+IV)	**13,060**	**27,716**	**112.2**
(a) Current tax	4,495	7,089	57.7
(b) Deferred tax	315	2,622	732.3
VI. Total tax expense	**4,810**	**9,711**	**101.9**
VII. Profit/(loss) after tax from continuing operations (V-VI)	**8,250**	**18,005**	**118.2**

The Group's consolidated financial statements presented in this Offering Memorandum as at and for the six months ended September 30, 2017, together with the comparative period data as at and for the six months ended September 30, 2016, have been prepared in accordance with Ind-AS.

Revenue from operations

Revenue increased by 29.9% to Rs.286,427 million for the six months ended September 30, 2017 from Rs.220,418 million for the six months ended September 30, 2016, primarily due to an increase in sales volume, as well as an increase in average selling prices and higher operating performance from the ferro alloys and minerals division.

Sales volume from India increased by 22.1% to 5.83 mt for the six months ended September 30, 2017 from 4.77 mt for the six months ended September 30, 2016, primarily due to the additional production from the Kalinganagar plant which commenced operations in June 2016. Average selling prices increased primarily as a result of improved market conditions and enhanced product mix.

Raw Materials Consumed

Raw materials consumed increased by 75.1% to Rs.86,686 million for the six months ended September 30, 2017 from Rs.49,518 million for the six months ended September 30, 2016. The increase in expense reflects higher costs and consumption of imported coal along with higher expenses at the ferro alloys and minerals division resulting from increased production.

Purchase of Finished, Semi-finished Steel and Other Products

The purchase of finished steel, semi-finished steel and other products decreased by 28% to Rs.3,438 million for the six months ended September 30, 2017 from Rs.4,776 million for the six months ended September 30, 2016. This decrease was primarily due to lower purchases of imported rebars and wire rods.

Employee Benefits Expense

Employee benefits expense decreased by 2.9% to Rs.22,728 million for the six months ended September 30, 2017 from Rs.23,412 million for the six months ended September 30, 2016. This decrease was primarily due to the change in actuarial estimates mainly reflecting a change in discount rate, partly offset by normal salary increase and its impact on provisions.

Depreciation and Amortization Expenses

Depreciation and amortization expenses increased by 16.4% to Rs.18,788 million for the six months ended September 30, 2017 from Rs.16,146 million for the six months ended September 30, 2016. This increase was primarily due to the commencement of operations at the Kalinganagar plant in June 2016.

Finance Costs

Finance costs increased by 11.3% to Rs.14,093 million for the six months ended September 30, 2017 from Rs.12,659 million for the six months ended September 30, 2016, primarily due to a decrease in interest capitalization related to Kalinganagar operations.

Other Expenses

Other expenses decreased by 0.6% to Rs.110,016 million for the six months ended September 30, 2017 from Rs.110,726 million for the six months ended September 30, 2016.

Exceptional Items

Exceptional items consisted of provision for diminution in value of doubtful advances and investments, provision for demands and claims and employee separation compensation.

For the six months ended September 30, 2017, provision for advances given for repurchase of equity shares in Tata Teleservices Limited from NTT Docomo Inc. was Rs.267 million compared to Rs.1,169 million during six months ended September 30, 2016, and provision for diminution in value of investments held in subsidiaries for Rs.213 million during six months ended September 30, 2016.

For the six months ended September 30, 2017, provision for demands and claims was Rs.6,144 million.

For the six months ended September 30, 2017, the provision for the employee compensation scheme was Rs.24 million compared to Rs.815 million during six months ended September 30, 2016.

Tax Expense

Tax expenses increased by 101.9% to Rs.9,711 million for the six months ended September 30, 2017 from Rs.4,810 million for the six months ended September 30, 2016.

Profit/(Loss) after Tax from Continuing Operations

As a result of the foregoing, profit after taxes from continuing operations was Rs.18,005 million for the six months ended September 30, 2017 compared to Rs.8,250 million for the six months ended September 30, 2016.

Results of Operations

Results of Operations for the Year Ended March 31, 2016 and the Year Ended March 31, 2017

The following table sets forth Tata Steel's statement of profit and loss data for the years ended March 31, 2016 and 2017 which have been extracted without material adjustment from the Annual Financial Statements presented elsewhere in this Offering Memorandum and also includes the percentage change between the Financial Years presented:

Standalone Statement of Profit and Loss of Tata Steel			Year ended March 31,		
(Ind-AS)			**2016**	**2017**	**% Change**
				(Rs. in millions) (audited)	
Revenue					
Revenue from operations			426,974	532,610	24.7
Other income			3,912	4,145	6.0
I.	**Total Income**		**430,886**	**536,754**	**24.6**
	(a)	Raw materials consumed	97,000	124,968	28.8
	(b)	Purchases of finished, semi-finished and other products	9,915	8,812	(11.1)
	(c)	Changes in stock of finished goods, work-in-progress and stock-in-trade	708	(13,297)	(1,978.1)
	(d)	Employee benefit expenses	43,199	46,051	6.6
	(e)	Finance costs	18,481	26,886	45.5
	(f)	Depreciation and amortisation expense	29,623	35,416	19.6
	(g)	Other expenses	200,035	247,316	23.6
II.	**Total Expenses**		**398,960**	**476,151**	**19.3**
III.	**Profit before exceptional items and tax (I-II)**		**31,926**	**60,603**	**89.8**
IV.	**Exceptional items**		**(16,493)**	**(7,034)**	**57.4**
V.	**Profit/(loss) before tax (III+IV)**		**15,433**	**53,569**	**247.1**
	(a)	Current tax	11,933	14,005	17.4
	(b)	Deferred tax	(6,056)	5,118	184.5
VI.	**Total tax expense**		**5,877**	**19,124**	**225.4**
VII.	**Profit/(loss) after tax from continuing operations (V -VI)**		**9,556**	**34,445**	**260.5**

The Group's consolidated financial statements presented in this Offering Memorandum as at and for the year ended March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016, have been prepared in accordance with Ind-AS.

Revenue from operations

Revenue increased by 24.7% to Rs.532,610 million for the year ended March 31, 2017 from Rs.426,974 million for the year ended March 31, 2016. This increase was primarily due to the commencement of operations at the Kalinganagar plant in June 2016, improved market conditions and higher revenue from the ferro alloys and minerals division.

Raw Materials Consumed

Raw materials consumed increased by 28.8% to Rs.124,968 million for the year ended March 31, 2017 from Rs.97,000 million for the year ended March 31, 2016. This increase was primarily at Tata Steel India and driven by higher consumption due to the commencement of operations at the Kalinganagar plant in June 2016 and the cost of imported coal.

Purchase of Finished, Semi-finished Steel and Other Products

The purchase of finished steel, semi-finished steel and other products decreased by 11.1% to Rs.8,812 million for the year ended March 31, 2017 from Rs.9,915 million for the year ended March 31, 2016, primarily due to lower purchases of wire rods and imported rebars.

Employee Benefits Expense

Employee benefits expense increased by 6.6% to Rs.46,051 million for the year ended March 31, 2017 from Rs.43,199 million for the year ended March 31, 2016, primarily due to an increase in salary revisions and its consequential impact on the retirement provisions.

The total strength of permanent employees in the Indian operations decreased to 34,989 for the year ended March 31, 2017 from 35,439 for the year ended March 31, 2016.

Depreciation and Amortization Expenses

Depreciation and amortization expenses increased by 19.6% to Rs.35,416 million for the year ended March 31, 2017 from Rs.29,623 million for the year ended March 31, 2016. This increase was primarily Tata Steel India due to the commencement of Kalinganagar operations in June 2016, partly offset by impact of re-assessment of useful life of assets effective April 1, 2016.

Finance Costs

Finance costs increased by 45.5% to Rs.26,886 million for the year ended March 31, 2017 from Rs.18,481 million for the year ended March 31, 2016 primarily as previous year included higher interest capitalization of Kalinganagar operations.

Other Expenses

For the year ended March 31, 2017, other expenses increased by 23.6% to Rs.247,316 million from Rs.200,035 million for the year ended March 31, 2016. This increase was primarily due to the commencement of operations at Kalinganagar in June 2016 and increased charges under the District Mineral Foundation. In previous year post-notification in September 2015 stipulating the rate to 30% of the royalty, the Group has reversed the excess provision (January 2015 to August 2015) which was earlier provided at 100% of the royalty.

Exceptional Items

Exceptional items consisted of profit on sale of non-current investments, provision for diminution in value of doubtful advances, provision for impairment of non-current assets, provision for demands and claims, employee separation compensation and restructuring and other provisions.

For the year ended March 31, 2016, loss on sale investments in subsidiaries and an associates was Rs.9 million.

For the year ended March 31, 2017, provision for advances given for repurchase of equity shares in Tata Teleservices Limited from NTT Docomo Inc. was Rs.1,255 million and provision for diminution in value of investments held in subsidiaries was Rs.454 million, compared to Rs.730 million during year ended March 31, 2016 relating to advances paid for a project which the Group has decided to discontinue and provision for diminution in value of investments held in subsidiaries was Rs.876 million for the year ended March 31, 2016.

For the year ended March 31, 2016, impairment loss recognised in respect of property, plant and equipment (including capital work-in-progress) and intangible assets was Rs.515 million.

For the year ended March 31, 2017, provision for demands and claims was of Rs.2,183 million compared to Rs.8,801 million for year ended March 31, 2016.

For the year ended March 31, 2017, provision for the employee compensation scheme was Rs.1,787 million compared to Rs.5,563 million during year ended March 31, 2016.

For the year ended March 31, 2017, restructuring and other provisions was Rs.1,356 million, primarily due to legal and constructive commitments provided by the Group with respect to a loss making subsidiary.

Tax Expense

Tax expenses increased/decreased by 225.4% to Rs.19,124 million for the year ended March 31, 2017 from Rs.5,877 million for the year ended March 31, 2016.

Profit/(Loss) after Tax from Continuing Operations

As a result of the foregoing, the Group recorded profit after tax from continuing operations of Rs.34,445 million for the year ended March 31, 2017 as compared to profit after tax of Rs.9,556 million for the year ended March 31, 2016.

Results of Operations

Results of Operations for the Year Ended March 31, 2016 and the Year Ended March 31, 2015

The following table sets forth Tata Steel's statement of profit and loss data for the years ended March 31, 2015 and 2016 which have been extracted without material adjustment from the Annual Financial Statements presented elsewhere in this Offering Memorandum and also includes the percentage change between the Financial Years presented:

Standalone Statement of Profit and Loss of Tata Steel	**Year ended March 31,**		
(Indian GAAP)	**2015**	**2016**	**% Change**
		(Rs. in millions) (audited)	
Revenue			
Revenue from operations	417,850	382,103	(8.6)
Other income	5,828	38,907	567.6
I. Total Income	**423,678**	**421,010**	**(0.6)**
(a) Raw materials consumed	116,786	97,000	(16.9)
(b) Purchases of finished, semi-finished and other products	6,883	9,915	44.1
(c) Changes in stock of finished goods, work-in-progress and stock-in-trade	(7,159)	1,430	120.0
(d) Employee benefit expenses	46,019	43,249	(6.0)
(e) Finance costs	19,760	14,603	(26.1)
(f) Depreciation and amortisation expense	19,976	19,331	(3.2)
(g) Other expenses	155,233	158,392	2.0
II. Total Expenses	**357,497**	**343,920**	**(3.8)**
III. Profit before exceptional items and tax (I-II)	**66,180**	**77,091**	**16.5**

Standalone Statement of Profit and Loss of Tata Steel (Indian GAAP)		Year ended March 31,		
		2015	2016	%Change
			(Rs. in millions) (audited)	
IV.	**Exceptional items**	**18,909**	**(15,826)**	**(183.7)**
V.	**Profit/(loss) before tax (III+IV)**	**85,089**	**61,265**	**(28.0)**
	(a) Current tax	19,086	14,331	(24.9)
	(b) MAT credit	(1,172)	(1,522)	(29.9)
	(c) Deferred tax	2,784	(553)	(119.9)
VI.	**Total tax expense**	**20,698**	**12,256**	**(40.8)**
VII.	**Profit/(Loss) after tax (V-VI)**	**64,391**	**49,010**	**(23.9)**

The Group's consolidated financial statements presented in this Offering Memorandum as at and for the year ended March 31, 2016, together with the comparative period data as at and for the year ended March 31, 2015, have been prepared in accordance with Indian GAAP.

Revenue from operations

Revenue decreased by 8.6% to Rs.382,103 million for the year ended March 31, 2017 from Rs.417,850 million for the year ended March 31, 2016. This decrease was primarily due to lower domestic realization attributable to adverse market conditions and cheap Chinese imports, partly offset by higher sales at the ferro alloys and mineral division as the previous year was impacted by closure of mines and change in mines lease policy by the Government of Odisha.

Raw Materials Consumed

Raw materials consumed decreased by 16.9% to Rs.97,000 million for the year ended March 31, 2016 from Rs.116,786 million for the year ended March 31, 2015. This decrease was primarily due to lower consumption of purchased iron ore and pellet as previous year was impacted on account of temporary closure of mines along with lower consumption of imported coal and coke.

Purchase of Finished, Semi-finished Steel and Other Products

The purchase of finished steel, semi-finished steel and other products increased by 44.1% to Rs.9,915 million for the year ended March 31, 2016 from Rs.6,883 million for the year ended March 31, 2015. This increase was primarily due to higher purchases of wire rods and imported rebars.

Employee Benefits Expense

Employee benefits expense decreased by 6.0% to Rs.43,249 million for the year ended March 31, 2016 from Rs.46,019 million for the year ended March 31, 2015. This decrease was primarily due to a change in actuarial estimates for the year ended March 31, 2015, resulting in an additional charge reflecting discount rates for the year ended March 31, 2015, partly offset by an increase in normal salary revisions and its consequential impact on retiral provisions.

The total strength of permanent employees in the Indian operations decreased to 35,439 as on March 31, 2016 from 36,957 as on March 31, 2015.

Depreciation and Amortization Expenses

Depreciation and amortization expenses decreased by 3.2% to Rs.19,331 million for the year ended March 31, 2016 from Rs.19,976 million for the year ended March 31, 2015. This decrease was primarily due to the inclusion of stamp duty and registration charges payable on grant and renewal of mining leases for the year ended March 31, 2015.

Finance Costs

Finance costs decreased by 26.1% to Rs.14,603 million for the year ended March 31, 2016 from Rs.19,760 million for the year ended March 31, 2015. This decrease was primarily at Tata Steel India due to higher interest capitalization related to Kalinganagar operations.

Other Expenses

Other expenses increased by 2.0% to Rs.158,392 million for the year ended March 31, 2016 from Rs.155,233 million for the year ended March 31, 2015. This increase was mainly due to an increase in purchase of power, an increase in freight and handling charges and an increase in conversion charges. The increase in purchase of power was primarily due to the increase in cost of consumption at Jamshedpur and at the ferro alloys and minerals division, attributable to higher production. The increase in freight and handling charges was primarily due to higher sales volume.

Exceptional Items

Exceptional items consisted of profit on sale of non-current investments, profit on sale of non-current asset, provision for diminution in value of doubtful advances and investments, provision for impairment of non-current assets, provision for demands and claims and employee separation compensation.

For the year ended March 31, 2016, profit on sale investments in subsidiaries, associates and others was Rs.1,043 million compared to Rs.8,061 million for the year ended March 31, 2015, primarily relating to profit on divestment in The Dhamra Port Company Limited and Lanka Special Steels Ltd.

For the year ended March 31, 2015, profit on sale of non-current assets was Rs.11,469 million, primarily relating to profit on sale of land at Borivali, Mumbai.

For the year ended March 31, 2016, provision for diminution was Rs.1,260 million was primarily due to investment exposure in Tayo Rolls Limited (a subsidiary), Adityapur Toll Bridge Company Limited (a subsidiary), Tata Korf Engineering Services Ltd (a subsidiary) and Strategic Energy Technology Systems Private Limited (an associate) compared to Rs.1,984 million for the year ended March 31, 2015, primarily due to investment exposure in subsidiaries Tayo Rolls Limited and Adityapur Toll Bridge Company Limited. A provision of Rs.730 million was taken for the year ended March 31, 2016 due to investment exposure in Chhattisgarh Project.

For the year ended March 31, 2016, impairment loss recognised was Rs.515 million with respect to fixed assets and inventory in certain non-performing business units compared to the reversal of impairment loss of Rs.1,363 million for the year ended March 31, 2015 with respect to land acquired in Gopalpur.

For the year ended March 31, 2016, provision for demands and claims was Rs.8,801 million, primarily relating to the Indian operations for year ended March 31, 2016.

For the year ended March 31, 2016, provision for the employee separation scheme was Rs.5,563 million.

Tax Expense

Tax expenses decreased by 40.8% to Rs.12,256 million for the year ended March 31, 2016 from Rs.20,698 million for the year ended March 31, 2015.

Profit/(Loss) after Tax

As a result of the foregoing, the Group recorded a profit after tax of Rs.49,010 million for the year ended March 31, 2016 compared to a profit after tax of Rs.64,391 million for the year ended March 31, 2015.

Liquidity and Capital Resources

Cash Flow Data

The Group seeks, in normal circumstances, to maintain a substantial cash and cash equivalents balance to provide it with financial liquidity and operational flexibility. Cash is placed in bank fixed deposits, certificates of deposit with banks and mutual funds. As at March 31, 2017, Group had cash and cash equivalents of Rs.9,052 million.

The following table sets forth selected items from cash flow statement for the periods indicated:

Standalone Cash Flow Statement of Tata Steel (Ind-AS)	**Year ended March 31,**	
	2016	**2017**
	(Rs. in millions) (audited)	
Net cash flow from/(used in) operating activities	73,718	111,313
Net cash from/(used in) investing activities	(43,517)	(39,210)
Net cash flow from/(used in) financing activities	(25,404)	(72,797)
Net increase/(decrease) in cash and cash equivalents	4,796	(695)
Closing cash and cash equivalents	9,747	9,052

Cash Flows Generated from Operating Activities

The Group generated Rs.111,313 million from operations for the year ended March 31, 2017 compared to Rs.73,718 million for the year ended March 31, 2016. The cash operating profit before working capital changes and direct taxes during year was Rs.115,607 million for the year ended March 31, 2017 compared to Rs.76,219 million for the year ended March 31, 2016 primarily due to higher profitability. Cash from operations for the year ended March 31, 2017 was Rs.126,721 million compared to Rs.86,159 for the year ended March 31, 2016, which is in line with higher profitability, along with a decrease of Rs.11,115 million in working capital for the year ended March 31, 2017, compared to a decrease of Rs.9,940 million in working capital for the year ended March 31, 2016. The payment of income taxes for the year ended March 31, 2017 was Rs.15,409 million compared to Rs.12,441 million for the year ended March 31, 2016.

Cash Flows Generated From/(Used in) Investing Activities

Cash used in investing activities was Rs.39,210 million for the year ended March 31, 2017 compared to Rs.43,517 million for the year ended March 31, 2016. The outflow during the year broadly represents capital expenditure, which totaled Rs.31,728 million and purchase (net of sale) of current investments which totaled Rs.6,682 million.

Cash Flows Generated From/(Used in) Financing Activities

Cash used in financing activities (which consists of loan receipts net of loan repayments interest payments and dividend payments) for the year ended March 31, 2017 was Rs.72,797 million compared to Rs.25,404 million for the year ended March 31, 2016.

The net decrease in cash and cash equivalents was Rs.695 million for the year ended March 31, 2017, with a balance of Rs.9,052 million as on March 31, 2017 against a balance of Rs.9,747 million as on March 31, 2016.

Standalone Cash Flow Statement of Tata Steel (Indian GAAP)	**Year ended March 31,**	
	2015	**2016**
	(audited) **(Rs. in millions)**	
Net cash flow from/(used in) operating activities	48,519	75,677
Net cash from/(used in) investing activities	(23,821)	(54,052)
Net cash flow from/(used in) financing activities	(29,572)	(16,310)
Net increase/(decrease) in cash and cash equivalents	(4,874)	5,314
Closing cash and cash equivalents	**4,219**	**9,532**

Cash Flows Generated from Operating Activities

The Group generated Rs.75,677 million from operations for the year ended March 31, 2016 compared to Rs.48,519 million for the year ended March 31, 2015. The cash operating profit before working capital changes and direct taxes for the year ended March 31, 2016 was Rs.72,303 million compared to Rs.106,579 million for the year ended March 31, 2015, primarily due to a decline in profitability. Cash from operations for the year ended March 31, 2016 was Rs.88,118 compared to Rs.69,052 million for the year ended March 31, 2015, primarily due to a decrease of Rs.15,815 million in working capital for the year ended March 31, 2016, compared to an increase of Rs.37,528 million in the previous year, and partly offset by lower profitability. The payment of income taxes for the year ended March 31, 2016 was Rs.12,441 million compared to Rs.20,533 million for the year ended March 31, 2015.

Cash Flows Generated From/(Used in) Investing Activities

Cash used in investing activities was Rs.54,052 million for the year ended March 31, 2016 compared to Rs.23,821 million for the year ended March 31, 2015. The outflow during the year broadly represents capital expenditure, which totaled Rs.58,281 million and purchase (net of sale) of current investments. These increases were partly offset by sales of non-current investments.

Cash Flows Generated From/(Used in) Financing Activities

Cash used in financing activities (which consists of loan receipts net of loan repayments interest payments and dividend payments) for the year ended March 31, 2016 was Rs.16,310 million compared to Rs.29,572 million for the year ended March 31, 2015.

The net increase in cash and cash equivalents was Rs.5,314 million for the year ended March 31, 2016, with a balance of Rs.9,532 million as on March 31, 2016 against a balance of Rs.4,219 million as on March 31, 2015.

*Market data and certain industry forecasts used in "**Industry Overview**" were obtained from internal surveys, market research, publicly available information and industry publications published by the World Steel Association, India's Ministry of Steel, the International Monetary Fund and the OECD. Such information has been accurately reproduced herein and, as far as the Group is aware and is able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified, and neither the Group nor any of the Joint Lead Managers makes any representation as to the accuracy or completeness of this information.*

Overview

Steel is a metal alloy consisting of iron as the key component. Steel also consists of carbon and other alloys, which vary according to the grade of steel, and is generally considered to be a cornerstone of industrial development. Steel is highly versatile, as it is hot and cold formable, weldable, hard, lustrous, a good conductor of heat and electricity, malleable, ductile, recyclable and resistant to corrosion, water and heat. The industries in which steel is used include construction, automotive and transportation and engineering. Steel is also used in the production of power lines, pipelines, electrical and electronic appliances and containers.

According to India's Ministry of Steel, India is currently the third largest producer of crude steel in the world as well as the largest producer of sponge iron globally between 2003 and 2015. From 2016-17, as per provisional data from the Ministry of Steel, the total production for sale of finished steel was 100.74 mt, a growth of 10.7% over 2015-16. Production for sale of pig iron in 2016-17 (prov.) was 9.39 mt, a growth of 1.8% over 2015-16.

Price regulation of iron and steel was abolished in January 1992. Domestic steel prices are influenced by trends in raw material prices, demand — supply conditions in the market and international price trends among others.

An Inter-Ministerial Group within the Ministry of Steel works under the Chairmanship of the Secretary (Steel) to monitor and coordinate major steel investments in the country. As a facilitator, the Government monitors steel market conditions and adopts fiscal and other policy measures based on its assessment. Currently, Goods and Services Tax of 18% is applicable on steel, and there is no export duty on steel items. The government has also imposed an export duty of 30% on all forms of iron ore except low grade (below Fe 58%) iron ore lump and fines and iron ore pellets both of which have zero export duty.

The government has also released a National Steel Policy which aims to increase steel production and gives preference to domestically manufactured steel. Its objective is to make India self-sufficient in steel production and projects crude steel capacity of 300 mt and per capita consumption of 160 kg of finished steel by 2030-31.

Production Process

The conventional production of steel from iron ore (which consists primarily of iron and oxygen) begins with the reduction of iron ore in a blast furnace (the "BF") using metallurgical coke as a reducing agent. The metal produced in the BF is then processed in a basic oxygen furnace (the "BOF"), where oxygen is blown into molten iron in order to reduce its carbon content. In 2013, the BF-BOF process was used in the production of approximately 71.2% of the steel produced globally, according to the WSA. The metallurgical coke used in the BF-BOF process is produced out of low ash-content coking coal.

Due to inadequate supplies of coking coal in some parts of the world, a second steel-producing process, the electric arc furnace ("EAF") method, was developed. In the EAF process, steel scrap or directly reduced iron ("DRI") is charged in an EAF and is melted using graphite electrodes.

An alternative way of producing steel is by using a medium or high frequency electrical induction furnace ("IF"). In the IF, metal is melted through electro-magnetic induction in an electrically conductive metal coil. Mild steel, stainless steel and low and high alloy steel can be made by using induction furnaces. Alloying elements are added to the molten metal, as needed based on the metallurgical grade to be produced.

The major raw materials used in steel production depend on the production technology. The BF-BOF process mainly requires iron ore and coke that, in turn, requires coking coal, the DRI-EAF process requires scrap or sponge iron and non-coking coal and the induction furnace requires scrap and DRI. The availability of the relevant raw materials at commercial prices is essential to sustain profits for steel producers.

Products

Steel produced by these processes is either cast into long products such as bars, rods, rails and structural shapes or into flat products such as hot rolled ("HR") coils and sheets.

Long products are so called because they come out of the mill as long bars of steel. However, they are produced in a wide range of shapes and sizes and can have cross-sections shaped like an H or I (called joists, beams and columns), a U (channels) or a T (sections). Long products are principally used in the construction industry and also used in the production of capital goods and railways.

Flat products, mainly in the form of HR coils and sheets, are used in structural materials, welded pipes and tubes and in the automobile and white goods (home appliances) industries. The major end-use sectors for pipes and tubes are water supply and distribution, other industrial applications, housing applications and transport of petroleum products. Welded steel pipes are manufactured from HR coils by electrical resistance welding and are used in many piping applications. Submerged arc-welded pipes are manufactured from HR coils and are mainly used in the supply and distribution of water and gases. Seamless steel pipes and tubes manufactured from HR coils are used in the oil and gas sectors.

HR coils can also be further processed in cold rolling mills to produce cold rolled products by passing the HR coils or strips through rollers at room temperature to reduce their thickness. "Rolling" is the main method used to shape steel into different products. Rolling the steel by passing it between a set of rolls revolving at the same speed but in opposite directions makes the otherwise coarse grain structure of cast steel re-crystallize into a much finer grain structure, giving greater toughness, shock resistance and tensile strength. In addition to hot rolling, in which the steel is rolled at a high temperature, steel may also be rolled at ambient temperatures, resulting in a different set of physical and metallurgical properties.

The Global Steel Industry

The global steel industry is cyclical and the growth or decline of the steel industry is linked to the economic cycle of a country and in particular, to industrial production and infrastructure development. Global production capacity, trade policies of countries and the regional demand-supply scenario also strongly influence the industry. Steel producers may attempt to reduce the impact of cyclicality through various measures like diversification of manufacturing operations to various geographies (preferably emerging markets with low-cost operations), diversification of customer base and focus on value-added products.

The global economic recovery is now more broad. Global growth, which in 2016 was the weakest since the global financial crisis at 3.2 percent, is projected to rise to 3.6% in 2017 and to 3.7% in 2018. Broad-based upward revisions in the euro area, Japan, emerging Asia, emerging Europe, and Russia where growth outcomes in the first half of 2017 were better than expected and offset downward revisions for the United States and the United Kingdom.

(Source: IMF World Economic Outlook — Oct 2017)

The following table shows GDP growth estimates across various geographical distributions:

	GDP Growth estimates (%)								
	CY14/ FY15	CY15/ FY16	CY16/ FY17	CY17/ FY18	CY18/ FY19	CY19/ FY20	CY20/ FY21	CY21/ FY22	CY22/ FY23
World	3.6%	3.4%	3.2%	3.6%	3.7%	3.7%	3.7%	3.8%	3.8%
Euro Area	1.3%	2.0%	1.8%	2.1%	1.9%	1.7%	1.6%	1.5%	1.5%
UK	3.1%	2.2%	1.8%	1.7%	1.5%	1.6%	1.7%	1.7%	1.7%
Germany	1.9%	1.5%	1.9%	2.1%	1.8%	1.5%	1.4%	1.3%	1.2%
France	0.9%	1.1%	1.2%	1.6%	1.8%	1.9%	1.9%	1.9%	1.8%
Spain	1.4%	3.2%	3.2%	3.1%	2.5%	2.0%	1.9%	1.7%	1.7%
India	6.4%	7.5%	8.0%	6.8%	7.4%	7.5%	7.5%	7.5%	7.5%
Thailand	0.9%	2.9%	3.2%	3.7%	3.5%	3.4%	3.1%	3.0%	3.0%
China	7.3%	6.9%	6.7%	6.6%	6.5%	6.3%	6.2%	6.0%	5.8%

(Source: IMF World Economic Outlook Database - Oct 2017)

Global Steel Production

World crude steelmaking capacity increased by 13% in 2016, to a level of 2,380.7 mtpa from 2,350.8 mtpa in 2015. Nearly 40 mtpa of gross capacity additions are currently underway and could come on stream during the three-year period of 2017 to 2019, while an additional 54.5 mtpa of capacity additions are currently in the planning stages for possible start-up during the same time period.

The following table shows global steel production capacity:

Year	Capacity (million tons)
2010	1,893
2011	1,988
2012	2,102
2013	2,274
2014	2,317
2015	2,351
2016	2,356
2017 (Est.)	2,370

(Source: (OECD) Organization for Economic Co-operation and Development)

The following table shows global crude steel production for the periods presented.

	Global crude steel production (million tons)						
	2010	2011	2012	2013	2014	2015	2016
World	1,433.4	1,538.0	1,560.1	1,650.4	1,669.9	1,620.0	1,608.5
Euro Area	172.9	177.8	168.6	166.4	169.3	166.1	162.1
UK	9.7	9.5	9.6	11.9	12.1	10.9	7.8
Germany	43.8	44.3	42.7	42.6	42.9	42.7	42.1
France	15.4	15.8	15.6	15.7	16.1	15.0	14.4
Spain	16.3	15.5	13.6	14.3	14.2	14.8	13.6
India	69.0	73.5	77.3	81.3	87.3	89.0	95.5
China	638.7	702.0	731.0	822.0	822.8	803.8	807.7

(Source: World Steel Association)

The following table shows crude steel production share by geography for the periods presented.

	Crude steel production: Geographical Distribution	
	2015	2016
China	49.62%	50.2%
South Korea	4.30%	4.3%
EU-28	10.25%	10.1%
India	5.50%	5.9%
Japan	6.49%	6.5%
USA	4.87%	4.9%
Russia	4.38%	4.4%
Rest of World	14.60%	13.7%

(Source: World Steel Association)

The following table shows the top 15 steel makers in the world in 2016:

RANK	COMPANY	TONNAGE 2016
1	ArcelorMittal	95.45
2	China Baowu Group	63.81
3	HBIS Group	46.18
4	NSSMC Group	46.16
5	POSCO	41.56
6	Shagang Group	33.25
7	Ansteel Group	33.19
8	JFE Steel Corporation	30.29
9	Shougang Group	26.80
10	Tata Steel Group	24.49
11	Shandong Steel Group	23.02
12	Nucor Corporation	21.95
13	Hyundai Steel Company	20.09
14	Maanshan Steel	18.63
15	Thyssenkrupp AG	17.24

(Source: World Steel Association)

Global Steel Consumption

Global steel demand is expected to reach 1,622.1 mt in 2017. In 2018, it is forecast that global steel demand will reach 1,648.1 mt. Global steel demand, excluding China, will reach 856.4 mt, an increase of 2.6% in 2017 and 882.4 mt, an increase of 3.0% in 2018.

India witnessed slowdown in economic activity in 2017, but accelerating government reforms are expected to bring about a better investment environment leading to growth in the coming years. Investment activities are still driven by government initiatives and private sector investment is still restrained due to leveraged corporate balance sheets.

The apparent steel usage (ASU), defined as production plus net imports minus net exports, is provided below:

	Apparent Steel Use (million tons)								
	2010	2011	2012	2013	2014	2015	2016	2017	2018
World	1,310.8	1,415.1	1,443.2	1,535.2	1,545.8	1,500.7	1,515.9	1,622.1	1,648.1
Euro Area	147.9	158.2	141.4	142.4	149.0	153.9	158.2	162.1	164.3
UK	9.9	10.2	9.6	9.6	10.7	10.5	10.7	11.2	11.2
Germany	36.2	40.7	37.5	38.0	39.6	39.3	40.5	41.4	41.6
France	14.4	15.2	13.2	12.6	12.5	12.7	13.2	13.4	13.6
Spain	13.1	13.1	10.4	10.9	11.6	12.6	12.6	13.2	13.7
India	64.9	69.8	72.4	73.7	75.9	80.2	83.5	87.1	92.1
China	587.6	641.2	660.1	735.1	710.8	672.3	681.0	765.7	765.7

(Source: World Steel Association)

Global Steel Prices

Steel prices are volatile and fluctuate in response to changes in global supply and demand, raw material costs and general economic conditions. After a downturn in demand beginning in 1998, global steel prices hit a historic low in the third quarter of 2001. Since then, global steel prices have generally increased, reflecting stronger global demand, led primarily by China. In the third quarter of 2008, global steel prices declined sharply due to weak global economic conditions which led to a fall in global demand. The steel industry also fluctuates in response to a combination of factors, including the availability and cost of raw materials, global production capacity, the existence of, and changes in, steel imports, exchange rates, transportation and labor costs and protective trade measures.

Key Growth Drivers for Indian Steel Industry

There are several protectionist measures, including safeguards, anti-dumping measures and quality control orders applicable for the Indian steel industry. For example, for hot roll in coil products, a duty rate of 20% was imposed in March 2016, and for products without hot roll in coil, a duty rate of 10% was imposed in November 2016. Additionally, for cold roll products, a five year anti-dumping measure was enacted in August 2016. For wire rod and coated sheets, strips and coils, a quality control order was released in October 2017 to ensure that qualifying products met minimum quality thresholds.

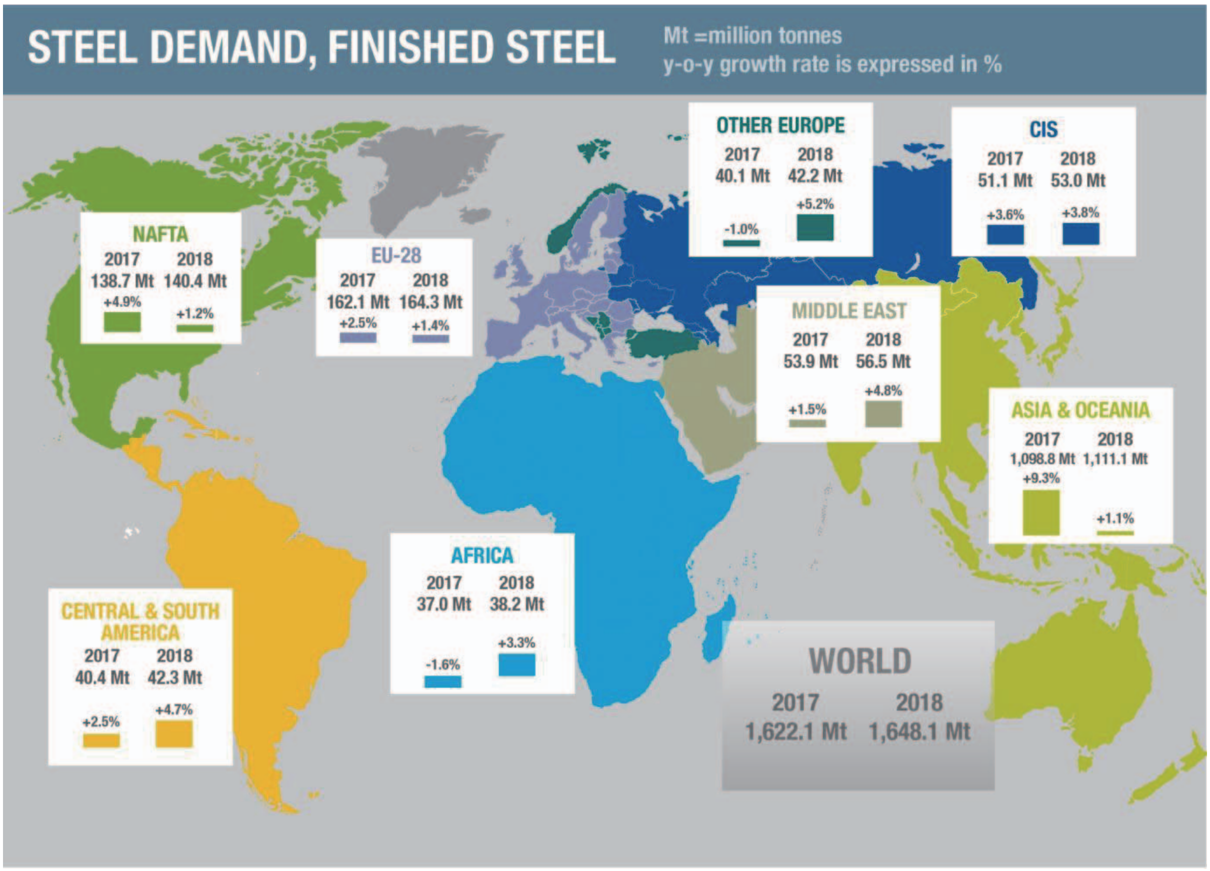
Anti-dumping duty

In view of rising imports, the government raised the import duty on most steel items twice, each time by 2.5% and has also imposed a gamut of measures including anti-dumping and safeguard duties on a host of applicable iron and steel items. In a further move to curb steel imports, the Indian government banned the production and sale of steel products that does not meet Bureau of Indian Standard approval. In February 2016, the Indian government imposed a Minimum Import Price ("MIP") condition on 173 steel products. The MIP was extended three times since and ceased to be in effect in February 2017. Currently, a mix of anti-dumping, safeguard and other measures are in place on a range of steel items to control the inflow of cheap steel. Furthermore, a Steel Price Monitoring Committee has been formed by the government with the aim to monitor price rationalization, analyse price fluctuations and advise all concerned regarding any irrational price behavior of steel commodity.

Global Market Outlook

The World Steel Association in its October 2017 Short Range Outlook report forecasted that global steel demand will reach 1,622.1 mt in 2017 and 1,648.1 mt in 2018. The report also forecasted that global steel demand excluding China will reach 856.4 mt, an increase of 2.6% in 2017 and 882.4 mt, an increase of 3.0% in 2018.

The geographical forecasted growth is as per below:



China closed most of its outdated induction furnaces in 2017, a category which was generally not captured in official statistics as per Worldsteel. With the closure of induction furnaces, demand from this sector of the market is now satisfied by mainstream steel makers and therefore captured in the official statistics in 2017. Consequently, the nominal growth rate for steel demand in China increased to 12.4%, or 765.7 mt. Disregarding this statistical base effect Worldsteel expects that the underlying growth rate of China's steel demand for 2017 will be 3%, which will make the corresponding global growth rate 2.8%.

As per Worldsteel, developing countries have benefitted from the strengthening of the global economy. The reform agendas in many developing countries such as Egypt, Brazil, Argentina, Mexico and India are expected to enhance their growth potential over time.

While India had a slowdown in economic activity in 2017, accelerating government reforms are expected to bring about a better investment environment leading to growth in the coming years. Investment activities are still driven by government initiatives and private sector investment is still restrained due to leveraged corporate balance sheets.

ASEAN remains a high growth region, especially Vietnam and the Philippines, while more mature economies such as Thailand and Malaysia are showing slower growth.

Outlook

With several budgetary allocations boosting infrastructure, the demand of steel and steel products is expected to rise. Another major policy reform favoring the Indian companies is the recent ruling that domestic steel will be given preference in government projects as part of the Make in India programme.

DESCRIPTION OF THE ISSUER

The Issuer was incorporated in Singapore on April 12, 2013 as "ABJA Investments Co. Pte. Ltd.", registration number 201309883M, and has its registered office at 22 Tanjong Kling Road, Singapore 628048.

Business

The principal activities of the Issuer are the provision of treasury services for and on behalf of the Group. Since its incorporation, the Issuer has not engaged in any material activities other than the proposed issue of the Notes and the authorization of documents and agreements referred to in this Offering Memorandum to which it is or will be a party, as well as the issuance of the 2020 Notes, 2023 Notes and 2024 Notes (as defined below) and activities relating to the use of proceeds therefrom.

The issuance of the Notes was approved by the Board of Directors on behalf of the Issuer on January 11, 2018.

The directors of the Issuer at the date of this Offering Memorandum are Sandip Biswas, appointed April 12, 2013, Sanjib Nanda, appointed on May 31, 2017, and Samita Shah, appointed on September 1, 2014.

The registered office of the Issuer is at 22 Tanjong Kling Road, Singapore 628048.

Debt

The Issuer issued S$300,000,000 4.95% Guaranteed Notes due 2023 (the "2023 Notes") on May 3, 2013. The principal amount outstanding is not amortizing and is due in full on May 3, 2023. Interest is payable semi-annually in arrears on each of May 3 and November 3. The Issuer issued US$500,000,000 4.85% Guaranteed Notes due 2020 (the "2020 Notes") on July 31, 2014. The principal amount outstanding is not amortizing and is due in full on January 31, 2020. Interest is payable semi-annually in arrears on each of January 31 and July 31. The Issuer issued US$1,000,000,000 5.95% Guaranteed Notes due 2024 (the "2024 Notes") on July 31, 2014. The principal amount outstanding is not amortizing and is due in full on July 31, 2024. Interest is payable semi-annually in arrears on each of January 31 and July 31. Other than the 2023 Notes, the 2020 Notes and the 2024 Notes, as of the date of this Offering Memorandum, the Issuer has no borrowings or indebtedness in the nature of borrowings (including loan capital issued, or created but unused), term loans, liabilities under acceptances or acceptance credits, mortgages, charges or guarantees or other contingent liabilities, except an outstanding loan in the amount of US$21.8 million taken from the Group.

The table below reflects the statement of financial position of the Issuer as at September 30, 2017.

Statement of Financial Position of ABJA Investment Co. Pte. Ltd.

SFRS	As at September 30, 2017	As at March 31, 2017	2016	2015
	(unaudited)	(audited)		
	(US$ in thousand)	(US$ in thousand)		
ASSETS				
Current assets				
Cash and cash equivalents	2,497	16,233	11,770	7,360
Other receivables	26,159	24,848	21,699	17,235
Derivative financial instruments	0	309	150	265
Total current assets	**28,656**	**41,390**	**33,619**	**24,860**
Non-current asset				
Loan receivables due from related companies	1,695,195	1,679,085	1,690,932	1,670,502
Derivative financial instruments	2,816	12,808	4,793	7,563
Total non-current asset	**1,698,011**	**1,691,893**	**1,695,725**	**1,678,065**
TOTAL ASSETS	**1,726,667**	**1,733,283**	**1,729,344**	**1,702,925**
LIABILITIES AND NET CAPITAL DEFICIENCY				
Current liabilities				
Other payables	24,742	27,879	32,254	24,564
Loan payable	0	0	37,800	37,800
Derivative financial instrument	53	—	—	—
Tax payable	1,800	1,707	450	310
Total current liabilities	**26,595**	**29,586**	**70,504**	**62,674**
Non-current liabilities				
Guaranteed notes	1,709,138	1,703,077	1,708,921	1,702,524
Loans payable due to related company	21,800	37,800	0	0
Deferred tax liability	1,817	1,797	1,796	93
Other Payable	2,406	1,907	0	0
Derivative financial instruments	1,102	68	688	469
Total non-current liabilities	**1,736,263**	**1,744,649**	**1,711,405**	**1,703,086**
Capital, accumulated losses and reserve				
Share capital	200	200	200	200
Accumulated losses	(36,381)	(41,142)	(52,755)	(63,025)
Translation reserve	(10)	(10)	(10)	(10)
Net capital deficiency	**(36,191)**	**(40,952)**	**(52,565)**	**(62,835)**
Total liabilities and net of capital deficiency	**1,726,667**	**1,733,283**	**1,729,344**	**1,702,925**

Unless otherwise stated, the financial information used in this section is derived from the Group's consolidated financial statements as of and for the six month period ended September 30, 2017, of which the quarter ended September 30, 2017 has been subjected to limited review, and its audited consolidated financial statements as of and for the years ended March 31, 2017 and March 31, 2016.

Overview

The Group is one of the world's largest steel companies with a steel production capacity of approximately 27.5 mtpa. According to the World Steel Association ("WSA"), the Group was the world's 10th largest steel maker by crude steel production volume in 2016. The Group is also one of the most geographically diversified steel producers, with operations in 26 countries and a commercial presence in more than 50 countries. As of March 31, 2017, the Group had over 70,000 employees.

Tata Steel was established as India's first integrated steel company in 1907 by Jamsetji N. Tata and is one of the flagship companies of the Group. The Group has a presence across the entire value chain of steel manufacturing, including producing and distributing finished products as well as mining and processing iron ore and coal for its steel production. The Group's operations are primarily focused in India, Europe, and South East Asia. For the year ended March 31, 2017, the Group's operations in India and Europe represented approximately 43% and 39%, respectively, of the revenue of the Group, and for the six months ended September 30, 2017, represented approximately 45% and 46%, respectively, of the revenue of the Group.

The steel production capacity of the Group has increased from approximately 5.0 mtpa in the year ended March 31, 2006 to approximately 27.5 mtpa as of March 31, 2017. In India, as of September 30, 2017, the Group has steel production facilities located in Jamshedpur and Kalinganagar, with a total steel production capacity of 12.7 mtpa. The Group's operations in India also include captive iron ore and coal mines. Additionally, the Group has significant operations in the United Kingdom and the Netherlands, where the Group has a total steel production capacity of 12.4 mtpa. The remaining steel production capacity of the Group is located in South East Asia.

For the year ended March 31, 2017, the Group's business in India recorded sales of 10.97 mt, recording a growth of 15.0% over the year ended March 31, 2016 and a growth of 22.0% for the six months ended September 30, 2017, compared to the six months ended September 30, 2016. This increase was largely due to the ramping up of operations at the Kalinganagar plant in Odisha, which is now operating at full capacity.

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, sections, plates, rebars, wire rods, tubes, rails and wires. The Group is also a large producer of ferro-chrome in India.

The Group's main markets for its products are India and Europe, which together accounted for approximately 82% and 83% of the Group's revenue for the year ended March 31, 2016 and 2017, respectively, with the remaining sales primarily taking place in other markets in Asia. The Group's customers are primarily in the construction, infrastructure, automotive, consumer goods, material handling, aerospace and general engineering industries.

For the years ended March 31, 2016 and 2017, the Group recorded revenues of Rs.1,063,399 million and Rs.1,174,199 million, respectively. The Group recorded a loss of Rs.4,971 million for the year ended March 31, 2016, a loss of Rs.41,686 million for the year ended March 31, 2017, a profit of Rs.19,389 million for the six months ended September 30, 2017 against a loss of Rs.32,325 million for the six months ended September 30, 2016. The Group had total assets of Rs.1,733,332 million as of March 31, 2017 and Rs.1,742,203 million as of September 30, 2017.

For the years ended March 31, 2016 and 2017, the Group had total steel production of 22.9 mt and 24.2 mt, respectively. Similarly, the Group had steel production of 11.5 mt and 12.5 mt for the six month periods ended on September 30, 2016 and September 30 2017, respectively.

Key Strengths

Sustainable and highly cost efficient operations in India

The Group is one of the lowest cost steel producers in India and it has successfully maintained its cost leadership over several years. The cost of production of the Group's Indian operations ranks among the lowest for hot rolled coils globally. The Group derives its competitive advantage through access to raw materials from their captive mines and a highly skilled workforce with a relatively low cost of labor at its operations in India. This advantage is especially valuable given the difficulty of achieving raw materials cost pass-through in the steel industry. In India, the Group has significant captive iron ore, coking coal, chrome ore and manganese ore mines that accommodate a majority of its current requirements.

These factors have enabled the Group's Indian operations to maintain robust operating margins in India. For the year ended March 31, 2017, with respect to its Indian operations, the Group obtained 100% of its iron ore requirements and approximately 36% of its coking coal requirement from captive mines leased by the Group.

As a result, the Group expects that its exposure to volatility in prices of commodities such as iron ore and coking coal, for the Group's Indian operations will be limited.

To expedite projects related to operational excellence across the value chain, in 2014, the Group launched the SHIKHAR 25 program. The focus of SHIKHAR 25 is to improve process efficiency, speed and throughput, reliability, energy efficiency, value-in-use, supply chain and logistics and other processes. Performance benchmarking at each of these processes allows the Group to readily identify areas in need of improvement. The ultimate goal of SHIKHAR 25 is to improve overall process efficiency that would translate into EBITDA improvement. These initiatives resulted in approximately Rs.34,000 million of cost savings in the year ended March 31, 2017.

Leading position across operations

The Group has significant market positions in its principal markets, India and Europe, across main areas of operations in upstream and downstream steel products.

In India, the Group produces flat products used in the automotive and engineering industries and long products used in the construction industry, including in the industrial, commercial, infrastructure and housing sectors. According to the Joint Plant Committee, the Group's Indian operations produced approximately 12% of sales of all the finished steel in India and was the third largest producer of crude steel for year ended March 31, 2017. According to the Joint Plant Committee, the Group had a market share of 15.7% of sales in flat products for carbon steel for the year ended March 31, 2017.

In addition, the Group also benefits from being identified with the Tata brand, which is a widely recognized brand in India.

India is principally the largest market for the Group's operations, representing approximately 43% of its total revenue for the year ended March 31, 2017. The Group believes that its diversified customer sector portfolio and strategic focus on creating customer relationships will continue to generate customer loyalty and enable it to maintain its market share position in the construction, packaging, rail and automotive sectors.

Global scale

The Group is one of the world's largest steel companies and operates a global suite of integrated steel making facilities, mining complexes and distribution companies. It has a commercial presence in over 50 countries, including both developed and emerging markets, and principal markets in Europe, India and South East Asia. The Group believes that its global scale and reach enhances its ability to service, retain and attract multi-national customers and, in particular, customers from the automotive, packaging and construction industries. As major customers continue to globalize their operations and are increasingly relying on a select few global suppliers for their products (such as in the automotive sector), the Group believes it can attract new customers and better retain its existing customers through its diversified downstream operations, product range and strong product branding, as well as its extensive distribution and production capabilities.

The Group also benefits from its global scale operations, procurement, production plants and distribution network, which allow the Group to achieve greater economies of scale and improve its cost efficiencies across the supply chain, from raw material sourcing to product deliveries and support functions.

Diversified product base targeting multiple end user segments

The Group has a wide range of product offerings that cater to diversified end-markets across geographies. Over the years, the Group has significantly expanded its product portfolio through a mix of acquisitions, downstream capacity expansions and joint ventures with other leading steel companies.

The Group has significantly enhanced its portfolio of downstream steel products to differentiate itself from competitors, including through its acquisition of Corus and downstream capacity expansions in India. With its capacity expansions in India, the Group has further strengthened its ability to provide a greater variety of value-added products.

Furthermore, the Group has entered into joint ventures with downstream foreign steel specialist producers, including BlueScope Steel Limited and Nippon Steel and Sumitomo Metal Corporation, for finishing plants that produce color coated steel and automotive cold rolled flat products, respectively. In addition, the Group continues to invest in research and development and explore opportunities to further improve their product offerings to customers.

Efficient project implementation

The Group has a proven track record of implementing significant projects, including cost reduction plans and expansion plans for its major production facilities. The Group expanded its existing brownfield crude steel capacity at Jamshedpur from 6.8 mtpa to 9.7 mtpa in December 2012 and established a greenfield project of 3.0 mtpa in Kalinganagar, Odisha which increased crude steel capacity in India from 9.7 mtpa to 12.7 mtpa. In addition, the Group has rebuilt one of the blast furnaces at the Group's facility in Port Talbot.

Uniquely positioned to undertake acquisitions opportunistically

The Group is uniquely positioned to undertake acquisitions opportunistically, in particular opportunities with respect to companies in India undergoing the corporate insolvency resolution process under the IBC.

The Group evaluates acquisition opportunities based on possibilities for synergies, broadening its customer base, access to raw materials, manufacturing facilities, infrastructure, new geographic locations and advanced technology, widening its product offerings and growth opportunities that such acquisition may offer. The Group's extensive operations in different parts of India and across various verticals in the steel industry enhance possibilities for synergies from such acquisition opportunities.

The combination of the Group's domain expertise of the Indian steel industry, coupled with its knowledge of the global steel industry and its experience with acquisitions, enables it to better evaluate strategic acquisition opportunities. Further, due to its track record of successful acquisitions, the Group's internal teams have experience and expertise in complex domestic and international competitive acquisitions which can be leveraged in evaluating acquisition opportunities and executing them in an efficient and timely manner. Additionally, the Group's extensive experience in various industries and acquisitions will help it evaluate acquisition opportunities.

If the Group pursues any acquisition opportunities, its robust balance sheet can potentially enable it to avail internal and external funding options, which will enhance its ability to submit competitive bids. Further, the brand name of the Group, and the reputation of the "Tata Group", also provide it with competitive advantages in acquisition processes.

The above factors differentiate the Group from its competitors and contribute to its unique position to capitalize on acquisition opportunities in India, especially with respect to opportunities arising from the corporate insolvency resolution process under the IBC.

Skilled workforce led by experienced management team

The Group's senior management team is comprised of members with professional qualifications and extensive experience in the steel industry. The senior management team's rich experience and understanding of the Group has been essential in building a sustainable global operation which employs over 70,000 individuals, while the Group's employee policies and welfare programs have been instrumental in recruiting and retaining the high caliber workforce.

The Group seeks to nurture internal talent for senior management positions by hiring recent graduates from top universities as entry-level employees, and then identifying and promoting the most promising candidates through the management ranks. The employee welfare program is developed from the Group's philosophy that people are its greatest asset. The program affirms the rights to trade union representation and collective consultation, ensures an ethical, just and fair workplace, encourages work-life balance and provides managerial and functional training opportunities for all employees.

The Group's commitment to building an ethical organisation through a committed workforce was reaffirmed as it received the "World's Most Ethical Company Award" in 2017 from Ethisphere USA for the fifth time.

Strategy

Capacity Expansion in Growing Indian Steel Markets

In recent years, the Group has successfully implemented significant projects focused on expanding the capacity of its Indian operations through brownfield and greenfield projects, such as expanding its facility at Jamshedpur and establishing the Kalinganagar facility. The Group intends to continue to increase the size of its operations in India in view of the growing steel market, and its competitive advantage as a low-cost producer, through its brownfield and greenfield expansion projects.

Restructuring of European portfolio

As part of the process of the Group's restructuring of its European operations, on September 20, 2017, Tata Steel and Thyssenkrupp AG signed a memorandum of understanding to create a new 50:50 joint venture company called Thyssenkrupp Tata Steel. This joint venture is expected to be the next stage in the transformation of the Group's European business. The joint venture is intended to create a larger world-class and globally competitive strip steel business, which, if successful, will be the second largest steel company in Europe.

This joint venture follows other restructuring initiatives, including the following:

- On May 31, 2016, Longs Steel UK Limited and other subsidiaries of TSE, which were involved with the long steel business, were sold to Greybull Capital LLP;

- On May 1, 2017, TSE completed the sale of the Specialty Steels business to Liberty Specialty Steels Ltd.;

- On July 31, 2017, TSE completed the sale of its 42 and 84 inch pipe mills in Hartlepool to Liberty Specialty Steels Ltd. Pursuant to these portfolio changes, activities of TSE will be focused on the manufacture and sale of strip products; and

- The BSPS is the principal defined benefit pension scheme of the Group in the United Kingdom. On March 31, 2017 the BSPS was closed to future accrual and replaced by a defined contribution scheme. On September 11, 2017 the BSPS separated from TSUK and a number of affiliated companies on completion of a Regulated Apportionment Arrangement ("RAA"). TSUK has also agreed to sponsor a proposed new pension scheme ("BSPS2"), subject to certain qualifying conditions being met. Since the RAA has completed, all members of the BSPS will be invited to transfer to the new scheme. If the qualifying conditions are met, members may choose to be transferred to BSPS2. The BSPS2 scheme would have lower future annual increases for pensioners and deferred members compared to the BSPS, giving it an improved funding position which is expected to improve the risk profile for TSUK.

Increase Sales of High Value-Added Products and Branded Sales

The Group plans to increase sales of its specialized solutions, high value products and branded products to improve its product mix and generate higher and sustainable margins. In India, the Group plans to continue increasing its production and sales of high value-added steel products such as cold rolled coil, automotive-grade sheets, coated products such as tinplate, color-coated steel and galvanized steel.

To consolidate gains from retail growth, the Group is also offering services and solutions which provide spin-off benefits that could potentially open new revenue streams in the future and keep retail sales from hitting a plateau. Simultaneously, the Group has increased its production and sales through the commencement of new manufacturing capacities at the Kalinganagar plant, which commenced operations in June 2016 and has recently ramped up to full capacity. The Group's steel-based solutions include Pravesh (wood-finished steel doors), Nest-In (modular housing), toilets and water ATMs and Roof Junction (a complete roofing solution). The Group is also exploring the possibility of offering services or solutions for the furniture space which has wood-like finishes on blended steel structures.

To further enhance the high value-added product portfolio, the Group intends to increase production through its various joint ventures, including the following:

- Tata BlueScope Steel Limited manufactures coated steel coils, steel building solutions and related building products;

- The Group's joint venture with Nippon Steel and Sumitomo Metal Corporation;

- Jamshedpur Continuous Annealing & Processing Company Private Limited has a continuous annealing and processing line to produce automotive cold rolled flat products; and

- The Group's joint venture with Nichia Steel Works, Japan through its subsidiary Siam Industrial Wire Co., Thailand to set up a high-end galvanized wires facility which including galvanized wires for cable stay strands and zinc-aluminum coated wires.

Enhance Competitiveness through Continuous Improvement

The Group continues to improve its competitiveness through a number of initiatives and programs aimed at enhancing operational efficiencies and optimizing asset and material flows. The Group seeks to benefit from sharing experiences and best operational practices across its business units in India, Europe and South East Asia.

Operational Stability

Significant capital expenditure has been committed to support the strategic growth of differentiated, high value products in the automotive, lifting and excavating, and oil and gas market sectors. The Group is leveraging its market position in downstream products to aid margin improvement. The Group is also focused on streamlining its logistical operations in Europe through a supply chain transformation improvement initiative which commenced in September 2016.

Further, to improve its operations in Europe, TSE approved the Strategic Asset Roadmap program in 2015, to increase the sales of differentiated, high value products in several market segments including automotive, lifting and excavating and energy and power. This has required revamping and upgrading the facilities to produce high quality products.

Raw Materials Security

The Group seeks access to raw materials for its operations in India and internationally in order to achieve economic returns and to optimize its costs by securing off-take rights. The Group believes that becoming increasingly self-sufficient in raw materials procurement will enable it to better respond to cyclical fluctuations in the demand for products and reduce volatility in production costs. For the year ended March 31, 2017, with respect to its Indian operations, the Group obtained 100% of its iron ore requirements and approximately 36% of its coking coal requirement from captive mines.

The Group's various coking coal and iron ore assets across geographies include a 64% stake in South Africa's Sedibeng Iron Ore Company and a joint venture in Canada in relation to a project spread over various iron ore deposits in the provinces of Quebec and Newfoundland and Labrador.

The Group intends to continue to work with its partners to pursue its current initiatives and, if opportunities arise, to pursue new initiatives, subject to market conditions, in effort to become increasingly self-sufficient in its raw material procurement.

Strategic Control Over Logistics and Supply Chain

The Group continues to differentiate itself from competitors in India with various initiatives in logistics and supply chain management. With a particular focus on the automotive, construction and small and medium enterprise customer segments, the Group has enhanced its distribution channels. The principal goal of these initiatives was to be able to provide supplies on an "on time in full" basis.

In India, the Group has developed a nationwide network of exclusive distributors and dealers. To increase efficiencies, the Group redesigned its supply network using the hub-and-spoke mode of operations and information technology enabled color-based dispatch priority systems. As a result, the Group has been able to increase sales in the retail segment.

Other principal supply chain improvement initiatives include:

- Supply chain enhancements such as deploying theory of constraints, improving delivery compliance via steel service center management and the availability of ready to use material from certified service centers;

- Standardization and availability of information; and

- Convenience through the development of information technology systems across the distribution channels, channel authentication through an authorized dealer network, conducive shopping experience through exclusive retail outlets and improved reach to largest consumption centers.

To further enhance its supply chain and enhance control over logistics, the Group entered into a joint venture with NYK Lines, a Japanese shipping company, to provide logistics solutions such as port operations, ship agency, custom clearance, in-land logistics, warehousing, shipping and freight forwarding for dry bulk, containerized, break-bulk and project cargo.

Strategic Alliances with Joint Venture Partners

The Group's expansion plans have benefitted from strategic alliances with joint venture partners throughout its chain of operations, including for raw material procurement (primarily for mining), steel production, product diversification and shipping. For example, through the Group's strategic partners it has developed:

- Mining operations in Canada;

- Downstream value-added steel production pursuant to joint ventures with BlueScope Steel Limited;

- Product diversification pursuant to a joint venture with Nippon Steel and Sumitomo Metal Corporation; and

- Shipping operations with NYK Line and Martrade.

The Group continues to expand its capacity and operations through joint ventures including through its memorandum of understanding on September 20, 2017, with Thyssenkrupp AG to create a new joint venture company, namely, Thyssenkrupp Tata Steel.

Continue to pursue inorganic growth opportunities, including with respect to distressed assets

The Group intends to continue to pursue inorganic growth opportunities, with a particular focus on acquisitions that generate greater synergies and production capacity, manufacturing facilities, infrastructure and advanced technology, and which allow it to diversify its product and customer base.

In addition, the Group is pursuing and may continue to pursue opportunities for acquisition of financially stressed assets, including with respect to companies that are undergoing a corporate insolvency resolution process under the IBC. In considering such acquisition opportunities, the Group has and may continue to rely on its deep experience and knowledge generally for evaluating acquisitions, including the cost benefit and financing of such acquisitions.

The IBC Process is a statutory process for insolvency resolution of corporate entities in a time-bound manner to maximize the value of assets of such entities. Currently, certain Indian steel manufacturing companies such as Bhushan Steel Limited, Electrosteel Steels Limited, Essar Steel India Limited, Bhushan Power and Steel Limited and Monnet Ispat and Energy Limited are undergoing the corporate insolvency resolution process under IBC. The Group believes that this is a strategic opportunity for it to explore the acquisition of such companies.

Evaluating an acquisition under the IBC Process involves, among others, identification of the assets that will generate synergies and fits into the overall strategic framework for the Group and provide growth opportunities and estimating the optimum value for the assets proposed to be acquired. The Group may work with external advisors to analyse and evaluate the assets to be acquired and estimate the optimum value for such assets based on, among others, publicly available information, information provided to the Group confidentially as part of the IBC Process and its deep domain knowledge of the steel industry. If the Group is successful in the IBC Process, it may finance the acquisitions by internal accruals, or additional capital raised as debt or equity or any other form in the company, or additional capital in a subsidiary or associate of the company.

The Group will continue to evaluate acquisition opportunities that may arise in Indian or other markets and upon completion of any such acquisitions, aim to integrate new acquisitions with its existing operations to generate synergies and growth opportunities. For further details, see "Risk Factors".

Facilities

The Group has significant operations in Jamshedpur, India, where the Group operates a 9.7 mtpa steel production plant and a variety of finishing plants. The Group has added a new 3.0 mtpa facility in Kalinganagar, Odisha which commenced operations in June 2016, and increased the crude steel production capacity in India to 12.7 mtpa. The Group's steel production facilities primarily consist of coke ovens, sinter and pellet plants, furnaces, converters, casters, rolling facilities and downstream facilities and also include support facilities such as captive power plants, power stations, boiler houses, repair and maintenance workshops, research, development and testing laboratories and harbors.

The Group conducts its European operations, with a steel production capacity of 12.4 mtpa, through its wholly owned subsidiary TSE, while its operations in India are primarily conducted directly by Tata Steel. The Group's remaining steel production capacity of 2.2 mtpa is located in South East Asia, with finishing capacity spread across South East Asia.

Indian Facilities

The Group has its main facilities in Jamshedpur and Kalinganagar.

Jamshedpur Facility

The Group's main facility in India is a vertically integrated 9.7 mtpa steel production facility at Jamshedpur, in the State of Jharkhand in East India.

The Jamshedpur facility is the Group's largest facility in terms of steel production capacity and has contributed to approximately 35% of its total production capacity, globally, for the year ended March 31, 2017. The Group completed the brownfield expansions of its Jamshedpur facility in May 2008 and December 2012, which increased its Indian steel production capacity to 9.7 mtpa, with 6.6 mtpa for flat products and 3.1 mtpa for long products. The wide variety of steel products produced at the Group's Jamshedpur facility are primarily sold in the domestic market.

The following table sets forth the production details of the facility:

Steel production capacity*	Actual Production (in mt)			
	Six months ended September 30, 2017	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015
9.7 (in mtpa)	4.70	10.00	9.96	9.33

* *Production capacity is based on the maximum possible steel production in the year ended September 30, 2017, taking into account upstream and downstream bottlenecks, assuming full manning of facilities and including any plant mothballed. In practice, facilities may be manned only to the level required to provide semi-finished materials for downstream finishing processes and for sale.*

Kalinganagar Facility

The Group's greenfield steel production facility at Kalinganagar, which has a capacity of 3.0 mtpa, commenced operations in June 2016 and recently ramped up to full capacity. The plant produces world-class flat, lighter, high-tensile strength steel. It has enabled the Group to expand its portfolio to high-grade flat products to cater to a range of sectors including defense, lifting, oil and gas and excavation. Eight new product licenses and nine upgrades of existing product licenses have been granted by the Bureau of Indian Standard for products manufactured at the Kalinganagar plant.

The following table sets forth the production details of the facility:

Steel Production capacity	Actual Production (in mt)	
	Six months ended September 30, 2017	For the year ended March 31, 2017
3.0 (in mtpa)	1.29	1.68

European Facilities

As of March 31, 2017, the Group had two principal steel making sites in Europe, one in Ijmuiden in the Netherlands and one in Port Talbot in the United Kingdom. The European operations represent approximately 45% of the Group's global total steel production capacity. The Group sold the Rotherham site in May 2017, and accordingly, its capacity is not included in these figures.

The following table sets forth the Group's principal operating facilities in Europe as of March 31, 2017:

		Actual Production (in mt)	
	Steel production capacity*	Six months ended September 30, 2017	Year ended March 30, 2017
IJmuiden steelworks, Netherlands	7.3	3.5	7.0
Port Talbot steelworks, Wales	5.1	1.9	3.6
Total	12.4	5.4	10.6

* *Production capacity is based on the maximum possible steel production in the year ended Mar 31, 2017 taking into account upstream and downstream bottlenecks, assuming full manning of facilities and including any plant mothballed. In practice, facilities may be manned only to the level required to provide semi-finished materials for downstream finishing processes and for sale.*

IJmuiden Steelworks Facility

The IJmuiden facility is the Group's second largest facility in terms of steel production. It contributed to approximately 66% of total steel production for the Group's European operations for the year ended March 31, 2017. The facility produces a wide variety of steel products which fall into five broad categories: hot rolled strip, cold rolled strip, hot dipped metallic coated, pre-painted, and tinplate. This facility makes direct mill sales mainly into the automotive, packaging and industry strip sectors, both in the United Kingdom and in export markets to Germany, France, Turkey, USA and Spain. Sales are also made through other downstream tube-making facilities and coating lines into the construction, energy and building envelope sectors.

Port Talbot Steelworks Facility

The Port Talbot facility, including its satellite site in Llanwern, Wales, is the Group's third largest facility in terms of steel production capacity and contributed to approximately 34% of total steel production for the Group's European operations for the year ended March 31, 2017.

The facilities produce a wide variety of steel products, which fall into three broad categories: hot rolled strip, cold rolled strip and hot dipped galvanized. The facilities make direct mill sales mainly into the automotive, packaging and industry strip sectors, both domestically and in export markets to the Netherlands, Spain, Germany, Belgium and France. Sales are also made through other downstream tube-making facilities and coating lines into the construction, energy and building envelope sectors.

Other facilities

The Group's other facilities and the products produced are set out below:

Facilities	Details
Other Indian Steel Units	• Tube production facility at Jamshedpur • Wire production at steelworks facility in Tarapur • Wire division facility at Indore
Non-Steel Indian Facilities.	• Ferro alloy production facilities at plants in Odisha at Bamnipal, Cuttack and Joda • Chrome concentrate production facility in the chrome ore beneficiation plant at Sukinda • Chrome ore processing facility at the ferro alloy plant at Bamnipal, Cuttack and other ferro processing centers to produce high carbon ferro-chrome • Ferro alloy plant near Cuttack
Other Facilities — South East Asia . .	**NatSteel Holdings** • Electric arc furnace based steel production plant in Singapore with a crude steel capacity of approximately 0.75 mtpa as of March 31, 2017 • Finishing plants in Singapore, Vietnam, Thailand, Malaysia and Hong Kong with a combined rolling mill capacity of approximately 2.2 mtpa and downstream capacity of 1.4 mtpa as of March 31, 2017 **Tata Steel Thailand** • Three steel plants at Saraburi, Rayong and Chonburi in Thailand with a total steel production capacity of 1.4 mtpa and a finishing capacity of 1.7 mtpa as of March 31, 2017.

Expansion and Development Projects

Brownfield Projects

Kalingangar

The Group has developed greenfield steel production facility at Kalinganagar. Phase I of this development, which as a capacity of 3.0 mtpa, commenced operations in June 2016 and recently ramped up to full capacity. The total capital expenditure for Phase I is approximately Rs.234,700 million.

Following the successful development and implementation of Phase I, the Board approved Phase II, an expansion plan at Kalinganagar expected to increase its capacity by 5.0 mtpa (from the existing 3.0 mtpa to 8.0 mtpa upon completion). In addition to increasing capacity, Phase II can potentially realize synergies with Phase I operations through improvement in productivity of equipment and manpower, improvement in key performance indicators in operations, and optimization of administration costs. This project is expected to cost approximately Rs.235,000 million, will be financed by a mixture of debt and equity and will be implemented over a 48 month period.

The costs for development at Kalinganagar include investments in raw material capacity expansion, upstream and midstream facilities, which includes a coke plant of 2.2 mtpa, a sinter plant of 0.8 mtpa, a blast furnace of 4.8 mtpa and a hot strip mill of 3.2 mtpa, infrastructure and downstream facilities with a cold rolling mill complex of 2.2 mtpa, including a continuous annealing line of 0.9 mtpa and a galvanizing line of 1.0 mtpa.

The plant capacity is planned to be expanded in order to meet market demand for value-added products, and to make the Group more profitable and sustainable.

The expansion will enable TSL to expand its portfolio and customer base of high-grade flat products which are thicker, wider and high tensile strength with a unique grades and tighter dimensional tolerances to cater to a range of sectors including defense, lifting, oil and gas and excavation.

Jamshedpur

The Ministry of Environment, Forest and Climate Change, Government of India has granted environmental clearance dated, March 1, 2016, for the expansion of the Group's integrated steel plant at Jamshedpur, which will increase its crude steel production from 9.7 mtpa to 11.0 mtpa.

Products

Key Products from Operations

The key products from the Group's Indian operations include the following:

Products	Types
Flat Products	• Hot rolled coils and sheet • Cold rolled coils and sheets • Coated coils and sheets (Tinplate/Color-coated steel and galvanized steel)
Long Products	• Rebar • Wire rods
Wires	• Coated and uncoated wires
Tubes	• Conveyance Tubes • Structural tubes • Precision tubes
Intermediate products	• Semi-finished steel (billets, slabs that can be made into flat or long products)
Others	• High carbon ferro-chrome • High carbon silico manganese • Ferro manganese • Chrome concentrate • Fluxes such as dolomite and pyroxenite

Key Products from European and Asian Operations

The key products from the Group's Indian operations include the following:

Products	Types
Uncoated strip products	• Hot rolled coil
	• Cold reduced coil
Coated strip products	• Hot dipped metallic coated products
	• Pre-painted and plastic coated products
	• Tinplate
Electrical steels	• Non-oriented and grain oriented electrical steel
Plated and precision strip products	• Range of nickel, zinc and other specialist plated products
Welded steel tubes	• Hot finished and cold formed steel tubular products
Semi-finished steel	• Slabs
Others	• Tubes and bearings
	• Ball bearings
	• Taper roller bearings
	• Refractories products
	• Steel mill rolls

Sales

The Group sells a majority of its products to customers in the Indian and European markets. India remains the Group's largest market, representing approximately 43% and 41% of the Group's revenue in the years ended March 31, 2017 and March 31, 2016, respectively. Operations in Europe represented 39% and 41% of the Group's revenue in the years ended March 31, 2017 and March 31, 2016, respectively.

The following table sets forth the Group's revenue by destination for the periods indicated:

	Year ended March 31,	
	2016	2017
	(Rs. in millions)	
India	436,040	509,830
Europe	441,050	459,890
Asia (excluding India)	94,660	125,740
Other	91,650	78,740
Total	**1,063,400**	**1,174,200**

Distribution and Marketing

The Group has retailer reach throughout India and a network of service partners in key consumption centres which provide a competitive advantage in servicing the Indian market. The Group delivers its wide range of products, services and solutions through the hub-and-spoke model. The Group sells finished carbon steel products from its European facilities directly to end-users and through stockholding and service centers. Stockholders purchase steel from high-volume producers for subsequent resale, and service centers purchase steel stocks for further processing prior to selling to customers. The Group's European service center network includes centers in the United Kingdom, Ireland, Finland, France, Germany, the Netherlands, Norway, Spain and Sweden. Typically, large volume customers purchase directly from the Group's main hubs, while low volume customers purchase from stockholders and service centers, including those owned by the Group.

The Group markets its products by closely monitoring its sales activities and catering to the needs of customers. As a global steel producer, the Group gathers marketing intelligence and experience from its sales offices in the respective regions where it conducts business.

Raw Materials and Other Key Inputs

Steel production requires a substantial amount of raw materials and energy, including iron ore, coal and coke, scrap and energy. Raw materials comprise the single most significant percentage of the Group's manufacturing costs and in the years ended March 31, 2016 and 2017, accounted for 26.1% and 29.2%, respectively, of the Group's total expenditure.

Energy costs in the years ended March 31, 2016 and 2017, accounted for approximately 15.1% and 13.9%, respectively, of the Group's raw material and energy costs.

Raw Material	Details
Iron Ore and Coal - Indian Operations	• Iron ore is mainly obtained from the Noamundi and Joda iron mines • Raw coal is obtained from the coal mines at West Bokaro and Jharia and clean coal is imported
Iron Ore and Coal - European Operations	• Purchases all of its iron ore and coal requirements for its European operations from third parties • Iron ore was purchased principally from South America, Scandinavia and North America and coal principally from Australia, North America, Russia and the United Kingdom
Energy	• India - Power requirements are met by a combination of own generation capacity and purchase from third parties • Europe - Primarily purchased from respective national electricity grids and generated through power stations at the facilities
Scrap	• India and Europe - Consume scrap metal mainly generated as a byproduct from its own operations and sourced externally from companies that collect scrap metal.

Raw Material Projects

The Group is focused on seeking proprietary access to raw materials in order to optimize its costs and to achieve a higher level of self-sufficiency in raw materials, which would enable it to better respond to cyclical fluctuations in demand and reduce volatility in production costs. The Group has pursued, and plans to continue to pursue, a number of initiatives to gain access to coal and iron ore deposits around the world.

Iron Projects

Tata Steel Minerals Canada

Tata Steel Minerals Canada Ltd. ("TSMC") is engaged in development of iron ore deposits in Quebec and Newfoundland and Labrador in Canada. The investment is deployed towards setting up mining operations and multiple processing facilities including the state-of-the-art beneficiation plant.

In October 2016, TSMC signed definitive agreements with the 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 an 18% stake in TSMC and the balance is held between the Group (77.66%) and New Millennium Iron Corporation (4.32%), a publicly owned Canadian mining company.

On March 24, 2017, TSMC signed a multi-user-concept based non-binding MOU between the public-private partnership partners, Society of Plan Nord 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, and further enable detailed assessment of improvements to the infrastructure, cost-efficient port operations, scalability in volume and asset allocation among others.

The resource base has been enhanced three-fold since the commencement of the investment to approximately 147 mt. TSMC achieved total sales of 1.6 mt in the year ended March 31, 2017.

Sedibeng Iron Ore Pty Ltd, South Africa

The Group, through its 100% owned SPV Black Ginger 461 Proprietary Limited, owns a 64% stake in Sedibeng Mine, South Africa, the balance is held by Cape Gannet (26%) and Industrial Development Corporation of South Africa ("IDC") (10%). Both BEE partner and IDC jointly are contributing their share of acquisition cost.

The Sedibeng iron ore mining is located 25 km north of Postmasburg, in the province of Northern Cape, in South Africa. Production is expected to ramped up to 2.0 mtpa, subject to availability of logistics. The Group's share of iron ore off-take in the project is 74%, which includes 10% of IDC's share. The Group had sales of approximately 1.3 mt for the year ended March 31, 2017.

Employees

As of March 31, 2017, the Group had more than 70,000 employees worldwide, including approximately 35,000 employees in India, approximately 22,500 employees in Europe and the remainder in South East Asia.

The Group has won a number of awards for its Indian operations, including the All India Organization of Employers Award for Outstanding Employee Relations, and was named as the best place to work in the core sector (steel, oil, power and minerals) by Business Today in February 2017.

Competition

The market for steel is very competitive with high levels of international trade. According to the WSA, the top five steel producers represented 18% of global steel production in 2016. As a global producer, the Group faces significant competition from other steel producers worldwide. The Group's competitors in the global steel market include ArcelorMittal, Baosteel Co. Ltd., Nippon Steel, JFE Steel Corporation, POSCO and Shagang Group among others.

In India, the Group operates in the flat product and the long product markets and faces competition from integrated and partially integrated steel producers such as SAIL, JSW Steel Limited, Essar Steel India Limited, Jindal Steel and Power Limited, Vishakhapatnam Steel Plant (Rashtriya Ispat Nigam Limited), as well as rerollers, secondary manufacturers and imports from China, Japan, and South Korea among others.

Research and Development and Intellectual Property

Several new infrastructure facilities relating to research and development have been installed and others are in the process of commissioning. This will enable the Group to address the needs of its customers. In addition to these facilities, the Group also embarks on strategic value engineering and early vendor involvement with auto original equipment manufacturers so as to integrate the new steel grades into future vehicle platforms. The research and development operations also collaborate with leading research institutions in the world to tap into promising research work that can shape the future technology of the steel business. The Group conducts its business using the "Tata" brand and licenses the use of the "Tata" brand trademark from Tata Sons Limited, its principal shareholder, under the terms of a licensing agreement.

Quality

The Group continuously adopts modern management tools, techniques and standards. In the last three and a half decades, the Group has adopted the ISO system, Quality Circles, Value Engineering, Total Operative Performance, Total Productive Maintenance, Knowledge Management, Six Sigma, Theory of Constraints and Critical Chain Project Management. Recently, the Group has introduced Kar Vijay Har Shikhar, Corporate Quality Assurance, Innovent and SHIKHAR 25 to ensure quality.

While it has adopted several methodologies and techniques for improvement, it has also continuously assessed itself to determine the effect that each implemented measure has had on organizational performance. To bring about greater rigor in the assessment of excellence, the Group successfully challenged the Deming Application Prize in 2008 and the Deming Grand Prize in 2012 (a Japanese award for quality). The Group became world's first integrated steel plant outside of Japan to receive these awards. In the evaluation of integrated steel plants in India by the Ministry of Steel, the Group has been recognized ten times as the Best Integrated Steel Plant and received recognition in the form of the Prime Minister's Trophy.

Insurance

The Group's operating assets (other than those owned by TSE) including its plants and facilities are insured against a range of perils including fire, explosion, and acts of nature such as storms, earthquake and floods. Business interruption loss following damage to property is also covered in the insurance policy. Terrorism risk is covered by a separate insurance policy.

TSE maintains insurance cover through a combination of policies purchased largely from external insurers and self-funding. TSE, including its plants and facilities, is insured against a range of risks, including property damage and business interruption, public and products liability.

The Group maintains a general liability insurance against legal liability arising from third party property damage, death or bodily injury due to its business operations, or arising out of the usage of the products manufactured and sold.

The Group also maintains liability insurance covering the liability of its directors and officers.

The Group has taken crime insurance policy that covers financial loss due to fraudulent act(s) by an employee or by any other persons, and cyber liability insurance policy that covers financial loss suffered by the Group and for third party liability due to data and/or network security breaches following qualifying breaches of data security on the computer systems of the Group or that of outsourced partners' computer systems.

Environmental Standards

The Group is committed to minimizing the environmental impact of its operations through the adoption of sustainable practices. The Group has also adopted relevant ISO, APHA, BIS or local standards for environmental monitoring and analysis. Environmental performance is audited internally and assured or verified externally using appropriate standards. Environmental compliance is monitored at the boar level through the Safety, Health and Environment Committee. The Group has won a number of awards for its environmental compliance activities, including a platinum rating by the CII Green Building Council for environmental performance at the Jamshedpur steelworks, including India's first steel company to receive a "Greenco Platinum Rating" by CII Green Building Council.

Health and Safety

Health and safety is the priority at all of the Group's facilities and, as such, it is reviewed regularly by the Group's Board of Directors. The Group has established a Board Health, Safety and Environment Committee to carry out more detailed reviews of its strategy and monitor the overall performance of the Group in this regard. As part of its commitment to create a safer work place, the Group has implemented a number of structured programs and initiatives to improve hazard awareness and risk control. As a result of these safety initiatives, the Group's combined lost time injury frequency rate ("LTIFR") for employees and contractors remained relatively low.

In India, the Group has adopted a safety management system focusing on inculcating leadership commitment, safe behavior among employees and achieving world-class safety and health performance. Regular line walks are conducted by the Group's senior leadership team members to monitor deployment of health and safety standards. The Group has developed and is deploying a plan of six long term safety strategies at all locations to advance the organizational culture where all employees are "Committed to Zero" LTIFR.

As a result of several safety initiatives, LTIFR has remained relatively low at 0.37 for the year ended March 31, 2017.

The Group has received several awards in regard to health and safety, including the "Ispat Suraksha Puraskar — 2017" award from the Joint Committee on Safety, Health and Environment in Steel Industry for no fatal accidents at Jamshedpur in 2016.

Corporate and Social Responsibility

The Group's CSR efforts are conducted in segments such as education, health care, ethnicity, youth and women empowerment, and rural infrastructure.

Education: In the education segment, the Group aims to develop equitable and quality education programs at all levels of schooling — including higher education — and has taken a stand against incidences of child labor. The Group also brings children from tribes into the fold of education through Project Aakanksha.

Health and Sanitation: In the health and sanitation segment, the Group has focused its efforts on providing preventive and curative facilities to communities in Jharkhand and Odisha. In a partnership with the government health system and not-for-profit organizations, the Group has been working on the Maternal and Newborn Survival Initiative. In addition, focuses on adolescent health in villages across Jharkhand and Odisha.

Livelihood: The Group engages in activities to develop valuable skills for youth to assist them with obtaining gainful employment in areas such as nursing, hospitality, textiles and construction.

Ethnicity: The Group aspires to nurture tribal communities through multiple interventions that cater to their social and cultural development. In November 2017, the Group organized the fourth edition of Samvaad, which drew delegates representing indigenous communities from a number of countries. The Group holds a number of events each year, including focused interventions to promote age-old tribal sports and music.

Sports and Youth Empowerment: In effort to develop leadership skills and instill positive values among youth, the Group facilitates outdoor leadership camps and moral re-armament camps through the Tata Steel Adventure Foundation and in partnership with Initiatives of Change.

Litigation

Except as described below, Tata Steel is not involved in any legal proceedings or disputes, and no proceedings are threatened, which may have, or have had, a material adverse effect on the business, financial condition or operations of Tata Steel. Tata Steel believes that the number of proceedings and disputes in which it is involved in is not unusual for a company of its size in the context of doing business in India and in the international market. The materiality threshold considered for this disclosure in this section is Rs.3,900 million.

Litigation filed against Tata Steel

Regulatory proceedings

1. In the matter of *Common Cause v. Union of India & Ors,.* the Supreme Court has by its order dated August 2, 2017 (the "Common Cause Order") directed payment under Section 21(5) of the MMDR Act for alleged illegal mining of iron ore and manganese ore from mines in Odisha due to breach of limits prescribed in the environmental clearance (granted under the Environment (Protection) Act, 1986 ("EP Act")). Pursuant to the purported application of the Common Cause Order, Tata Steel has received the following:

   (a) Additional demand notices by the Office of the Deputy Director Mines, Joda Circle, District Keonjhar (the "Mines Director") in relation to seven of Tata Steel's iron ore and manganese ore mines located in Odisha, aggregating to Rs.1,340 million (the "Demand") in respect of excess production beyond the thresholds prescribed in, among others, the environmental clearance (granted under the EP Act), the '*consent to operate*' (granted under the Air (Prevention and Control Of Pollution) Act, 1981 and the Water (Prevention and Control Of Pollution) Act, 1974) and the mining plan (as approved under the MMDR Act). Subsequently, an interim application was filed before the Supreme Court by, among others, Tata Steel, seeking clarifications regarding the Common Cause Order. The Supreme Court also granted Tata Steel leave, to pursue alternative legal remedies. Tata Steel has filed an application before the Revisionary Authority, Ministry of Mines, Government of India and obtained a stay against the due date and continue its operations until January 22, 2018, being the next date of hearing.

   (b) Demand notices in relation to four of Tata Steel's coal mines located in Jharkhand, aggregating to Rs. 21,400 million (the "Jharkhand Demand") and if such amounts are not paid, its operations at the mines would be suspended. Recently, in similar circumstances, the High Court of Jharkhand has granted interim relief to another company, which had received similar demand notices. Tata Steel will seek appropriate legal remedies as may be warranted. The matter is currently pending.

   (c) Tata Steel has also made a payment of Rs.570 million under protest, in respect of the iron ore and manganese mines and is seeking suitable legal remedies.

   A show-cause notice by the Office of the Deputy Director Mines, Joda Circle, District Keonjhar (the "Mines Director") in relation to Tata Steel's chromite mine at Sukinda, Orissa, involving an amount aggregating to Rs.6,940 million (the "SCN"). Tata Steel has responded to the SCN. The matter is currently pending.

2. Tata Steel and others (the "Petitioners") filed a writ petition challenging the constitutional validity of the Orissa Rural Infrastructure and Socio-Economic Development Act, 2004 (the "ORISED Act") before the High Court of Orissa. Under the ORISED Act, tax is required to be

paid on the annual value of mineral-bearing land and the annual value of such land, in relation to a financial year, is determined on the basis of average value of minerals produced from mineral bearing land in the immediately preceding two financial years. The High Court of Orissa held that the ORISED Act was unconstitutional as the state legislature was incompetent to levy any taxes or duties on the extraction of minerals and set aside the demand notices issued to the Petitioners for an amount aggregating to Rs.62,010 million. The State Government of Odisha has appealed the aforesaid judgment before the Supreme Court by way of a special leave petition. The matter is currently pending before the Supreme Court.

3. Tata Steel has filed petitions (the "Petitions") in the High Court of Jharkhand (the "High Court") against the Union of India challenging, among others, the constitutional validity of Rules 64B and 64C of Mineral Concession Rules, 1960 (the "MC Rules" and the challenged provisions, the "Impugned Rules") in relation to differential royalty liable to be paid by Tata Steel on the coal mined from it's West Bokaro and Jharia mines. The dispute pertains to the method of computation of, and the levy of final royalty on, coal in terms of the MC Rules and the MMDR Act. In an earlier proceeding involving Tata Steel ("Supreme Court Proceedings"), the Supreme Court, through its order dated March 17, 2015, held that (i) the removal or extraction of a mineral in terms of the MMDR Act meant removal of the mineral from the mine or the pit-head and not the removal or extraction of the mineral from the boundaries of the leased area; (ii) pursuant to the introduction of the Impugned Rules, the levy of royalty on coal was post-poned from the pit-head to the stage of removal of the coal; (iii) Tata Steel was liable to pay royalty under the Impugned Rules from the date of their notification i.e. from the year 2000; and (iv) Tata Steel was entitled to refund of royalty paid between August 10, 1998 and September 25, 2000. However, the constitutionality of the Impugned Provisions was not adjudicated upon by the Supreme Court.

   During the pendency of the Supreme Court Proceedings, Tata Steel received demand notices aggregating to Rs.3,474 million received from the District Mining Officer, Ramgarh, towards alleged short levy of royalty on washed coal of "Steel Grade-I" and short levy of royalty on "tailing coal" (the "Demand Notices"). Subsequently, the Supreme Court of India, through its order dated May 8, 2015, granted leave to Tata Steel to challenge the constitutional validity of the Impugned Provisions afresh. Pursuant to the said order, Tata Steel filed fresh writ petitions before the High Court challenging the constitutional validity of the Impugned Provisions. The High Court, through its order dated June 26, 2015 refused to grant a stay on the Demand Notices and directed that as in the past, Tata Steel would have to pay the amount under the Demand Notices under protest. Subsequently, the High Court has dismissed the Petitions by way of an order dated January 10, 2018. Tata Steel will seek appropriate legal remedies as may be warranted.

   Tata Steel has also filed revision applications against the Demand Notices before the Revisionary Authority, Ministry of Mines, Government of India (the "Mines Tribunal"). The total amount involved in the matter is Rs.14,160 million. As on date, Tata Steel has paid a total amount of Rs.5,100 million under protest. The revision applications are currently pending before the Mines Tribunal.

4. Tata Steel filed a writ petition before the High Court of Orissa (the "High Court") on July 5, 2013, challenging the constitutional validity of the Indian Stamp (Odisha Amendment) Act, 2013 (the "Amendment Act") and Rule 11C of the Odisha Stamp Rules, 1952, inserted through Indian Stamp (Odisha Amendment) Rules, 2013 (the "Amendment Rules") in relation to new provisions introduced with respect to introduction of stamp duty chargeable on grant and renewal of mining leases and more particularly, requiring stamp duty to be paid with respect to mining leases awaiting renewal. The High Court, through its order dated July 9, 2013 has granted an interim stay on the implementation of the provisions of the Amendment Act. Tata Steel has made applications for renewal of mining leases as per the provisions of the MMDR Act. As on date, Tata Steel has received demand notices, issued by the relevant authority, for various mines in Odisha aggregating to Rs.55,790 million. The matter is currently pending before the High Court.

5. Tata Steel is a mining lessee for iron ore in Noamundi, Jharkhand. The mining lease in respect of the said mine (the "Noamundi Mines" and the mining lease, the "Mining Lease") was initially granted in 1922 and has been subsequently renewed for a period up to December 31, 2011. Prior to the expiry of the Mining Lease, Tata Steel applied for its renewal on December 17, 2009 (the "Application"). Pending the decision on the Application, Tata Steel continued mining operations at the Noamundi Mines in accordance with the applicable licenses and the extant provisions of the MC Rules. Subsequently, Tata Steel filed a writ petition before the High Court of Jharkhand at Ranchi (the "High Court") praying for directions to the State Government of Jharkhand (the "State Government") for issuance of formal orders for renewal of the Mining Lease under the provisions of MMDR Act. The High Court allowed the writ petition and directed the State Government issue orders. Whilst the State Government through its order granted its approval for the extension of the Mining Lease, the same was subject to compliance with certain additional terms and conditions (the "Additional Conditions"), including a demand of Rs.35,683 million towards penalty for alleged illegal mining by Tata Steel (the "Demand"). Pursuant to an interim order passed by the High Court and in order to resume mining operations at the Noamundi Mines, Tata Steel paid a total amount of Rs.5,738 million of the Demand under protest. Subsequently, the Mines and Minerals (Development and Regulations) Amendment Act, 2015 (the "Amendment Act") was passed and Tata Steel has amended its writ petitions before the High Court for, amongst other issues, challenging the Additional Conditions and Demand imposed on Tata Steel to further plead that these were not tenable under the provisions of extension of lease under the Amendment Act as well. The matter is currently pending.

6. Tata Steel has filed a writ petition before the High Court of Jharkhand (the "High Court") in relation to the water rates to be paid by it for drawing water for industrial purposes. In September, 1993, the State of Jharkhand (*erstwhile State of Bihar*) had issued a bill for water usage by Tata Steel for an amount of Rs.31 million at the rate of Rs.3.00 per thousand gallons. Tata Steel had filed a writ petition before the High Court challenging the aforesaid bill. The High Court held that the rate of Rs.3.00 per thousand gallons for usage of water for industrial purposes proposed by the State of Jharkhand was justified but that the State of Jharkhand must verify the quantum of water used and the amounts involved. Tata Steel and the State of Jharkhand both (the "Parties") filed appeals against the order of the High Court before the Supreme Court. The Supreme Court disposed of the appeals, on the grounds that the High Court had not considered all issues involved, and remanded the matter back to the High Court to hear the arguments of the Parties afresh. The matter is currently pending. The aggregate amount involved is Rs.4,199 million.

7. The Deputy Director of Mines, Joda, Keonjhar, Odisha (the "Odisha State Government") issued three demand notices to Tata Steel for an amount of Rs.8,702 million on the grounds that a differential royalty was payable on iron ore lump removed or in the processed form, whichever is higher (the "Demand") in respect of Tata Steel's mining lease for Joda East Iron Mines in the district of Keonjhar. Subsequently, Tata Steel filed three revision applications against the Demand before the Revisionary Authority, Ministry of Mines, Government of India (the "Mines Tribunal") challenging the legality and validity of the Demand. The Mines Tribunal has granted a stay in respect of the Demand. Tata Steel has made a payment of an amount of Rs.1,370 million, under protest towards the Demand. The matter is currently pending.

   In a separate matter, filed by, among others, Mideast Integrated Steel Limited ("MISL"), before the High Court of Odisha, MISL challenged circulars dated September 7, 2010 and April 9, 2012 issued by the Odisha State Government prescribing that payment of royalty shall be on iron ore lump or calibrated lump ore, whichever was higher, removed from the mines. The High Court of Odisha passed an order in the matter of MISL ("MISL Order"), wherein the High Court of Odisha held that hundred per cent of the differential royalty payable on iron ore lump removed would be due to the Odisha State Government. Tata Steel has filed a special leave petition before the Supreme Court challenging the MISL Order, on the grounds that, among others, Tata Steel, who was an aggrieved party and directly and adversely affected by the MISL Order, was not afforded an opportunity to be heard in the matter. The matter is currently pending.

Arbitration Proceedings

1. Vakksh Capital Company Limited (the "Claimant") has initiated arbitration proceedings against Tata Steel. Tata Steel entered into an agreement with the Claimant in July, 2006, to provide advisory services to Tata Steel (the "Agreement"). In January, 2008, the Claimant and Tata Steel executed a term-sheet which stipulated that the parties shall execute a separate agreement in respect of fees to be paid to the Claimant in the event that certain conditions were met (the "Proposed Agreement"). The Proposed Agreement was not executed. Subsequently, Tata Steel terminated the Agreement, pursuant to which the Claimant initiated the arbitration proceedings, claiming amongst others, fees allegedly due under the Agreement and under the term-sheet (the "Claim"). Tata Steel has, among others, disputed the amount claimed and the scope of the arbitration proceedings. The matter is currently pending.

Tax Proceedings

Direct Tax

1. The income tax department has initiated reassessment proceedings (the "Reassessment Proceedings") against Tata Steel in relation to the assessment years 2006 — 07; 2007 — 08; and 2008 — 09 (the "Relevant AYs") and issued reassessment orders along with demand notices in respect of the Relevant AYs (the "Reassessment Orders"). The Reassessment Proceedings were initiated on the basis of show cause notices issued by the mining authorities of the State Government of Odisha, alleging mining in excess of the permitted limits by Tata Steel (the "Excess Mining Activities") and on the premise that Tata Steel had allegedly not disclosed the income and profits arising out of such activities at the time of initial assessment. The demand in respect of the Excess Mining Activities aggregated to Rs.6,963 million. Tata Steel preferred appeals against the Reassessment Orders before the Commissioner of Income Tax, (Appeals) ("CIT(A)"), Mumbai, wherein the CIT(A) allowed Tata Steel's appeals, in respect of the demands made in respect of the Excess Mining Activities ("Appellate Orders").

   In relation to AYs 2009 — 10 and 2010 — 11, the assessing officer alleged that Tata Steel had not disclosed the profits arising to it from the Excess Mining Activities and sought to make additions to Tata Steel's taxable income for an amount of Rs.14,836 million and Rs.4,651 million (the "Additions to Income") respectively, to the taxable income of Tata Steel. Tata Steel objected to the Additions to Income before the Dispute Resolution Panel — II, Mumbai (the "DRP"). The DRP, through its directions dated December 27, 2013 and December 23, 2014, respectively, directed the assessing officer to delete the Additions to Income for the purposes of computing the taxable income of Tata Steel.

   In relation to the Appellate Orders and the directions of the DRP for AYs 2009-10 and 2010-11, the income tax department has preferred appeals before the Income Tax Appellate Tribunal. These matters are currently pending.

2. Tata Steel has filed five appeals, in respect of AYs 2008-09, 2009-10, 2010-11, 2011-12 and 2012-13 ("Appeals") before the Income Tax Appellate Tribunal, Mumbai (the "ITAT") against the directions issued by the Dispute Resolution Panel (the "DRP") in relation to the disallowance of interest expenses pertaining to the investment of Tata Steel in Corus, a foreign subsidiary of Tata Steel for AYs 2008-09, 2009-10, 2010-11, 2011-12 and 2012-13. Tata Steel had taken loans to invest in Corus and claimed the interest expense of the borrowings as business expenditure in the return of income filed by Tata Steel, for the said assessment years. The assessing officer has alleged that since the investment in Corus was made not for the advancement of Tata Steel's business, but for acquiring a controlling interest in Corus, the interest expense on borrowings made for making the investment in Corus could not be allowed as a business expenditure and was disallowed in the assessments. Consequently, the assessing officer issued an assessment order in relation to AYs 2008-09 demanding an amount of Rs.2,255 million and draft assessment orders for AYs 2009-10, 2010-11, 2011-12, 2012-13 and 2013-14 proposing to demand, in respect of the

interest expenditure pertaining to the investments in Corus by Tata Steel, an amount of Rs.4,133 million, Rs.4,518 million, Rs.2,382 million and Rs.2,006 million and Rs.1,339 million respectively. The proposed demand in respect of AY 2013-14 was made by way of effective disallowance of the Minimum Alternate Tax credit. Subsequently, Tata Steel preferred an appeal before the Commissioner of Income Tax (Appeals) against the assessment order issued in relation to assessment year 2008-09, which was dismissed. Further, in relation to the draft assessment orders passed with respect to AYs 2009-10 to 2013-14, Tata Steel had preferred objections to the DRP praying for directions to the assessing officer to delete the additions proposed to the taxable income. The DRP rejected the objections and upheld the disallowance made by the assessing officers. Therefore, Tata Steel has preferred the Appeals before the ITAT. The aggregate demands involved in the matter are Rs.15,294 million. The assessing officer also initiated penalty proceedings against Tata Steel under Section 271(1)(c) of the Income Tax Act. The matters are currently pending.

Indirect Tax

1. Tata Steel and others (the "Petitioners") filed writ petitions before the High Court of Jharkhand (the "High Court") to challenge the constitutional validity of Section 3 of the Jharkhand Entry Tax on Consumption or Use of Goods Act, 2011 and Section 11 of the Jharkhand Value Added Tax Act, 2005 (the "Impugned Provisions"), respectively. In terms of the Impugned Provisions, the Government of Jharkhand is seeking to levy and collect entry tax on the scheduled goods, making entry exceeding Rs. 10,000 into local area from any place outside the state of Jharkhand for consumption or use therein (the "Entry Tax"). The Petitioners are engaged in the activity of trade and manufacture and during the course of their business, import scheduled goods under the Act from outside the state of Jharkhand. The High Court, declared the Impugned Provisions to be unconstitutional. The Government of Jharkhand preferred an appeal against the order of the High Court before the Supreme Court (the "Appeal"). The Supreme Court allowed the Appeals on the ground that the High Court had declared the levy of entry tax unconstitutional on the limited ground that the said levy was not compensatory in nature and in view of the judgment of Nine Judges Bench, compensatory character of tax is no longer a valid criteria for deciding the constitutional validity of entry tax. However, the Supreme Court granted liberty to Tata Steel to file writ petitions before High Court in respect of the other issues involved, not dealt with by the High Court. Pursuant to the order of the Supreme Court, Tata Steel has filed two writ petitions before the High Court challenging the Impugned provisions as being discriminatory. The matter is currently pending.

Litigation filed by Tata Steel

1. Tata Steel has filed a writ petition in the High Court of Calcutta against the Union of India, the Joint Plant Committee and others ("Respondents"). Tata Steel has claimed a return and refund of balance of the contribution of approximately Rs.17,006 million along with interest as on March 31, 2008, contributed by it to the Steel Development Fund ("SDF"). The High Court of Calcutta has passed an interim order dated February 13, 2006 restraining the Respondents from utilising any amounts from the contributions made by Tata Steel to the SDF, except for the use towards its members. The total amount involved in the matter is Rs.24,200 million as of March 31, 2017, including applicable interest. The matter is currently pending before the High Court of Calcutta.

Other matters

1. As a listed company in India and having operations in different parts of the world, Tata Steel receives, from time to time, various communications, including information requests, from various regulators, such as the SEBI. Tata Steel also paid penalties as part of regulatory proceedings, which are below the materiality threshold under the SEBI Regulations.

Litigation involving Tata Steel's Directors

Criminal Proceedings

1. There have been thirty four criminal cases filed against certain current and former directors and officials of Tata Steel, in relation to alleged violations arising in the course of Tata Steel's business operations under, *among other laws*, the Indian Penal Code, 1860, the Prevention of Cruelty to Animals Act, 1960, the Industrial Disputes Act, 1947, the Factories Act, 1948, the Minimum Wages Act, 1948, the Environment (Protection) Act, 1986 and the rules made thereunder. These matters are currently pending at various stages of adjudication.

Litigation involving Subsidiaries

Haldia Water Management Limited

Arbitration Proceedings

1. Haldia Water Management Limited ("HWML") has entered into a concession agreement with Haldia Development (the "Authority" and the agreement, the "Agreement"). In terms of the Agreement, HWML was required to construct a 113.5 million litres per day water treatment plant on a build, operate and transfer basis. In terms of the Agreement, HWML has initiated arbitration proceedings against the Authority for breach of the terms of the Agreement and has claimed Rs.1,916 million from the Authority. HWML has submitted that the Authority indulged in premature collection of license fees and subsequently stopped sharing revenues with HWML. Such breaches and other circumstances such as rise in the cost components and inadequate water demand adversely affected HWML's ability to comply with its obligations under the Agreement. The Authority has counter-claimed an amount of Rs.7,760 million, plus applicable interest, for alleged breach of the terms of the Agreement by HWML. The matter is currently pending before the arbitral tribunal.

Jamshedpur Utilities and Services Company Limited ("JUSCO")

Criminal Proceedings

1. The Superintendent of Police, Anti-corruption Branch, Central Bureau of Investigation ("CBI"), Ranchi has filed a criminal complaint against, among others, JUSCO and Sanjiv Paul, the former managing director of JUSCO, (the "Accused") before the Anti-corruption Bureau, CBI, Ranchi under Sections 120(B) and 420 of the Indian Penal Code, 1860, and Section 13(2) read with Section 13(1)(d) of the Prevention of Corruption Act, 1988 (the "Complaint"). The Complainants have alleged that the Accused conspired to have a civil and electrical works contract unfairly awarded in the favor of JUSCO by National Institute of Technology ("NIT"), Jamshedpur, as a result of which NIT, Jamshedpur, suffered a loss of Rs.162.67 lakhs. The Accused have filed an application before the Special Judge, CBI, Ranchi for discharge of the Accused. The matter is currently pending.

2. Chuna Ram Baskey (the "Complainant") has filed a complaint against, among others, Ashish Mathur, managing director of JUSCO and Sunil Bhaskaran, a vice president of Tata Steel, (the "Defendants") before the Chief Judicial Magistrate, Jamshedpur (the "CJM") under Sections 3(y), 3(z) and 3(za) of the Scheduled Castes and Scheduled Tribes (Prevention of Atrocities) Act, 1989 (the "Complaint"). The Complainant has alleged that the Complainant was forcefully ousted from a certain locality by the Defendants. On the basis of the Complaint, the CJM directed the Sonari police station to register a first information report (the "FIR"). The Defendants have filed a writ petition before the High Court of Jharkhand (the "High Court") for quashing of the FIR. The High Court has vide order dated February 6, 2015 referred the matter to a division bench of the High Court and directed the local police to not take coercive steps during the interim. The matter is currently pending.

3. Deepak Mukhi (the "Complainant") has filed a criminal complaint against, among others, Ashish Mathur, managing director of JUSCO and Captain Dhananjay Mishra, a senior general manager of JUSCO (the "Defendants") before the Birsanagar police station, Jamshedpur under Sections 147, 148, 323, 325, 207 and 504 of the Indian Penal Code, 1860, and Sections 3 and 4 of the Scheduled Castes and Scheduled Tribes (Prevention of Atrocities) Act, 1989 (the "Complaint"). The Sub-divisional magistrate had the directed the demolition of certain dilapidated quarters under the supervision of a deputed Magistrate (the "Magistrate"). The said demolition was resisted by the local people including the Complainant. The Complainant alleged that the Defendants along with the Magistrate committed cruelty and humiliated the Complainant. The matter is currently pending.

TSUK

Criminal Proceedings

1. TSUK has entered guilty pleas in respect of breaches of Section 2(1) and Section 3(1) of the UK Health and Safety at Work etc Act, 1974 following a fatal accident at its Scunthorpe works on April 23, 2010. The sentencing hearing took place on December 18, 2017. The matter is reserved for judgment to the earliest of the end of January, 2018.

2. TSUK is being prosecuted for a breach of Regulation 22(1) of the Construction (Design and Management) Regulations, 2007 following an incident on January 18, 2014 when a scaffolding contractor's employee fell from height. TSUK has indicated its intention to plead not guilty with a trial to be scheduled for some time during 2018.

Other Proceedings

1. TSUK is defending occupational disease claims being brought under a group litigation order granted in 2016 allegedly arising from exposure to dust and fumes whilst working at various coke ovens across England, Wales and Scotland mainly between 1950 and 1980. The cut-off date for claimants to bring claims under the group litigation order is in September, 2018. The claims are unknown on date.

Litigation by the Tata Steel's Subsidiaries

Tayo Rolls Limited ("Tayo Rolls")

1. Tayo Rolls (the "Petitioner") has filed a writ petition against the State of Jharkhand (the "Respondent") before the High Court of Jharkhand challenging the rejection of an application for closure of its operations, by the Respondent, under the Industrial Disputes Act, 1947 (the "Petition"). The board of directors of the Petitioner resolved to suspend the operations of the company in a phased manner, including, by way of a voluntary separation scheme for its employees. Pursuant to the above, it filed an application under Section 25-O of the Industrial Disputes Act, 1947, seeking permission for the closure of the company. The Respondent rejected the said application, pursuant to which the Petitioner filed the Petition. The matter is currently pending.

2. Tayo Rolls (the "Applicant") has filed an application before the Kolkata Bench of the National Company Law Tribunal (the "NCLT"), under the IBC. Due to the Applicant's net worth becoming negative, it had made an application to the Board for Industrial and Financial Reconstruction under the Sick Industrial Companies (Special Provisions) Act, 1985 (the "SICA"), pursuant to the resolutions passed by the board of directors of Tayo Rolls on February 12, 2016. However the SICA was repealed in terms of the provisions of the IBC. Accordingly, the Applicant has filed a fresh application initiating corporate insolvency resolution process under IBC. The NCLT rejected the application filed by Tayo Rolls by its order dated December 22, 2017. Tayo Rolls will seek appropriate legal remedies as may be warranted. The matter is currently pending.

Litigation involving the directors of Tata Steel's Subsidiaries

Criminal Proceedings

1. Twelve criminal cases have been filed against the current and former directors and officials of Tata Steel's subsidiaries, in relation to alleged violations, arising in the course of its business operations, under the Indian Penal Code, 1860 and the Factories Act, 1948 and the rules made thereunder. These matters are currently pending at various stages of adjudication.

MANAGEMENT

Board of Directors

The Articles of Association provide that the minimum number of Directors shall be six and the maximum number of Directors shall be fifteen unless otherwise determined by Tata Steel in a general meeting, excluding the nominees of financial institutions on the Board. As of the date of this Offering Memorandum, Tata Steel has 10 Directors, of which two Directors are Executive Directors and eight Directors are Non-Executive Directors, including five Independent Directors.

Pursuant to the provisions of the Companies Act, 2013, at least two-thirds of the total number of Directors, excluding the Independent Directors, are liable to retire by rotation, with one-third of such number retiring at each annual general meeting. A retiring Director is eligible for re-election. Further, the Independent Directors may be appointed for a maximum of two terms of up to five consecutive years each. Any re-appointment of Independent Directors shall, inter alia, be on the basis of the performance evaluation report and approved by the shareholders by way of a special resolution. The quorum for meetings of the Board is one-third of the total number of Directors, excluding Directors, if any, whose places may be vacant at the time, or two Directors, whichever is higher, provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of remaining Directors present at the meeting, being not less than two, shall be the quorum.

Ratan N. Tata was appointed as Chairman Emeritus with effect form December 28, 2012.

The following table sets forth details regarding Tata Steel's Board as of the date of this Offering Memorandum:

Name, Designation, Term, DIN, Occupation and Address	Other Directorships
N. Chandrasekaran (54) *Chairman and Non-Executive Director* Term: Liable to retire by rotation DIN: 00121863 Occupation: Company Director Address: 201/202 Sagar Darshan, 8 Worli Seaface, Mumbai 400 030	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. Tata Global Beverages Limited 7. Jaguar Land Rover Automotive PLC 8. TCS Foundation
Mallika Srinivasan (58) *Independent Director* Term: August 14, 2014 to August 13, 2019 DIN: 00037022 Occupation: Professional Address: Westside House, 3 Adyar Club Gate Road, Mandaveli, Chennai 600 028	1. TAFE Motors and Tractors Limited 2. Tractors and Farm Equipment Limited 3. TAFE Access Limited 4. TAFE Reach Limited 5. TAFE Properties Limited 6. The United Nilgiri Tea Estates Company Limited 7. Tata Global Beverages Limited 8. Trust Properties Development Company Private Limited 9. AGCO Corporation, USA 10. Chennai Willingdon Corporate Foundation 11. Indian School of Business

Name, Designation, Term, DIN, Occupation and Address	Other Directorships
O. P. Bhatt (66) *Independent Director* Term: August 14, 2014 to August 13, 2019 DIN: 00548091 Occupation: Professional Address: 3, Seagull, Carmichael Road, Mumbai 400026	1. Tata Consultancy Services Limited 2. Tata Motors Limited 3. Hindustan Unilever Limited 4. Greenco Energy Holdings Limited 5. Standard Chartered PLC
Dr. Petrus Blauwhoff (64) *Independent Director* Term: February 7, 2017 to February 6, 2022 DIN: 07728872 Occupation: Professional Address: Linnaeuslaan 12, 2012 PP Haarlem, The Netherlands	1. Tata Steel Europe Limited 2. Tata Steel Nederland BV 3. Stichting (Foundation) Nederlands Normalisatie Institut (NEN) 4. Royal Haskoning DHV 5. Blauwhoff International Consulting 6. Blue Court Holdings BV 7. Stichting (Foundation) de PAN 8. Kongstein AS
Aman Mehta (71) *Independent Director* Term: March 29, 2017 to August 31, 2021 DIN: 00009364 Occupation: Professional Address: 115A, 2nd Floor, Jor Bagh, Lodhi Road, New Delhi 110 003	1. Tata Consultancy Services Limited 2. Wockhardt Limited 3. Godrej Consumer Products Limited 4. Max Financial Services Limited 5. Vedanta Limited 6. PCCW Limited 7. HKT Limited, Hong Kong
Deepak Kapoor (58) *Independent Director* Term: April 1, 2017 to March 31, 2022 DIN: 00162957 Occupation: Professional Address: House No. K42, NDSE Part-II, New Delhi 110 049	1. HCL Technologies Limited 2. Essar Oil Limited 3. Delhivery Private Limited
D. K. Mehrotra (64) *Non-Executive Director* Term: Liable to retire by rotation DIN: 00142711 Occupation: Professional Address: 6A, Harmony, Dr. E. Moses Road, Worli Naka, Worli, Mumbai 400 018	1. Tata AIA Life Insurance Company Limited 2. Metropolitan Stock Exchange of India Limited 3. CAMS Insurance Repository Services Limited 4. Indian Energy Exchange Limited 5. VLS Finance Limited 6. UTI Asset Management Company Limited 7. West End Housing Finance Limited 8. Computer Age Management Services Private Limited

Name, Designation, Term, DIN, Occupation and Address	Other Directorships
Saurabh Agrawal (48) *Non-Executive Director* Term: Liable to retire by rotation DIN: 02144558 Occupation: Professional Address: Flat No. 2803, Imperial Towers, BB Nakashe Marg, Tardeo, Mumbai 400 034	1. Tata Sons Limited 2. Tata Capital Limited 3. Tata AIA Life Insurance Company Limited 4. Tata AIG General Insurance Company Limited 5. Tata Teleservices Limited 6. The Tata Power Company Limited 7. Candid Fruits Private Limited 8. Chambal Natural Fruits Private Limited 9. Gradis Trading Private Limited 10. Natural Fruits Private Limited 11. Natural Whole Fruits Private Limited
T. V. Narendran (52) *Chief Executive Officer and Managing Director* Term: September 19, 2013 to September 18, 2018 DIN: 03083605 Occupation: Service Address: Bungalow No. 5, C Road, Northern Town, Jamshedpur 831 001	1. Tata Steel Special Economic Zone Limited 2. Jamshedpur Football and Sporting Private Limited 3. Tata Steel Europe Limited 4. Tata Steel Foundation
Koushik Chatterjee (49) *Executive Director and Chief Financial Officer* Term: November 9, 2017 to November 8, 2022 DIN: 00004989 Occupation: Service Address: NCPA Residential Apartments, A Wing, 22nd Floor, Flat No. 221, Nariman Point, Mumbai 400 021.	1. Tata Metaliks Limited 2. Tata Steel Special Economic Zone Limited 3. The Tinplate Company of India Limited 4. T S Global Holdings Pte. Ltd. 5. T S Global Minerals Holdings Pte. Ltd., Singapore 6. T S Global Procurement Co. Pte. Ltd., Singapore 7. Tata Steel Europe Limited 8. Tata Steel Foundation

None of the Directors are related to each other. A short biography for each Director is provided below:

N. Chandrasekaran is the Chairman and Non-executive Director of Tata Steel. He was the Chief Executive Officer and Managing Director of Tata Consultancy Services, a leading global IT solutions and consulting firm, from 2009 till February 2017. He holds a bachelor's degree in applied science and a master's degree in computer application from Trichy. He is a Non-executive Director of Tata Steel Limited since January 13, 2017 and was appointed as the Chairman of the Tata Steel's Board with effect from February 7, 2017.

Mallika Srinivasan is an Independent Director of the Tata Steel. She is the Chairman and chief executive officer of Tractors and Farm Equipment Limited and TAFE Motors and Tractors Limited. She holds a masters degree in Business Management from the Wharton School of Business, University of Pennsylvania, USA and a Master of Arts in Econometrics from the University of Madras, Chennai. She has been a member of the Board of the Tata Steel since May 21, 2012 and was appointed as an Independent Director on the Tata Steel's Board on August 14, 2014.

O. P. Bhatt is an Independent Director of the Tata Steel. He was the Chairman of State Bank Group. He completed his graduation in Science and post-graduation in English Literature from Meerut University. He was appointed as a member of the Tata Steel's Board with effect from June 10, 2013 and was appointed as an Independent Director with effect from August 14, 2014.

Dr. Petrus Blauwhoff is an Independent Director of the Tata Steel. He has served as a Chairman of the German National Oil Industry Association, as the chief executive officer of Deutsche Shell Holding GmbH and as a vice-chairman of the German Forum for Future Energies, among others. He holds a doctorate in Technical Sciences and has completed his graduation in chemical engineering with honours (cum laude) from the University of Twente, The Netherlands. He was appointed as an Independent Director on the Tata Steel's Board on February 7, 2017.

Aman Mehta is an Independent Director of the Tata Steel. He has over 39 years of experience in the field of banking and finance and was the Chief Executive Officer of the HSBC Group (Asia Pacific). He completed his graduation in Economics from Delhi University. He was appointed as an Independent Director on the Tata Steel's Board on March 29, 2017.

Deepak Kapoor is an Independent Director of the Tata Steel. He was the Chairman of Price Waterhouse Coopers India. He completed his graduation in Commerce from Delhi University. 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. He was appointed as an Independent Director on the Tata Steel's Board on April 1, 2017.

D. K. Mehrotra is a Non-Executive Director of the Tata Steel. He is the former chairman of Life Insurance Corporation of India. He completed his graduation with honours degree in Science from the University of Patna. He was appointed as an Non-Executive Director on the Tata Steel's Board as a Director on October 22, 2012.

Saurabh Agrawal is a Non-Executive Director of the Tata Steel. He has been the group Chief Financial Officer of Tata Sons Limited since June, 2017 and was appointed as the Executive Director of Tata Sons Limited in November, 2017. Prior to joining the Tata Group, he was the head of strategy at the Aditya Birla Group. He completed his graduation in chemical engineering from Indian Institute of Technology, Roorkee and his post graduate diploma in management from Indian Institute of Management, Calcutta. He was appointed as a Non-Executive Director on the Tata Steel's Board on August 10, 2017.

T. V. Narendran is the Chief Executive Officer and Managing Director of the Tata Steel, having been appointed on November 30, 2017. He joined Tata Steel in 1988 and was appointed as the Managing Director for the India and South East Asia of Tata Steel in 2013, where he successfully executed and commissioned one of the largest greenfield projects in India, the Kalinganagar Steel plant in Odisha, which ramped up operations to its rated capacity within a very short span of time. He completed his graduation in Mechanical Engineering from Regional Engineering College (National Institute of Technology), Trichy and a post graduate diploma in management from Indian Institute of Management, Calcutta. He is a Chevening Scholar and has also attended the Advanced Management Programme in CEDEP-INSEAD, Fontainebleau, France. He was appointed as the Chief Executive Officer and Managing Director of the Tata Steel on November 30, 2017.

Koushik Chatterjee is the Executive Director and Chief Financial Officer of the Tata Steel. He joined Tata Steel in 1995 and was appointed as the Group Executive Director (Finance and Corporate) with effect from November 9, 2012. During his tenure, he led the first overseas acquisition of a steel manufacturer by Tata Steel, NatSteel Asia and subsequently led the acquisition of Millenium Steel (now Tata Steel Thailand) in Thailand. He also played a critical role in the acquisition of Corus Group Plc. He completed his graduation with honours degree in Commerce from Calcutta University and is a Fellow Member of the Institute of Chartered Accountants of India. He was appointed as the Executive Director and Chief Financial Officer of the Tata Steel with effect from November 9, 2017.

SHARE OWNERSHIP OF TATA STEEL

As at September 30, 2017, Tata Steel's promoter, Tata Sons, together with Tata Motors and other Tata Group companies and related trusts (the "Promoter Group") held approximately 31.4% of Tata Steel's issued equity shares. A company's "promoters" under the SEBI regulations includes the person or persons who are in control of the company, the person or persons nominated as promoters in any offer document filed with the Indian stock exchanges and persons who are instrumental in the formulation of a plan or program pursuant to which securities are offered to public.

The directors of Tata Steel held 3,073 equity shares of Tata Steel as at September 30, 2017.

As at September 30, 2017, Tata Sons owns directly and indirectly 31.3% of Tata Steel's issued equity shares, while the Life Insurance Corporation of India, the largest public shareholder, owned, directly and indirectly, 10.6% of the Tata Steel's issued equity shares.

Tata Sons

Tata Sons was set up in 1868 by Mr. Jamsetji Tata. It was incorporated as a private company under the Indian Companies Act, 1913 on November 8, 1917. Its registered office is located at Bombay House, 24 Homi Mody Street, Fort, Mumbai 400 001. Tata Sons became a deemed public company with effect from May 1, 1975. Tata Sons is the principal investment and holding company of various Tata companies and has a significant shareholding in the share capital of major operating companies which it has promoted, including Tata Consultancy Services, a provider of information technology and information technology-enabled services; Tata Motors, a leading automobile manufacturer in India which also owns Jaguar and Land Rover; and Tata Power, which is engaged in the generation, transmission and distribution of electrical energy.

In addition to its significant holdings in major operating companies, Tata Sons is the owner of the Tata brand name and the Tata trademarks, which are registered in India and several other countries and are used by most of the Tata companies in relation to their corporate names, products and services.

Tata Group

Founded by Jamsetji Tata in 1868, the Tata Group is a global enterprise headquartered in India, and comprises over 100 operating companies in seven business sectors: communications and information technology, engineering, materials, services, energy, consumer products and chemicals.

The revenue of Tata companies, taken together, was approximately Rs.6,733,470 million for the year ended March 31, 2017, with total assets of Rs.8,452,120 million as at March 31, 2017. The combined market capitalization of the 32 publicly listed Tata enterprises was approximately US$151.63 billion as at January 4, 2018.

Tata Steel is the flagship company for the Tata group with significant contribution in terms of revenue and assets of the Tata group.

Brand Finance valued the Tata brand at US$13.11 billion and ranked it as the most valuable global brand in their Global 500 2017 Report.

Since April 1, 2007, the Tata group has invested approximately US$1.08 billion into Tata Steel through a combination of rights issues, cumulative preference shares, preferential allotment of shares and warrants. Tata Steel also benefits from access to the Tata brand, group companies as stable customers as well as a shared pool of talented resources provided by Tata Administrative Services.

RELATED PARTY TRANSACTIONS

The Group, in the ordinary course of business, enters into various sales, asset purchases, rent and service transactions with its subsidiaries, joint ventures and associates and others in which the Group has a material interest. These transactions are pursuant to terms that are no less favorable than those arranged with third parties.

The following table summarizes related party transactions and balances included in the financial statements for the year ended and as at March 31, 2017. See Note 44 to the Group's Annual Financial Statements for further information on related party transactions determined in accordance with Ind-AS.

	Associates	Joint Arrangements	Tata Sons and its subsidiaries and joint ventures	Total
Purchase of goods	**5,920**	**2,617**	**10,550**	**19,087**
	5,377	4,118	5,809	15,305
Sale of goods	**8,141**	**19,426**	**1,902**	**29,468**
	6,574	19,232	635	26,441
Services received	**139**	**18,948**	**1,114**	**20,201**
	299	12,124	1,190	13,613
Services rendered	**146**	**1,022**	**9**	**1,176**
	92	1,105	2	1,200
Interest income recognized	**–**	**4**	**–**	**4**
	–	18	–	18
Interest expenses recognized	**–**	**–**	**162**	**162**
	9	4	8	21
Dividend paid	**–**	**–**	**2,365**	**2,365**
	–	–	2,366	2,366
Dividend received	**238**	**484**	**5**	**727**
	95	433	409	938
Provision for receivables recognized during the year	**–**	**–**	**–**	**–**
	0	–	–	0
Management contracts	**9**	**19**	**1,312**	**1,340**
	7	9	1,454	1,470
Purchase of Investments	**–**	**–**	**–**	**–**
	82	–	–	82
Sale of Investments	**–**	**–**	**–**	**–**
	–	–	26,036	26,036
Finance provided during the year	**–**	**70**	**–**	**70**
	9	606	77	692
	–	2,075	–	2,075

	Associates	Joint Arrangements	Tata Sons and its subsidiaries and joint ventures	Total
Outstanding loans and receivables	**952**	**10,564**	**820**	**12,337**
	803	12,698	386	13,887
	874	13,200	370	14,444
Previous for outstanding loans and receivables	**30**	**9,447**	**–**	**9,477**
	35	9,904	–	9,939
	34	8,990	–	9,024
Outstanding Payables	**565**	**4,359**	**2,882**	**7,806**
	759	3,392	2,290	6,441
	916	3,162	2,338	6,415
Guarantees provided outstanding	**–**	**2,226**	**–**	**2,226**
	–	2,422	–	2,422
	–	2,561	–	2,561

The following description is a summary of certain laws, regulations and policies in India, which are applicable to the Group. The information provided below has been obtained from sources available in the public domain. The summary of the regulations set out below is not exhaustive, and is only intended to provide general information to potential investors and is neither designed nor intended to be a substitute for professional legal advice.

Mines and Minerals (Development and Regulations) Act, 1957 (the "MMDR Act")

The MMDR Act provides for the development and regulation of mines and minerals under the control of the Union of India and it lays down the substantive law pertaining to the grant, renewal and termination of reconnaissance permits, mining leases and prospecting licenses. The MMDR Act also governs the transportation and storing of any mineral. In 2010, the MMDR Act was amended to empower the Central Government of India to undertake selection of the company for the purpose of granting reconnaissance permit, prospecting licenses or mining lease in respect of an area containing coal or lignite through the process of auction by competitive bidding. On February 2, 2012, the Central Government of India notified the Auction by Competitive Bidding of Coal Mines Rules, 2012 which lays down the procedure for allocation of area containing coal through auction by competitive bidding.

Under the MMDR Act, the lessee is liable to pay royalties on minerals extracted or a dead rent component to the relevant state government. The royalty is payable in respect of any mineral removed or consumed by him or his agent, manager, employee, contractor or sub-lessee and is computed in accordance with a stipulated formula. The Central Government has broad powers to change the royalty scheme, but cannot increase the rate of royalty more than once in every three years.

Reforms in the mining sector were brought about by amending the MMDR Act in 2015 (the MMDR Amendment Act 2015). As per the MMDR Amendment Act 2015, a new category of mining license namely "prospecting license-cum-mining lease", has been created. The MMDR Amendment Act 2015 allows the grant of mineral concessions for major minerals through auction by competitive bidding or otherwise. It stipulates the central government to prescribe the terms and conditions and procedure for the auction while the state governments is required to select, through auction by competitive bidding, an applicant who fulfills the eligible conditions,. For the grant of a reconnaissance permit, prospecting license and mining lease in respect of coal or lignite, the central government (through the Ministry of Coal) may select, through auction by competitive bidding or otherwise, on such terms and conditions as may be prescribed, to a government company or corporation or a joint venture company, that carry on coal mining operation in India in any form either for their own consumption, sale or for any purpose and the relevant state government shall grant a permit, license or lease to such company.

The MMDR Act, was further amended in 2016 by the MMDR Amendment Act, 2016. The amendments made in the MMDR Act, now allow for the transfer of mining leases which have been granted through procedures other than auction, and where the minerals are used for captive purpose Such lease transfers will be subject to terms and conditions, and transfer charges as prescribed by the central government. These transfers will be in addition to the existing transfers that are allowed.

In 2016, the Government of India introduced, the National Mineral Exploration Policy, 2016, which inter-alia, provides for the sharing of baseline geo-scientific data free of cost in public domain and the aero-geophysical survey of the country initially in the obvious geological potential area. A mining surveillance system, has been launched to potentially curb illegal mining activities in the country.

Mineral Concession Rules, 1960, (the "MC Rules") and the Mineral Conservation and Development Rules, 1988 (the "MCD Rules")

The MC Rules outline the procedures for obtaining reconnaissance permit, prospecting license and mining lease, the terms and conditions in relation to the same, and the model form in which they are to be issued. In addition, the lessee will be liable to pay the occupier of the surface of the land over which it holds the mining lease an annual compensation determined by the relevant state government, which varies depending on whether the land is agricultural or non-agricultural.

The Central Government has also framed the MCD Rules which lays down guidelines in order to ensure that mining is carried out in a safe, scientific and environmentally friendly manner.

Coal Mines (Nationalization) Act, 1973 (the "CMN Act")

The mining of coal is governed by the CMN Act, which provides that for a private entity, no person other than a company engaged in (i) the production of iron and steel, (ii) generation of power, (iii) washing of coal obtained from a mine, or (iv) such other end uses as the Central Government, may by notification specify, can be granted a lease for mining of coal.

Other mining laws and regulations that may be applicable to the Group, inter alia, include the following:

(i) Mining Lease (Modification of Terms) Rules, 1956;

(ii) The Mines Act, 1952 and Mines Rules, 1955;

(iii) The Payment of Wages (Mines) Rules, 1956; and

(iv) The Metalliferous Mine Regulations, 1961.

The Ministry of Coal has also issued various guidelines including Guidelines for Preparation of Mining Plan for the Coal and Lignite Blocks issued on April 4, 2011 and modified Guidelines for Preparation of Mine Closure Plan issued on January 7, 2013.

The Central Government in pursuance of directives given by the Supreme Court of India, introduced and implemented the Coal Mines (Special Provisions) Act 2015 (the "CM Act"), which was promulgated on 30 March 2015, with retrospective date of implementation as April 21, 2014. The CM Act, provides for the allocation of coal mines and the land and mine infrastructure together with the mining leases to successful bidders and allottees to ensure continuity in coal mining operations and production of coal.

National Mineral Policy, 2008

The Central Government approved the National Mineral Policy, 2008, (the "NMP") for non-coal and non-fuel minerals on March 13, 2008, revisiting the previous National Mineral Policy, 1993, and has given its approval for setting up of the Mining Administrative Appellate Tribunal as an independent dispute resolution authority. The NMP seeks to streamline and simplify the procedures for grant of mineral concessions and develop a sustainable framework for optimum utilization of the country's natural mineral recourses. It also aims to provide a framework of sustainable development designed to take care of bio diversity issues, restoration of ecological balance, protection of environment and proper relief and rehabilitation of people displaced and affected by the mining process. The NMP proposes to facilitate financing and funding of mining activities and development of mining infrastructure based on the principle of user charges and public private partnerships.

In a decision dated August 2, 2017, on the matter of illegal mining in the state of Odisha, the Supreme Court, besides other issues, had directed that the Central Government to revise the National Mineral Policy of 2008. Following the directions of the SC, the Union Ministry of Mines has now set up a committee to review the NMP.

Compliance with Other Applicable Laws

Environmental Laws

The Group is also required to obtain clearances under the EPA, the Forest (Conservation) Act, 1980, if any forest land is involved, and other environmental laws such as the Water (Prevention and Control of Pollution) Act, 1974, the Water (Prevention and Control of Pollution) Cess Act, 1977 and the Air (Prevention and Control of Pollution) Act, 1981, before commencing mining operations. The Group must also comply, at all times, with the provisions of the Hazardous Wastes Rules.

Other Laws

Additionally, the Group is also required to comply with inter alia the following laws:

(i) Central Excise Act, 1944;

(ii) Contract Labor (Regulation and Abolition) Act, 1970;

(iii) Customs Act, 1962;

(iv) Employees' Provident Funds and Miscellaneous Provisions Act, 1952;

(v) Employees' State Insurance Act, 1948;

(vi) Factories Act, 1948;

(vii) Foreign Trade (Development and Regulation) Act, 1992;

(viii) I D Act and Industrial Disputes (Central) Rules, 1957;

(ix) Industries (Development and Regulation) Act, 1951;

(x) Minimum Wages Act;

(xi) Payment of Bonus Act, 1965;

(xii) Payment of Gratuity Act, 1972;

(xiii) Payment of Wages Act, 1936; and

(xiv) Shops and Commercial Establishments Act applicable to relevant states.

DESCRIPTION OF MATERIAL INDEBTEDNESS

The following summary of certain provisions of the Group's loan facilities, bonds and other indebtedness does not purport to be complete and is subject to, and qualified in its entirety by reference to, the underlying credit agreements, bonds and other documentation. Furthermore, this summary relates only to the Group's principal long-term indebtedness. The Group utilizes a variety of short-term debt instruments.

The Group's principal sources of external financing include both secured and unsecured short-term as well as long-term facilities (in both rupees and other currencies). As of March 31, 2017, the Group had total borrowings of Rs.830,145 million (US$12,802 million). As of March 31, 2017, substantially all of the Group's borrowings by its non-Indian subsidiaries were denominated in foreign currency, principally in USD and Euro, while approximately 32% of the Group's borrowings, on a consolidated basis, were denominated in rupees.

The Group's long-term funding strategy is to continue to pay down debt from operating free cash flows and diversify sources of financing. In the near term, the Group's strategy is to reduce the total indebtedness in its European operations.

Rupee Loans

The Group is party to facility agreements under which borrowings are denominated in Rupees ("Rupee Term Loans") with various banks and financial institutions, including the State Bank of India, HDFC Bank Limited, ICICI Bank Limited, Axis Bank Limited and Punjab National Bank. As of March 31, 2017, the aggregate outstanding amount under these loans totaled approximately Rs.79,098.9 million.

While interest under some of the Rupee Bank Loans accrue at a fixed interest rate throughout the term of the loans, some other Rupee Bank Loans bear interest at floating rates calculated with reference to the Marginal Cost of Funds based Lending Rate ("MCLR") of the relevant lenders. Interest payments are generally payable monthly and must be made on each payment date as provided in the particular facility agreement.

Some of the Rupee Bank Loans contains customary negative covenants, including restrictions, subject to certain exceptions, on the Group's ability to incur secured indebtedness, sell or otherwise dispose of certain assets, effect a consolidation or merger or create liens on assets.

The Rupee Bank Loans contain certain customary events of default, such as failure to pay the amount payable on the due date, material breach of the terms of the loan agreement and acceleration of repayment obligations under other loan or financing documents, with certain exceptions. The lenders are entitled to terminate their respective agreements and/or demand immediate repayment of the loans and any accrued interest and/or foreclose on secured assets under the respective agreements upon the occurrence of an event of default and after the end of its cure periods, as applicable.

The Group is party to a receivables purchase agreement with HDFC Bank Limited under which a Rs.17,500 million receivables financing program is documented. Under this agreement approved receivables are sold to HDFC Bank Limited on a non-recourse basis. In addition, Tata Steel also has a First Loss Deficiency Guarantee receivable financing program of Rs.7,500 million documented with HDFC Bank Limited.

The Group is also party to a secured loan denominated in Rupees from the Joint Plant Committee — Steel Development Fund, which is an Indian government body. As of March 31, 2017 the amount outstanding under this loan was Rs.24,207 million. This loan contains certain customary events of default, such as failure to pay the amount payable on the due date and material breach of the terms of any loan agreement. The lender is also entitled to demand immediate repayment of the loan and any accrued interest and/or enforce the security under the respective agreements upon the occurrence of an event of default.

In connection with the Odisha project, the Group entered into long-term unsecured Rupee loan in the amount of Rs.228,000 million in July 2014 and subsequently the scope of the project was restricted only to Phase I and the same was amended vide amendment agreement dated March 10, 2017. The revised Rupee loan amount was restricted to Rs.108,750 million. The loan also provides for the issuance of letters of credit up to certain limits. The loan contains customary covenants, including certain restrictive covenants and financial covenants. The final settlement for the Rupee loan is due in March 2025.

The Group has also raised Rupee loans from time to time including a Rs.20,000 million loan from SBI in December 2015, a Rs.15,000 million loan from HDFC Bank in two tranches.

Non-Rupee Loans

In March 2006, the Group entered into a facility agreement with Deutsche Bank Aktiengesellschaft, for EUR 49.9 million in relation to a financing amount due under specified commercial contracts related to the Group's growth plan program at Jamshedpur for the blast furnace financing. This is an amortizing term loan facility, with repayment in twenty (20) equal, consecutive, semi-annual installments starting from July 1, 2009.

In May 2009, the Group entered into a EUR 264 million facility agreement with a consortium of lenders led by AKA Ausfuhrkredit-Gesellschaft mbH, Frankfurt (M) to finance certain contracts and associated costs. The facility agreement comprises of two facilities: (i) a EUR 218 million commercial interest reference rate facility and (ii) a EUR 46 million floating rate facility, under which export credit cover was provided by Euler Hermes Kreditversicherungs-Aktiengesellschaft, Hamburg and PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, acting jointly for and on behalf of the Federal Republic of Germany.

In April 2010, the Group entered into an unsecured EUR 72.9 million facility agreement with Credit Agricole Corporate and Investment Bank and BNP Paribas in relation to financing amounts due under specified commercial contracts to which it is a party with Paul Wurth Italia S.p.A and Paul Wurth India Pvt Ltd.

In October 2014, the 2010 facility of TSE, which was the refinanced facility of the 2007 facility of TSE, was refinanced again in full with the proceeds of a new credit facility (the "2014 Senior Facility Agreement") among subsidiaries of TSE (including Tata Steel UK Holdings Limited ("TSUKH") and Tata Steel Netherlands Holdings (B.V.)) and a syndicate of 23 banks, including The Royal Bank of Scotland plc as the Agent and Citibank as the Security Trustee. The terms of the 2014 Senior Facility Agreement include a five-year term loan of EUR 370 million and seven-year term loans of EUR 1,500 million and US$379.50 million. The revolving credit facilities for working capital purposes were increased to GBP 700 million and have a tenor of six years. Obligations under the 2014 Senior Facility Agreement are guaranteed by certain of the Group's European subsidiaries. The 2014 Senior Facility Agreement is secured by a pledge of the shares of TSUKH, its material subsidiaries and their respective fixed assets, with limited exceptions. The five-year term loan is repayable in full at the end of five years from the first drawdown date of October 28, 2014 and the seven year term loans are repayable in eight quarterly installments starting from January 28, 2020. Under the 2014 Senior Facility Agreement, the obligors are required to maintain certain financial ratios linked to total net leverage and total net debt service for the quarters ended March 31, 2021 and June 30, 2021. In addition, obligors are subject to limitations on the amount of total capital expenditure within each financial year and there is a restriction on the payment of dividends, interest and repayments of any parent company subordinated loans by TSE while the 2014 Senior Facility Agreement is outstanding. This facility is supported by a Deed of Undertaking as well as a Letter of Comfort issued to The State Bank of India. Currently, the full amounts of the five year term loan and the seven year term loans are outstanding.

In December 2015, TSGH entered into an unsecured syndicated debt of US$1,500.0 million with 16 lenders. The loan has an end-to-end tenor of six years and is covered by a Letter of Comfort from Tata Steel.

In January 2016, the Group refinanced its earlier unsecured facility of US$200 million with Sumitomo Mitsui Banking Corporation, Singapore Branch and Export Development Canada, which was originally raised in March 2013 to finance the Group's capital expenditure. In February 2016, the Group also refinanced its earlier unsecured facility of JPY 878,303,201 with Standard Chartered Bank for US$7.86 million, which was originally raised in September 2012 from JBIC and BTMU for the financing of a portion of the cost of Japanese goods payable pursuant to specified approved contracts required for the upgrade of the Jamshedpur Plant.

In June 2016, Natsteel Asia, Pte. Ltd. entered into a syndicated unsecured facility of US$410.0 million which was subsequently upsized to US$460.0 million in August 2016, the proceeds of which were to refinance the project debt in T S Canada Capital for the direct shipping ore project.

In 2012, TSGP entered into an unsecured syndicated facility agreement with The Hongkong and Shanghai Banking Corporation Limited which was amended in March 2015. As of March 31, 2017, the bankers to the facilities are Citibank N.A., Singapore Branch, Australia and New Zealand Banking Group Limited, Singapore Branch, Credit Agricole Corporate and Investment Bank, BNP Paribas, Barclays Bank, Axis Bank Limited, DIFC Branch and Kotak Mahindra Limited, IBU GIFT City Branch. The facility is covered by a Letter of Comfort from Tata Steel and proceeds from the facility are used to finance the working capital requirements of the Group. The facility is comprised of two revolving credit facilities: (i) Facility A, a multicurrency revolving credit facility of US$250.0 million and including a letter of credit facility; and (ii) Facility B, a S$25 million revolving credit facility.

On March 16, 2017, TSGP entered into a US$80.0 million revolving credit facility agreement with Sumitomo Mitsui Banking Corporation, Singapore Branch, the proceeds of which were used to finance the working capital requirements of the Group. The facility was amended in September 2017 to increase the facility amount to US$105.0 million. The facility is covered by a Letter of Comfort from Tata Steel.

On June 2, 2016, TSGP entered into a US$75.0 million revolving credit facility agreement with The Bank of Tokyo-Mitsubishi UFJ, Singapore Branch, the proceeds of which were used to finance the working capital requirements of the Group. The facility is covered by a Letter of Comfort from Tata Steel.

On June 20, 2012, TSGP entered into a master sale agreement with Standard Chartered Trade Services Corporation. As of March 31, 2017, under the eighth amendment of the master sale agreement, Standard Chartered Trade Services Corporation has agreed to provide a US$390.0 million trade revolving facility to TSGP to finance the purchase of raw materials in the ordinary course of business.

Most of the Group's non-Rupee loans bear interest at a floating rate linked to EURIBOR, LIBOR or local official rates (depending on the currency) plus a margin. Interest payments on these loans are generally payable monthly or quarterly and must be made on each payment date as provided in the particular facility agreement. As of March 31, 2017, the aggregate outstanding amount under these loans totaled approximately Rs.563,319 million.

The Group's financing agreements and debt arrangements normally contain customary negative covenants that limit or require the Group to obtain lender consents before, among other things, changing the Group's business, conducting mergers and consolidations, selling significant assets beyond a certain limit, creating liens on assets or making certain acquisitions or investments. The financing agreements and debt arrangements also contain customary provisions in respect of events of default, including provisions whereby a default under one financing agreement may also result in cross-defaults under the other financing agreements and result in the outstanding amounts under each such financing agreement becoming immediately due and payable.

Some of the financing agreements and debt arrangements contain financial covenants that require the satisfaction and/or maintenance of financial tests and ratios.

Deed of Undertaking

The Company has agreed, if requested by TSUKH, to procure an injection of funds to reduce the outstanding net debt in TSUKH and its subsidiaries to a mutually accepted level.

Hybrid Perpetual Securities

On March 18, 2011, the Group raised Rs.15,000 million through the issuance of hybrid perpetual securities to fund its expansion plans. In May 2011, the Group raised an additional Rs.7,750 million through the issuance of additional hybrid perpetual securities. These securities are perpetual in nature, with no maturity or redemption, and are callable only at the option of the Group. For the years ended March 31, 2017, 2016 and 2015, the Group made distributions of Rs.2,661.0 million, Rs.2,661.7 million and Rs.2,661.1 million on these securities.

Debentures

10.40% Non-Convertible Debentures

During the first quarter of the year ended March 31, 2010, the Group raised Rs.6,509 million through the issuance of 10-year NCDs at a fixed rate of 10.40% per annum. The NCDs will be redeemed as a bullet payment at the end of the 10th year in May 2019.

11.00% Non-Convertible Debentures

During the first quarter of the year ended March 31, 2010, the Group raised Rs.15,000 million through the issuance of 10-year NCDs at a fixed rate of 11.00% per annum. The NCDs will be redeemed as a bullet payment at the end of the 10th year in May 2019.

10.25% Non-Convertible Debentures

During the first quarter of the year ended March 31, 2011, the Group contracted to raise Rs.30,000 million through the issuance of 20-year NCDs. In December 2010, the Group issued the first Rs.5,000 million of the NCDs at a fixed rate of 10.25% per annum. The NCDs will be redeemed in equal installments at the end of years 28, 29 and 30, and will have no coupon payable for the first three years after issuance. Interest for the first three years is accumulated into the principal of the NCDs and the remaining coupon payments are calculated based on the accumulated principal amount beginning after the completion of the fourth year. The Group has the option to redeem the NCDs at the accumulated principal amount, either in part or full, at the end of tenth and fifteenth years, in each case, from the date of issuance. In January 2011, the Group issued the remaining Rs.25,000 million of the NCDs on the same terms as those issued in December 2010. The NCDs will be redeemed in equal installments at the end of years 29, 30 and 31, and will have no coupon payable for the first three years after issuance.

2.0% Non-Convertible Debentures

During the first quarter of the year ended March 31, 2013, the Group raised Rs.15,000 million through the issuance of 10-year NCDs at a fixed rate of 2.0% per annum. The NCDs were issued at a discount of 15% to the face value of Rs.1,000,000 per debenture and will be redeemed at a premium of 85.03% of the face value in year 22. The yield to maturity of the NCDs is 9.80% per annum.

9.15% Non-Convertible Debentures

During the last quarter of the year ended March 31, 2013, the Group raised Rs.5,000 million through the issuance of NCDs at a fixed rate of 9.15% per annum. The NCDs will be redeemed at par in 2019.

9.15% Non-Convertible Debentures

During the last quarter of the year ended March 31, 2013, the Group raised Rs.5,000 million through the issuance of NCDs at a fixed rate of 9.15% per annum. The NCDs will be redeemed at par in 2021.

8.15% Non-Convertible Debentures

During the third quarter of the year ended March 31, 2017, the Group raised Rs.10,000 million through the issuance of NCDs at a fixed rate of 8.15% per annum. The NCDs will be redeemed at par in 2026.

4.95% Guaranteed Notes due 2023

Tata Steel has guaranteed the S$300,000,000 4.95% Guaranteed Notes due 2023 (the "2023 Notes") on May 3, 2013, which were issued by the Issuer. The principal amount outstanding is not amortizing and is due in full on May 3, 2023. Interest is payable semi-annually in arrears on each of May 3 and November 3.

4.85% Guaranteed Notes due 2020

Tata Steel has guaranteed the US$500,000,000 4.85% Guaranteed Notes due 2020 (the "2020 Notes") on July 31, 2014, which were issued by the Issuer. The principal amount outstanding is not amortizing and is due in full on January 31, 2020. Interest is payable semi-annually in arrears on each of January 31 and July 31.

5.95% Guaranteed Notes due 2024

Tata Steel has guaranteed the US$1,000,000,000 5.95% Guaranteed Notes due 2024 (the "2024 Notes") on July 31, 2014, which were issued by the Issuer. The principal amount outstanding is not amortizing and is due in full on July 31, 2024. Interest is payable semi-annually in arrears on each of January 31 and July 31.

Debt and Debt Funding

The Group has stable relationships with a large variety of debt providers, principally commercial banks. As at March 31, 2017, approximately 39.8% of the Group's total debt carried a fixed interest rate. As at March 31, 2017, the proportion of the Group's short-term to total debt was 22.9%.

Maturity of Borrowings

The table below summarizes the maturity profile of the Group's borrowings based on contractual undiscounted payments. The details given below are gross of debt origination cost.

	Expected maturity as at March 31, 2017
	(Rs. million)
Within one year	193,923
Between one and two years	24,159
Between two and five years	378,504
Over five years	290,313
	886,899
Less: Future finance charges on financial leases	43,069
Less: Capitalization of transaction costs	13,685
Total	**830,145**

Existing Foreign Currency Indebtedness

The following table sets forth information with regard to the Group's total debt by currency (gross of debt obligation costs), in terms of fixed or floating rate as at March 31, 2017:

	Currency of borrowings as at March 31, 2017		
	Total borrowings	Floating rate borrowings	Fixed rate borrowings
		(Rs. million)	
Rupee	266,826	108,198	158,628
GBP	48,158	46,431	1,727
Euro	152,273	142,701	9,571
U.S. Dollar	334,386	190,897	143,489
Others	28,503	11,274	17,230
Total	**830,145**	**499,500**	**330,645**

TERMS AND CONDITIONS OF THE [●] NOTES

The following is the text of the Conditions of the Notes which (subject to completion and amendment and as supplemented or varied and except for the paragraphs in italics) will be applicable to the Notes in definitive form (if any) issued in exchange for the Global Certificate representing the Notes. These terms and conditions as so amended, supplemented or varied shall be endorsed on the Certificates issued in respect of the Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the Trust Deed.

1. DEFINITIONS

The following definitions are used in these Terms and Conditions:

Issuer	ABJA Investment Co. Pte. Ltd., a company incorporated under the laws of Singapore with Unique Entity Number 201309883M with offices at 22 Tanjong Kling Road, Singapore 628048
Parent	Tata Steel Limited, a company incorporated under the laws of the Republic of India with registered number L27100MH1907PLC000260 with its registered address at Bombay House, 24, Homi Mody Street, Fort, Mumbai 400 001, India
Trustee	Citicorp International Limited 39th Floor, Champion Tower 3 Garden Road, Central Hong Kong Fax: +852 2323 0279 Attn: Agency and Trust
Principal Paying Agent	Citibank, N.A., London Branch c/o Citibank, N.A., Dublin Branch Ground Floor 1 North Wall Quay Dublin 1 Ireland Fax: +353 I 662 2212/2210 Attn: Agency and Trust
Paying Agents	The Principal Paying Agent and any other paying agent appointed by the Issuer
Registrar	Citibank, N.A., London Branch c/o Citibank, N.A., Dublin Branch Ground Floor 1 North Wall Quay Dublin 1 Ireland Fax: +353 I 662 2212/2210 Attn: Agency and Trust
Notes	U.S.$[●] [●]% Notes due [●] (which term shall include, unless the context requires otherwise, any further Notes issued in accordance with Condition 19 and consolidated and forming a single series therewith)

[●] Notes	U.S.$[●] [●]% Notes due [●]
Closing Date	[●]
Maturity Date	[●]
Noteholders	The holders of the Notes (each a **Noteholder**)

2. RELATED AGREEMENTS

2.1 The Notes are constituted by a trust deed dated as of the Closing Date (the **Trust Deed**) made between the Issuer and the Trustee.

2.2 These Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed (as amended and supplemented from time to time) which includes the form of the Notes. Copies of the Trust Deed and the agency agreement dated as of the Closing Date (the **Agency Agreement**) made between the Issuer, the Principal Paying Agent, the Registrar and the Trustee are available for inspection by the Noteholders, during normal business hours at the specified office for the time being of the Trustee and at the specified office of each of the Paying Agents (and, together with the Principal Paying Agent and the Registrar, the **Agents**). The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement. References in these Conditions to the Trustee, the Registrar or any Paying Agent include any successor appointed under the Trust Deed or Agency Agreement, respectively.

3. FORM, DENOMINATION AND TITLE

3.1 Form and denomination

The Notes are issued in registered form in the denomination of U.S.$200,000 each and integral multiples of U.S.$1,000 in excess thereof (referred to as the **principal amount** of each Note). A note certificate (each a **Certificate**) will be issued to each Noteholder in respect of its registered holding of Notes. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Noteholders which the Issuer will procure to be kept by the Registrar.

3.2 Title

Title to the Notes passes only by registration in the register of Noteholders. The holder of any Note will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or the theft or loss of the Certificate issued in respect of it) (other than a duly executed transfer thereof in the form endorsed thereon), and no person will be liable for so treating the holder.

4. TRANSFER OF NOTES AND ISSUE OF CERTIFICATES

4.1 Register

The Issuer will cause to be kept at the specified office of the Registrar and in accordance with the terms of the Agency Agreement a register on which shall be entered the names and addresses of the holders of the Notes and the particulars of the Notes held by them and of all transfers of the Notes (the **Register**).

Each Noteholder shall be entitled to receive only one Certificate in respect of its entire holding of Notes.

4.2 Transfers

Subject to Conditions 4.5 and 4.6 and the terms of the Agency Agreement, a Note may be transferred by depositing the Certificate issued in respect of that Note, with the form of transfer on the back duly completed and signed, at the specified office of the Registrar or the Transfer Agent. No transfer of a Note will be valid unless and until entered into the Register.

4.3 Delivery of new Certificates

Each new Certificate to be issued upon a transfer of Notes will, within five business days of receipt by the Registrar or the relevant Agent of the duly completed form of transfer endorsed on the relevant Certificate, be mailed by uninsured mail (at the cost of the Issuer and at the risk of the holder entitled to the Note) to the address specified in the form of transfer. For the purposes of this Condition, "business day" shall mean a day on which banks are open for business in the city in which the specified office of the Agent with whom a Certificate is deposited in connection with a transfer is located.

Where some but not all of the Notes in respect of which a Certificate is issued are to be transferred, a new Certificate in respect of the Notes not so transferred will, within five business days of receipt by the Registrar or the relevant Agent of the original Certificate, be mailed by uninsured mail (at the cost of the Issuer and at the risk of the holder of the Notes not so transferred) to the address of such holder appearing on the register of Noteholders or as specified in the form of transfer.

4.4 Formalities free of charge

Registration of a transfer of Notes will be effected without charge by or on behalf of the Issuer or any Agent but upon payment (or the giving of such indemnity as the Issuer or any Agent may reasonably require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer.

4.5 Closed Periods

No Noteholder may require the transfer of a Note to be registered (a) during the period of 15 days ending on the due date for any payment of principal, premium or interest on that Note; or (b) during a period of seven days ending on the date on which the Notes are exchanged for the New Notes (as defined herein) pursuant to Condition 9.4.

The Issuer shall not be required in the event of a partial redemption of Notes under Condition 9 (Redemption and Purchase):

(a) to register the transfer of Notes (or parts of Notes) during the period beginning on the 65th day before the date of the partial redemption and ending on the day on which notice is given specifying the serial numbers of Notes called (in whole or in part) for redemption (both inclusive); or

(b) to register the transfer of any Note, or part of a Note, called for redemption.

4.6 Regulations

All transfers of Notes and entries on the register of Noteholders will be made subject to the detailed regulations concerning a transfer of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be mailed (at the cost of the Issuer and free of charge to the Noteholder) by the Registrar to any Noteholder who requests one.

5. STATUS OF THE NOTES

The Notes constitute (subject to Condition 6.1 (Negative Pledge)) unsecured and unsubordinated obligations of the Issuer and will rank at all times *pari passu* without any preference among themselves and at least *pari passu* with all other present and future outstanding unsecured and unsubordinated obligations of the Issuer but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

6. COVENANTS

6.1 Negative Pledge

So long as any of the Notes remain outstanding:

(a) the Issuer will not create or permit to subsist any Security (as defined below) upon the whole or any part of its property or assets, present or future, to secure any External Obligations (as defined below), unless the Issuer, in the case of the creation of the Security, at the same time or prior thereto, takes any and all action necessary to ensure that:

(i) all amounts payable by it under the Notes and the Trust Deed are secured by the Security equally and rateably with the External Obligations to the satisfaction of the Trustee; or

(ii) such other Security or other arrangement (whether or not it includes the giving of Security) is provided as is approved by an Extraordinary Resolution of the Noteholders;

(b) the Parent will not create or permit to subsist any Security upon the whole or any part of its property or assets, present or future, to secure any External Obligations, unless the Parent, in the case of the creation of Security, at the same time or prior thereto, takes any and all action necessary to ensure that:

(i) all amounts payable by the Issuer under the Notes and the Trust Deed are secured by the Security equally and rateably with the External Obligations to the satisfaction of the Trustee; or

(ii) such other Security or other arrangement (whether or not it includes the giving of Security) is provided as is approved by an Extraordinary Resolution of the Noteholders; and

(c) the Parent will not guarantee any additional External Obligations of the Issuer unless the terms of such External Obligations include a provision substantially similar to the following:

"It shall be an Event of Default if:

(i) any of the U.S.$[●] [●]% Notes Due [●] (the "**ABJA [●] Notes**") or the U.S.$[●] [●]% Notes Due [●] (the "**ABJA [●] Notes**", and together with the ABJA [●] Notes, the "**ABJA Notes**") of ABJA Investment Co. Pte. Ltd. ("**ABJA**") become due and repayable prior to their stated maturity by reason of an event of default or potential event of default (however described);

(ii) ABJA (or any successor entity) fails to make any payment in respect of any of the ABJA Notes on the due date for payment as extended by any originally applicable grace period;

(iii) any security given by ABJA (or any successor entity) or Tata Steel Limited for the ABJA Notes becomes enforceable; or

(iv) default is made by ABJA (or any successor entity) in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person;

provided that no event described in this Condition shall constitute an Event of Default unless the Indebtedness for Borrowed Money (including the ABJA Notes) or other relative liability due and unpaid, either alone or when aggregated (without duplication) with other amounts of Indebtedness for Borrowed Money (including the ABJA Notes) and/or other liabilities due and unpaid relative to all (if any) other events specified in (i) to (iv) above which have occurred and are continuing, amounts to at least U.S.$75,000,000 (or its equivalent in any other currency).

Indebtedness for Borrowed Money means any indebtedness (whether being principal, premium (if any), interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities or any borrowed money or any liability under or in respect of any acceptance under any credit facility."

For the purposes of this Condition 6.1(c), whether a provision is considered substantially similar to the above quoted provision in this Condition 6.1(c) shall be exclusively determined by the Board of Directors of the Issuer or any person(s) authorised by the Board of Directors of the Issuer, in either case acting in good faith.

6.2 Limitations on Asset Sales

(a) So long as any of the Notes remain outstanding, the Parent shall apply any Net Cash Proceeds from an Asset Sale to:

(i) permanently repay unsubordinated Financial Indebtedness; or

(ii) acquire properties and assets (other than current assets) that will be directly owned and used by the Parent in Permitted Businesses; or

(iii) invest in subsidiaries involved in Permitted Businesses; *provided that* the amount of such investment, individually or when aggregated with all other investments in subsidiaries in respect of the Net Cash Proceeds from any Asset Sales in the 12 month period prior to such investment, does not exceed 3% of the Fixed Assets of the Parent on the immediately preceding balance sheet date (as stated in the Parent's most recent semi-annual or annual financial statements); or

(iv) pay a dividend, *provided that*, the Parent shall not pay any such dividend in respect of or otherwise distribute such Net Cash Proceeds to its shareholders if such dividend or distribution, individually or when aggregated with all other dividends or distributions in respect of the Net Cash Proceeds from any Asset Sales in the 12 month period prior to the date of the declaration of such dividend or distribution, exceeds U.S.$200,000,000 or its equivalent in other currencies.

(b) The Parent will not, directly or indirectly, consummate an Asset Sale unless the Parent receives consideration at the time of the Asset Sale at least equal to the Fair Market Value (measured as of the date of the definitive agreement with respect to the Asset Sale (including as to the value of all non-cash consideration, such non-cash consideration shall, for the avoidance of doubt, not be subject to the restrictions under Condition 6.2(a)) of the Fixed Assets sold or otherwise disposed of.

(c) Pending application of Net Cash Proceeds as set out above, such Net Cash Proceeds may be placed in cash deposits or invested in short term money market instruments.

6.3 Limitation on Financial Indebtedness

(a) So long as any of the Notes remain outstanding, the Parent and the Issuer shall not Incur, directly or indirectly, any Financial Indebtedness, unless after giving effect to the application of the proceeds thereof:

(i) no Event of Default or Potential Event of Default would occur as a consequence of such Incurrence or be continuing following such Incurrence; and

(ii) the Total Net Long Term Debt to Total Net Worth ratio for the Parent's most recently ended semi-annual or annual period for which unconsolidated financial statements are available immediately preceding the date on which such Financial Indebtedness is Incurred shall not be greater than 3.0:1.0.

Provided that this Condition 6.3 shall not apply to:

A. Financial Indebtedness of the Issuer evidenced by the Notes or the [●] Notes (and any notes exchanged for the Notes or the [●] Notes);

B. Financial Indebtedness existing as at [●] 2018, and any refinancings thereof; and

C. Financial Indebtedness used to refinance Financial Indebtedness properly Incurred under this Condition 6.3.

(b) The Total Net Long Term Debt to Total Net Worth ratio shall be calculated and interpreted on an unconsolidated basis.

6.4 Suspension of Covenants

(a) Following the first day (the **Suspension Date**) that (i) the Notes have Notes Investment Grade Status and (ii) no Event of Default has occurred and is continuing, Condition 6.2 (*Limitations on Asset Sales*) and Condition 6.3 (*Limitation on Financial Indebtedness*) shall no longer be tested in relation to the Parent for purposes of these Conditions and the Trust Deed (the **Suspended Covenants**). In the event that the Suspended Covenants are no longer tested in relation to the Parent for any period of time as a result of the preceding sentence and, on any subsequent date (the **Reversion Date**), either (A) a Rating Agency has assigned ratings to the Notes below the required Notes Investment Grade Status or (B) an Event of Default occurs and is continuing, then the Suspended Covenants will thereafter again be tested in relation to the Parent for purposes of these Conditions and the Trust Deed. The period of time between the Suspension Date and the Reversion Date is referred to in the covenant described hereunder as the **Suspension Period**.

(b) Notwithstanding that the Suspended Covenants may be reinstated, no Event of Default will be deemed to have occurred as a result of a failure to comply with the Suspended Covenants during the Suspension Period. On the Reversion Date, all Financial Indebtedness Incurred during a Suspension Period will be classified to have been Incurred pursuant to paragraph B of the proviso to Condition 6.3(a) and will be deemed to have been in existence on [●] 2018 and therefore permitted. On the Reversion Date, for purposes of determining compliance with Condition 6.2, the amount of Net Cash Proceeds applied in the 12 month period prior to the Reversion Date under Condition 6.2(a)(iii) and 6.2(a)(iv) shall be deemed to be zero.

6.5 Interpretation

In these Conditions:

(a) **2024 Notes** means the U.S.$1,000,000,000 5.95% Guaranteed Notes Due 2024 issued by the Issuer.

(b) **Asset Sale** means the sale, lease, conveyance or other disposition of any Fixed Assets by the Parent. Notwithstanding the preceding, none of the following items will be deemed to be an Asset Sale:

(i) any single transaction or series of related transactions that involves Fixed Assets having a Fair Market Value of less than U.S.$100,000,000;

(ii) the sale, lease or other transfer of accounts receivable, inventory, trading stock and other assets in the ordinary course of business (including the abandonment, sale or other disposition of damaged, worn out or obsolete assets or assets or intellectual property that are, in the reasonable judgment of the Parent, no longer economically practicable to maintain or useful in the conduct of business of the Parent);

(iii) licences, sub-licences, subleases, assignments or other disposition by the Parent of software or intellectual property in the ordinary course of business;

(iv) any surrender or waiver of contract rights or settlement, release, recovery on or surrender of contract, tort or other claims in the ordinary course of business;

(v) the sale or other disposition of cash or cash equivalents;

(vi) the disposition of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;

(vii) the foreclosure, condemnation or any similar action with respect to any property or other assets or a surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind;

(viii) any unwinding or termination of hedging obligations not for speculative purposes;

(ix) the disposition of assets of the Parent which are seized, expropriated or compulsory purchased by or by the order of any central or local government authority;

(x) the disposition of assets to another person whereby the Parent leases such assets back from such person; and

(xi) operating leases of Fixed Assets.

(c) **Cash** means, at any time, the amount of cash and bank balances as stated in the latest standalone balance sheet of the Parent.

(d) **Cash Equivalents** means investments that are short term investments (excluding equity investments) which are readily convertible into cash without incurring any significant premium or penalty.

(e) **Default** means any event which is, or after notice or passage of time or both would be, an Event of Default.

(f) **External Obligations** means bonds, debentures, notes or other similar securities of the Issuer or the Parent which both:

(i) are by their terms payable, or confer a right to receive payment, in, or by reference to, any currency other than Rupees, or which are denominated in Rupees and more than 50% of the aggregate principal amount thereof is initially distributed outside of India by or with the authorisation of the Issuer or the Parent; and

(ii) are for the time being or are capable of being quoted, listed, ordinarily dealt in or traded on any stock exchange or over-the-counter or other similar securities market outside of India.

(g) **Extraordinary Resolution** means:

(i) a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority consisting of not less than two-thirds of the Eligible Persons (as defined in the Trust Deed) voting thereat upon a show of hands or, if a poll is duly demanded, by a majority consisting of not less than two-thirds of the votes cast on such poll; or

(ii) a resolution in writing signed by or on behalf of holders of not less than two-thirds in principal amount of the Notes for the time being outstanding which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the holders; and

(iii) consent given by way of electronic consents through the relevant Clearing System(s) (as defined in the Trust Deed) (in a form satisfactory to the Trustee) by or on behalf of the holders of not less than two-thirds in principal amount of the Notes for the time being outstanding.

(h) **Fair Market Value** means, with respect to any asset or property, the price which could be negotiated in an arm's length, for cash, between a willing seller and a willing and able buyer, neither of whom is under undue pressure or compulsion to complete the transaction. Fair Market Value will be determined in good faith by the Board of Directors of the Parent or any person(s) authorised by the Board of Directors of the Parent, whose determination will be conclusive and evidenced by a certificate from the same.

(i) **Financial Indebtedness** means any indebtedness Incurred by the Parent or the Issuer for or in respect of:

(i) moneys borrowed;

(ii) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;

(iii) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(iv) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with Ind-AS (in relation to the Parent) or SFRS (in relation to the Issuer), be treated as a finance or capital lease;

(v) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

(vi) any amount raised under any other transaction having the commercial effect of a borrowing and required by Ind-AS (in relation to the Parent) or SFRS (in relation to the Issuer), to be shown as a borrowing in the balance sheet of the Parent or the Issuer, as applicable;

(vii) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);

(viii) shares which are expressed to be redeemable on or before [●];

(ix) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and

(x) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (i) to (ix) above.

(j) **Fixed Assets** refers to assets classified as such in the Parent's unconsolidated financial statements prepared in accordance with Ind-AS.

(k) **Ind-AS** means the Indian Accounting Standards.

(l) **Incur** means, with respect to any Financial Indebtedness, to incur, create, issue, assume, guarantee or otherwise become liable for or with respect to, or become responsible for, the payment of, contingently or otherwise, such Financial Indebtedness. The terms "**Incurrence**," "**Incurred**" and "**Incurring**" have meanings correlative with the foregoing.

(m) **Net Cash Proceeds** with respect to any sale of any Fixed Assets of the Parent means the cash proceeds of such sale net of payments to repay Financial Indebtedness or any other obligation outstanding at the time that either (1) is secured by a lien on such Fixed Assets or (2) is required to be paid as a result of such sale, legal fees, accountants' fees, agents' fees, discounts or commissions and brokerage, consultant fees and other fees actually incurred in connection with such sale and net of taxes paid or payable as a result thereof.

(n) **Notes Investment Grade Status** exists as of any time if at such time the Notes have been assigned (x) "BBB-" or higher by Fitch; (y) "BBB-" or higher by S&P; or (z) "Baa3" or higher by Moody's.

(o) **Officer** means any director of the Issuer.

(p) **Officers' Certificate** means a certificate signed by two Officers.

(q) **Permitted Business** means (i) any business, services or activities engaged in by the Parent and its Subsidiaries on the Closing Date and (ii) any business, services or activities engaged in by the Parent or any of its Subsidiaries that are related, complementary, incidental, ancillary or similar to any of the foregoing, or are extensions or developments of any thereof.

(r) **Rating Agency** shall have the meaning given to such term in Condition 9.3(e)(viii).

(s) **Rupees** means the lawful currency of the Republic of India.

(t) **Security** means a mortgage, charge, pledge, lien, encumbrance or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect, including any mortgage, pledge, retention of title arrangement, right of retention, and, in general, any right in rem, created for the purpose of granting security.

(u) **SFRS** means Singapore Financial Reporting Standards.

(v) **Total Net Long Term Debt** means at any time the aggregate of:

(i) long term borrowings of the Parent; *plus*

(ii) the portion of other current liabilities which comprise current maturities of long term borrowings of the Parent; *plus*

(iii) any guarantee or indemnity given by the Parent in respect of any indebtedness with a maturity of more than 1 year of any person; *minus*

(iv) the aggregate amount of Cash and Cash Equivalents,

each as stated, or derived from the latest standalone financial statements of the Parent.

(w) **Total Net Worth** means at any time the aggregate of the amounts paid up or credited as paid up on the share capital of the Parent, on a standalone basis, and the amount standing to the credit of the reserves and surplus of the Parent, on a standalone basis, but deducting (to the extent included) any amounts arising from an upward revaluation of assets made at any time after 30 September 2017.

7. INTEREST

7.1 Interest Rate and Interest Payment Dates

The Notes bear interest on their outstanding principal amount from and including the Closing Date at the rate of [●]% per annum, payable semi-annually in arrear on [●] and [●] of each year (each, an **Interest Payment Date**). The first payment (for the period from and including [●] 2018 to but excluding [●] 2018) will be made on [●] 2018.

If any Interest Payment Date falls on a day which is not a Business Day, it shall be postponed to the next day which is a Business Day unless it would then fall into the next calendar month, in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In this Condition **Business Day** means in relation to any place a day (other than a Saturday or Sunday) on which commercial banks are open for business in London, Singapore, New York, Mumbai and, in the case of presentation of a Note Certificate, in the place in which the Note Certificate is presented.

7.2 Interest Accrual

Each Note will cease to bear interest from and including the Maturity Date or the date on which all amounts due in respect of such Note have been paid unless, upon due presentation, payment of principal in respect of the Note is improperly withheld or refused or unless default is otherwise made in respect of payment. In such event, interest will continue to accrue until whichever is the earlier of:

(a) the date on which all amounts due in respect of such Note have been paid; and

(b) seven days after the date on which the full amount of the moneys payable in respect of such Notes has been received by the Principal Paying Agent or the Registrar, as the case may be, and notice to that effect has been given to the Noteholders in accordance with Condition 15 (Notices).

7.3 Calculation of Broken Interest

When interest is to be calculated in respect of a period of less than six months, the day-count fraction used will be the number of days in the relevant period, from (and including) the date from which interest begins to accrue to (but excluding) the date on which it falls due, divided by 360.

8. PAYMENTS

8.1 Method of Payments

(a) Payment of principal, premium (if any) and interest will be made by transfer to the registered account of the Noteholder in accordance with the provisions of the Agency Agreement. Payments of principal and premium (if any) and payments of interest due otherwise than on an Interest Payment Date will only be made against surrender of the relevant Certificate at the specified office of any of the Agents. Interest on Notes due on an Interest Payment Date will be paid to the holder shown on the register of Noteholders at the close of business on the date (the **record date**) being the 15th day before the relevant Interest Payment Date.

(b) For the purposes of this Condition, a Noteholder's registered account means the US dollar account maintained by or on behalf of it with a bank in New York City, details of which appear on the register of Noteholders at the close of business, in the case of principal and premium (if any) and interest due otherwise than on an Interest Payment Date, on the Business Day (as defined below) before the due date for payment and, in the case of interest due on an Interest Payment Date, on the relevant record date.

8.2 Partial Payments

If the amount of principal, premium (if any) or interest which is due on the Notes is not paid in full, the Principal Paying Agent or the Registrar, as the case may be, will annotate the register of Noteholders with a record of the amount of principal, premium (if any) or interest in fact paid.

8.3 Payments subject to Applicable Laws

All payments are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 10 (*Taxation*). No commissions or expenses shall be charged to the Noteholders in respect of any such payments.

8.4 Payment on Business Days

(a) Payment instructions (for value on the due date or, if that is not a Business Day (as defined below), for value on the first following day which is a Business Day) will be initiated on the due date for payment (or, if it is not a Business Day, the immediately following Business Day) or, in the case of payment of principal, if later, on the Business Day on which the relevant Certificate is surrendered at the specified office of the Agent.

(b) Noteholders will not be entitled to interest or other payment for any delay after the due date in receiving the amount due if (i) the due date is not a Business Day or (ii) the Noteholder is late in surrendering its Certificate (if required to do so).

In this Condition **Business Day** means in relation to any place a day (other than a Saturday or Sunday) on which commercial banks are open for business in London, Singapore, New York, Mumbai and, in the case of presentation of a Note Certificate, in the place in which the Note Certificate is presented.

8.5 Default Interest

(a) If on or after the due date for payment of any sum in respect of the Notes, payment of all or any part of such sum shall not be made against due presentation of the Certificates, the Issuer shall pay interest on the amount so unpaid from such due date up to the day of actual receipt by the relevant Noteholders (before and after judgment) at a rate per annum equal to [●]% per annum. The Issuer shall pay any unpaid interest accrued on the amount so unpaid on the last Business Day of the calendar month in which such interest accrued and any interest payable under this Condition which is not paid on the last Business Day of the calendar month in which it accrued shall be added to the overdue sum and itself bear interest accordingly.

(b) The Trustee and Agents shall not be liable for (i) any such payments of default interest pursuant to Condition 8.5(a) above which shall be made directly by the Issuer to the relevant Noteholders; (ii) any failure of the Issuer to make payments of any such default interest to the Noteholders; or (iii) any calculations in respect of such default interest which are carried out by any other party.

8.6 Agents

The name of the initial Paying Agents and their initial specified offices are set out at the front of these Conditions. The Issuer reserves the right, subject to the prior written approval of the Trustee, to vary or terminate the appointment of any Paying Agent at any time and to appoint additional or other Paying Agents *provided that*:

(a) there is always a Principal Paying Agent;

(b) there is always a Registrar; and

(c) such other agents as may be required by any stock exchange on which the Notes may be listed. Notice of any termination or appointment and of any changes in specified offices shall be given to the Noteholders promptly by the Issuer in accordance with Condition 15 (Notices).

9. REDEMPTION AND PURCHASE

9.1 Redemption at Maturity

Unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem the Notes at their principal amount (together with unpaid accrued interest thereon (if any)) on the Maturity Date.

9.2 Redemption for Taxation Reasons

(a) The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time or on any Interest Payment Date, on giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 15 (Notices) (which notice shall be irrevocable), at their principal amount (together with unpaid accrued interest thereon (if any)), if (i) the Issuer satisfies the Trustee immediately prior to the giving of such notice that it has or will become obliged to pay additional amounts as provided or referred to in Condition 10 (Taxation) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction (as defined in Condition 10.2(b)), or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Closing Date, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, *provided that* no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts where a payment in respect of the Notes is then due.

(b) Prior to the publication of any notice of redemption pursuant to Condition 9.2(a), the Issuer shall deliver to the Trustee a certificate signed by two directors of the Issuer stating that the obligation referred to in Condition 9.2(a)(ii) above cannot be avoided by the Issuer taking reasonable measures available to it and the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment. The Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out in Condition 9.2(a)(ii) above in which event it shall be conclusive and binding on the Noteholders and the Trustee shall not be liable to any person for doing so.

9.3 Redemption for Change of Control Triggering Event

(a) If a Change of Control Triggering Event (as defined below) occurs with respect to the Parent, each Noteholder shall have the right (the **Change of Control Redemption Right**), at such Noteholder's option, to require the Issuer to redeem all of such Noteholder's Note(s) in whole, but not in part on the Change of Control Redemption Date (as defined below), at a price equal to the Change of Control Redemption Amount (as defined below). The Agents shall not be required to take any steps to ascertain whether a Change of Control Triggering Event or any event which could lead to the occurrence of a Change of Control Triggering Event has occurred and shall not be liable to any person for any failure to do so.

(b) To exercise the Change of Control Redemption Right attaching to a Note on the occurrence of a Change of Control Triggering Event, the holder thereof must complete, sign and deposit at its own expense at any time from 9.30 a.m to 5.30 p.m (local time in the place of deposit) on any Business Day at the specified office of any Paying Agent a notice (a **Change of Control Redemption Notice**) in the form (for the time being current) obtainable from the specified office of any Paying Agent together with the relevant Certificate evidencing the Notes to be redeemed. Such Change of Control Redemption Notice may be given on the earlier of the date on which the relevant Noteholder becomes aware of the occurrence of the Change of Control Triggering Event and the date on which the Change of Control Notice (as detailed below) delivered by the Issuer under Condition 9.3(d) is received by such Noteholder. No Change of Control Redemption Notice rnay be given after 90 days from the date of the Change of Control Notice.

(c) A Change of Control Redemption Notice, once delivered, shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the Change of Control Redemption Notice and instead to give notice that the Note is immediately due and repayable under Condition 11.1 (Events of Default). The Issuer shall redeem the Notes (in whole but not in part) which form the subject of any Change of Control Redemption Notice which is not withdrawn on the Change of Control Redemption Date.

(d) Not later than seven days after becoming aware of a Change of Control Triggering Event, the Issuer shall procure that notice (a **Change of Control Notice**) regarding the Change of Control Triggering Event be delivered to the Trustee, the Agents and the Noteholders (in accordance with Condition 15 (Notices) stating:

(i) that Noteholders may require the Issuer to redeem their Notes under Condition 9.3 (Redemption for Change of Control Triggering Event);

(ii) the date of such Change of Control Triggering Event and, briefly, the events causing such Change of Control Triggering Event;

(iii) the names and addresses of all relevant Paying Agents;

(iv) such other information relating to the Change of Control Triggering Event as any Noteholder may require; and

(v) that the Change of Control Redemption Notice pursuant to Condition 9.3(b) once validly given, may not be withdrawn and the last day on which a Change of Control Redemption Notice may be given.

(e) In this Condition:

(i) **Change of Control** means the occurrence of any of the following:

(A) a person or persons, acting together, other than the Tata Group, acquire Control, directly or indirectly, of the Parent;

(B) the Parent consolidates with or merges into or sells or transfers all or substantially all of its assets to any other person or persons, acting together;

(C) the adoption of a plan relating to the liquidation or dissolution of the Parent; or

(D) the Parent ceases directly to own 100% of the share capital of the Issuer or adopts a plan relating to the liquidation or dissolution of the Issuer.

(ii) **Change of Control Redemption Amount** means an amount equal to 101% of the principal amount of the Notes redeemed plus unpaid accrued interest, if any, to and including the Change of Control Redemption Date.

(iii) **Change of Control Redemption Date** means the date specified in the Change of Control Redemption Notice, such date being not less than 30 nor more than 60 days after the date of the Change of Control Redemption Notice.

(iv) **Change of Control Triggering Event** means the occurrence of a Change of Control; provided, however, that if the Change of Control is an event described in clauses (A) and (B) of the definition thereof, it shall not constitute a Change of Control Triggering Event unless and until a Rating Decline also shall have occurred.

(v) **Control** means (A) the acquisition or control of more than 50% of the Voting Rights of the issued share capital of the Parent or (B) the right to appoint and/or remove all or the majority of the members of the Parent's Board of Directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of Voting Rights, contract or otherwise, and "controlled" shall be construed accordingly.

(vi) **Investment Grade Status** exists as of any time if at such time the Parent's corporate credit rating has been assigned at least two of the three following ratings: (x) "BBB-" or higher by Fitch; (y) "BBB-" or higher by S&P; or (z) "Baa3" or higher by Moody's.

(vii) for the purposes of the Change of Control Redemption Right, a "person" includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or two or more of the foregoing.

(viii) **Rating Agency** means any of Standard & Poor's Ratings Service, a division of the McGraw Hill Companies Inc. (**S&P**) Moody's Investors Service, Inc. (**Moody's**) or Fitch Inc., a subsidiary of Fimalac, S.A. (**Fitch**), and any of their successors, as applicable.

(ix) **Rating Category** means (i) with respect to S&P, any of the following categories: "BB", "B", "CCC", "CC", "C", and "D" (or equivalent successor categories); (ii) with respect to Moody's, any of the following categories: "Ba", "B", "Caa", "Ca", "C", and "D" (or equivalent successor categories); (iii) with respect to Fitch, any of the following categories: "BB", "B", "CCC", "CC", "C", and "D" (or equivalent successor categories) and (iv) the equivalent of any such category of S&P, Moody's and Fitch used by another Rating Agency. In determining whether the rating of the Parent has decreased by one or more gradations, gradations within Rating Categories ("+" and "-" for S&P and Fitch; "l", "2" and "3" for Moody's; or the equivalent gradations for another Rating Agency) shall be taken into account (eg, with respect to S&P and Fitch, a decline in a rating from "BB+" to "BB", as well as from "BB-" to "B+" will constitute a decrease of one gradation).

(x) **Rating Date** means in connection with a Change of Control Triggering Event, that date which is 90 days prior to the earlier of (A) a Change of Control, (B) the initial public notice of the occurrence of a Change of Control or of the intention by the Parent or any other Person or Persons to effect a Change of Control and (C) the date that the acquirer or prospective acquirer (1) has entered into one or more binding agreements with the Parent and/or shareholders of the Parent that would give rise to a Change of Control or (2) has commenced an offer to acquire outstanding capital stock of the Parent.

(xi) **Rating Decline** means in connection with a Change of Control Triggering Event, the occurrence on, or within six months after, the date, or public notice of the occurrence of, a Change of Control or the intention by the Parent or any other person or persons to effect a Change of Control (which period shall be extended so long as the corporate credit rating of the Parent or the Parent and its subsidiaries, is under publicly announced consideration for possible downgrade by any of the Rating Agencies) of any of the events listed below:

(A) in the event the Parent is rated by one or more Rating Agencies on the Rating Date as having Investment Grade Status, the rating of the Parent by any such Rating Agency shall be downgraded to below Investment Grade Status; or

(B) in the event the Parent is rated below Investment Grade Status by one or more Rating Agencies on the Rating Date, the rating of the Parent by any such Rating Agency shall be withdrawn or decreased by one or more gradations (including gradations within Rating Categories as well as between Rating Categories).

(xii) **Tata Group** means Tata Sons Limited, Tata Power Company Limited, Tata Steel Limited, Tata Industries Limited, Tata Motors Limited, Tata Chemicals Limited, Tata Tea Limited, The Indian Hotels Company Limited, Tata International Limited, Tata Consultancy Services Limited, Trent Limited, Tata Investment Corporation Limited and Panatone Finvest Limited (each of which is a company incorporated under the laws of India), their respective subsidiaries and holding companies and any other company which includes the word 'Tata' in its name pursuant to a brand equity promotion agreement with a member of the Tata Group.

(xiii) **Voting Rights** means the right generally to vote at a general meeting of shareholders of the Parent (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency).

9.4 Mandatory exchange at the option of the Issuer

(a) The Notes may be exchanged for new notes issued directly by the Parent (the **New Notes**), at the option of the Issuer in whole, but not in part, at any time or on any Interest Payment Date, on giving not less than 15 nor more than 30 days' notice to the Noteholders, the Trustee and the Principal Paying Agent in accordance with Condition 15 (Notices) (which notice shall be irrevocable) (the **Exchange Notice**). The terms and conditions of the New Notes will be as set out in Schedule 7 to the Trust Deed and will contain the same terms as the Notes (including, but not limited to, principal, premium and interest payable, covenants, cross-acceleration, interest payment dates and the maturity date), except for the issue date. The exchange of the Notes for the New Notes (the **Exchange**) will be done in such a manner that each Noteholder will receive an amount of New Notes equal in principal amount to the principal amount of the Notes then held by such Noteholder.

(b) The Trustee shall not be liable for acting or refraining from acting in reliance on any purported Exchange Notice and shall not be responsible for checking that such Exchange Notice has been duly completed or properly delivered and any purported Exchange Notice which the Trustee accepts shall be conclusive and binding on the Issuer, the Trustee, the Agents and the Noteholders.

(c) The Issuer shall be responsible for the payment of, and shall, in the relevant Exchange Notice, indemnify the Noteholders, the Trustee and the Principal Paying Agent in respect of, all stamp, stamp duty reserve, registration, documentary, transfer and other similar taxes or duties (including penalties) arising on the delivery of the New Notes to the relevant Noteholder.

9.5 Provisions relating to Partial Redemption

If fewer than all of the Notes are to be redeemed at any time, the selection of such Notes for redemption will be made by the Trustee in compliance with the rules, if any, of any stock exchange on which the Notes are listed or, if such Notes are not then listed or there are no such applicable rules, on a pro rata basis and in such manner as the Trustee may deem appropriate and fair, *provided that* no Notes shall be redeemed in part more than 30 days before the date fixed for redemption. Notice of any such selection will be given not less than 15 days before the date fixed for redemption. Each notice will specify the date fixed for redemption and the aggregate principal amount of the Notes to be redeemed, the serial numbers of the Notes called for redemption, the serial numbers of Notes previously called for redemption and not presented for payment and the aggregate principal amount of the Notes which will be outstanding after the partial redemption. Where some but not all of the Notes in respect of which a Certificate is issued are to be redeemed, the notice of redemption that relates to such Certificates shall state the portion of the principal amount of the Notes to be redeemed and, where applicable, a new Certificate in a principal amount equal to the unredeemed Notes will be issued in the name of the Noteholder thereof upon cancellation of the original Certificate. Any such new Certificate will be delivered to the specified office of a Paying Agent or (at the risk and, if mailed at the request of the Noteholder otherwise than by ordinary uninsured mail, at the expense of the Noteholder) sent by mail to the Noteholder.

9.6 Purchases

The Issuer and the Parent (and any other subsidiary of the Parent) may at any time purchase Notes in any manner and at any price. The Notes so acquired, while held on behalf of the Issuer or the Parent (or such other subsidiary of the Parent), shall not entitle the holders thereof to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders for the purposes of Condition 11 (Events of Default), Condition 13 (Enforcement) and Condition 16 (Meetings of Noteholders, Modification, Waiver and Authorisation). If purchases are made by tender, tenders must be available to all Noteholders alike except where it is not possible to do so in order to qualify for exemptions from any offering restrictions imposed by any jurisdiction.

9.7 Cancellations

All Notes which are (a) redeemed or exchanged or (b) purchased by or on behalf of the Issuer, the Parent or any of the Parent's other subsidiaries, will forthwith be cancelled, and accordingly may not be reissued or resold.

9.8 Notices Final

Upon the expiry of any notice as is referred to in Conditions 9.2 or 9.3 above the Issuer shall be bound to redeem the Notes to which the notice refers in accordance with the terms of such Condition.

10. TAXATION

10.1 Payment without Withholding

All payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (**Taxes**) imposed or levied by or on behalf of any of the Relevant Jurisdictions, unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders after the withholding or deduction shall equal the amounts which would have been received by them had no such withholding or deduction been required; except that no additional amounts shall be payable on any Note in relation to any payment in respect of:

(a) any Taxes that would not have been withheld, deducted or imposed but for (i) the holder of the Notes, (ii) the beneficial owner of the Notes or (iii) a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of power over, the relevant holder, if the relevant holder is an estate, trust, partnership or corporation, being a citizen or resident or national of, incorporated in or carrying on a trade or business in or having a permanent establishment in the Relevant Jurisdiction in which such Taxes are imposed or having any other present or former connection with the Relevant Jurisdiction other than the mere acquisition, holding, enforcement or receipt of payment in respect of the Notes;

(b) any Taxes that are withheld, deducted or imposed as a result of the failure of the holder or beneficial owner of the Notes to comply, to the extent legally able, with any reasonable request, made to that holder or beneficial owner at least 60 days before any such withholding or deduction would be payable, by the Issuer to provide timely and accurate information concerning the nationality, residence or identity of such holder or beneficial owner or to make any valid and timely declaration or similar claim or satisfy any certification, information or other reporting requirement, which is required or imposed by a statute, treaty, regulation or administrative practice of the Relevant Jurisdiction as a precondition to any exemption from or reduction in all or part of such Taxes to which such holder is entitled;

(c) any Taxes that would not have been withheld, deducted or imposed but for the presentation of a Note for payment more than 30 days after the relevant payment is first made available for payment to the holder (except to the extent that the holder would have been entitled to additional amounts had the Note been presented on the last day of such 30 day period);

(d) any Taxes that are withheld, deducted or imposed on or with respect to any payment of principal or interest on such Note made to any holder who is a fiduciary or partnership or any person other than the sole beneficial owner of such payment, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such a partnership or the beneficial owner of such payment would not have been entitled to the additional amounts had such beneficiary, settlor, member or beneficial owner been the actual holder of such Note;

(e) any estate, inheritance, gift, sales, excise, transfer, personal property or similar Taxes;

(f) where such withholding or deduction is required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations thereunder, official interpretations thereof, or law implementing an intergovernmental approach thereto.

(g) any Taxes withheld, deducted or imposed on or with respect to any Note presented for payment by or on behalf of a holder of Notes who would have been able to avoid such withholding or deduction by presenting the relevant Note to another Paying Agent;

(h) any Taxes payable other than by deduction or withholding from payments under, or with respect to, the Notes; or

(i) any combination of items 11.1(a) through 11.1(h) above.

10.2 Interpretation

In these Conditions:

(a) **Relevant Date** means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by a Paying Agent or the Trustee on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect has been duly given to the Noteholders by the Issuer in accordance with Condition 15 (Notices); and

(b) **Relevant Jurisdiction** means Singapore or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal and interest on the Notes.

10.3 Additional Amounts

Any reference in these Conditions to any amounts in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition or under any undertakings given in addition to, or in substitution for, this Condition pursuant to the Trust Deed.

11. EVENTS OF DEFAULT

11.1 Events of Default

The Trustee at its discretion may, and if so requested in writing by the holders of at least 25% in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders, shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction), give notice to the Issuer that the Notes are, and shall immediately become, due and repayable at their principal amount, together with unpaid accrued interest as provided in the Trust Deed, if any of the following events occurs and is continuing (**Events of Default**):

(a) **Non-payment**

If the Issuer fails to pay any principal, redemption amount or interest on any of the Notes when due and the default continues for a period of seven business days in the case of principal or 30 days in the case of interest; or

(b) **Breach of other obligations**

If the Issuer or the Parent fail to perform or comply with any of their other obligations or the other requirements under these Conditions or the Trust Deed and (except where the Trustee considers the failure to be incapable of remedy, when no continuation nor notice mentioned below will be required) the failure continues for the period of 30 days following the service by the Trustee on the Issuer of notice requiring the default to be remedied; or

(c) **Cross acceleration**

If (i) any Indebtedness for Borrowed Money (as defined below) of the Issuer or the Parent becomes due and repayable prior to its stated maturity by reason of an event of default or potential event of default (however described); (ii) the Issuer or the Parent fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment as extended by any originally applicable grace period; (iii) any security given by the Issuer or the Parent for any Indebtedness for Borrowed Money becomes enforceable; or (iv) default is made by the Issuer or the Parent in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person; *provided that* no event described in this Condition shall constitute an Event of Default unless the Indebtedness for Borrowed Money or other relative liability due and unpaid, either alone or when aggregated (without duplication) with other amounts of Indebtedness for Borrowed Money and/or other liabilities due and unpaid relative to all (if any) other events specified in (i) to (iv) above which have occurred and are continuing, amounts to at least U.S.$75,000,000 (or its equivalent in any other currency); or

(d) **Winding-up**

If any order is made by any competent court or resolution is passed for the winding up or dissolution of the Issuer or the Parent, save for the purposes of reorganisation on terms approved by an Extraordinary Resolution of the Noteholders; or

(e) **Cessation of business**

If the Issuer or the Parent ceases or threatens to cease to carry on the whole or a substantial part of its business, save for the purposes of any reorganisation on terms approved by an Extraordinary Resolution of the Noteholders; or

(f) **Insolvency**

The Issuer or the Parent stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or

(g) **Liquidation and insolvency proceedings**

If (i) proceedings are initiated against the Issuer or the Parent under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or the Parent or, as the case may be, in relation to the whole or a substantial part of the undertaking or assets of any of them or an encumbrancer takes possession of the whole or a substantial part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the undertaking or assets of any of them, and (ii) in any such case (other than the appointment of an administrator) unless initiated by the relevant company is not discharged or stayed within 60 days; or

(h) **Creditors arrangement**

If the Issuer or the Parent (or their respective directors or shareholders) initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors); or

(i) **Nationalisation**

Any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Issuer or the Parent; or

(j) **Validity**

If the validity of the Notes is contested by the Issuer, or the Issuer denies any of its obligations under the Notes or it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or any of such obligations are or become unenforceable or invalid; or

(k) **Guarantee of the 2024 Notes by the Parent**

If the guarantee by the Parent of the 2024 Notes ceases to be, or is claimed by the Parent not to be, in full force and effect at any time while any of the 2024 Notes remain outstanding; or

(l) **Termination or Withdrawal of Letter of Comfort**

If the Letter of Comfort is terminated or withdrawn; or

(m) **Analogous event**

If any event occurs which, under the laws of any Relevant Jurisdiction, has or may have, in the Trustee's opinion, an analogous effect to any of the events referred to in Conditions 11.1(d) to 11.1(i) above.

The Issuer shall deliver to the Trustee, as soon as possible and in any event within 21 calendar days after the Issuer or the Parent becomes aware of the occurrence of a Default, an Officers' Certificate setting forth the details of such Default, and the action which the Issuer and the Parent propose to take with respect thereto.

11.2 Interpretation

For the purposes of this Condition:

Indebtedness for Borrowed Money means any indebtedness (whether being principal, premium (if any), interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities or any borrowed money or any liability under or in respect of any acceptance under any credit facility.

12. PRESCRIPTION

Claims in respect of principal and interest will become void unless presentation for payment is made as required by Condition 8 (Payments) within ten years (in the case of principal) and five years (in the case of interest) from the appropriate relevant due date.

13. ENFORCEMENT

13.1 The Trustee may at any time, at its discretion and without notice, take any proceedings or any other steps or actions (including lodging an appeal) against, in relation to, or in connection with, the Issuer as it thinks fit to enforce the provisions of the Trust Deed and the Notes or otherwise, but it is not bound to take any such proceedings or steps or other action in relation to the Trust Deed or the Notes unless (a) it has been directed to do so by an Extraordinary Resolution of the Noteholders or requested to do so in writing by the holders of at least 25% in principal amount of the Notes then outstanding, and (b) it has been indemnified and/or secured and/or prefunded to its satisfaction.

13.2 No Noteholder will be entitled to take any steps, action or proceedings against the Issuer to (i) enforce any of the provisions of the Trust Deed or the Notes or (ii) take any proceedings (including the lodging of an appeal in respect of or concerning the Issuer) unless the Trustee, having become bound to do so itself, fails to do so within a reasonable period and the failure is continuing.

14. REPLACEMENT OF CERTIFICATES

If any Certificate is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Principal Paying Agent upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

15. NOTICES

15.1 Notices to the Noteholders

(a) Notices to Noteholders will be valid if published in a leading newspaper having general circulation in (i) Asia (which is expected to be the Asian Wall Street Journal) and (ii) Europe (which is expected to be the Financial Times) If at any time publication in such newspapers is not practicable, notices will be valid if published in such other manner as the Issuer shall determine. Notices will, if published more than once or on different dates, be deemed to have been given on the first date on which publication is made.

(b) Notwithstanding the other provisions of this Condition, in any case where the identity and addresses of all the Noteholders are known to the Issuer, notices to such holders may be given individually by recorded delivery mail to such addresses and will be deemed to have been given when received at such addresses.

15.2 Notices from the Noteholders

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together with the relative Certificate, with the Registrar, or, if the Certificates are held in a clearing system, may be given through the clearing system in accordance with its standard rules and procedure.

16. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND AUTHORISATION

16.1 Meetings of Noteholders

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the modification or abrogation by Extraordinary Resolution of any of these Conditions or any of the provisions of the Trust Deed. The quorum at any meeting for passing an Extraordinary Resolution will be one or more persons present holding or representing more than 50% in principal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons present whatever the principal amount of the Notes held or represented by him or them, except that, at any meeting the business of which includes the modification or abrogation of certain of the provisions of these Conditions and certain of the provisions of the Trust Deed, the necessary quorum for passing an Extraordinary Resolution will be one or more persons present holding or representing not less than two-thirds, or at any adjourned meeting not less than one-third, of the principal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders will be binding on all Noteholders, whether or not they are present at the meeting.

16.2 Modification, Waiver, Authorisation and Determination

The Trustee may agree, without the consent of the Noteholders, to any modification of (except as mentioned in Condition 16.1 above), or to the waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed or the Agency Agreement, or determine, without any such consent as aforesaid, that any Event of Default or Potential Event of Default (as defined in the Trust Deed) shall not be treated as such (*provided that*, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders) or may agree, without any such consent as aforesaid, to any modification which, in its opinion, is of a formal, minor or technical nature or to correct a manifest error or an error which is, in the opinion of the Trustee, proven. Any such modification, authorisation or waiver shall be binding on the Noteholders and, unless Trustee otherwise agrees, such modification authorisation or waiver shall be notified to the Noteholders as soon as practicable in accordance with Condition 15.

16.3 Trustee to have Regard to Interests of Noteholders as a Class

In connection with the exercise by it of any of its functions (including, without limitation, any modification, waiver, authorisation, or determination), the Trustee shall have regard to the general interests of the Noteholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders (whatever their number) and, in particular, shall not have regard to the consequences of any such exercise for individual Noteholders (whatever their number) resulting from their being domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer, the Parent, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

16.4 Notification to the Noteholders

Any modification, waiver, authorisation, or determination shall be binding on the Noteholders and, unless the Trustee agrees otherwise, any modification shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 15 (Notices).

17. SUBSTITUTION

The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Noteholders, to the substitution of certain other entities in place of the Issuer or of any previous substituted company, as principal debtor under the Trust Deed and the Notes. In the case of such a substitution the Trustee may agree, without the consent of the Noteholders, to a change of the law governing the Notes and/or the Trust Deed *provided that* such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders.

18. INDEMNIFICATION OF THE TRUSTEE AND ITS CONTRACTING WITH THE ISSUER

18.1 Indemnification and protection of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility and liability towards the Issuer and the Noteholders including provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction.

18.2 Trustee Contracting with the Issuer and the Parent

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, inter alia, (i) to enter into business transactions with the Issuer and/or the Parent and/or any of the Parent's other subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or the Parent and/or any of the Parent's other subsidiaries, (ii) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders, and (iii) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

18.3 Reliance

The Trustee may rely, without any liability to the Noteholders, on any certificate or report of, or confirmation, advice or information provided by the Issuer or the Parent or the Parent's auditors as sufficient and conclusive evidence of the facts stated therein, regardless of whether such certificate, report, or confirmation, advise or information is addressed to the Trustee, was made pursuant to any document, engagement letter or agreement to which the Trustee is a party, or regardless of any monetary or other limitation or exclusion of liability of any such person in respect thereof. The Trustee may accept and shall be entitled to rely on any such report, certificate confirmation, advice or information and such report, certificate or information shall be binding on the Issuer, the Parent and the Noteholders.

19. FURTHER ISSUES

The Issuer is at liberty from time to time without the consent of the Noteholders to create and issue further Notes ranking *pari passu* in all respects (or in all respects save for the first payment of interest thereon) and so that the same shall be consolidated and form a single series with the outstanding Notes constituted by the Trust Deed or any supplemental deed, subject to the receipt by the Trustee of a certificate signed by two authorised signatories or directors of the Issuer and a legal opinion from an internationally recognised law firm, in each case in form and substance satisfactory to the Trustee.

The Issuer will also be permitted to issue and incur indebtedness through the issuance of further notes or bonds.

20. GOVERNING LAW AND SUBMISSION TO JURISDICTION

20.1 Governing Law

The Trust Deed, the Agency Agreement and the Notes and any non-contractual obligations arising out of or in connection with them are governed by, and will be construed in accordance with, English law.

20.2 Jurisdiction of English Courts

The Issuer has, in the Trust Deed, irrevocably agreed for the benefit of the Trustee and the Noteholders that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed or the Notes (including any dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed or the Notes) and accordingly has submitted to the exclusive jurisdiction of the English courts.

The Issuer has, in the Trust Deed, waived any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Trustee and the Noteholders may take any suit, action or proceeding arising out of or in connection with the Trust Deed or the Notes respectively (including any suit, action or proceedings relating to any non-contractual obligations arising out of or in connection with the Trust Deed or the Notes) (together referred to as **Proceedings**) against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

20.3 Appointment of Process Agent

The Issuer has, in the Trust Deed, irrevocably and unconditionally appointed Tata Limited, 18, Grosvenor Place, London SW1X 7HS (Attention: J.D. Contractor) as its agent for service of process in England in respect of any Proceedings and has undertaken that in the event of such agent ceasing so to act it will appoint such other person as the Trustee may approve as its agent for that purpose.

20.4 Sovereign Immunity

The Issuer has, in the Trust Deed, irrevocably and unconditionally waived and agreed not to raise with respect to the Notes any right to claim sovereign or other immunity from jurisdiction or execution or any similar defence, and has irrevocably and unconditionally consented to the giving of any relief or the issue of any process, including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any Proceedings.

21. RIGHTS OF THIRD PARTIES

No person shall have any right to enforce any term of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

TERMS AND CONDITIONS OF THE [●] NOTES

The following is the text of the Conditions of the Notes which (subject to completion and amendment and as supplemented or varied and except for the paragraphs in italics) will be applicable to the Notes in definitive form (if any) issued in exchange for the Global Certificate representing the Notes. These terms and conditions as so amended, supplemented or varied shall be endorsed on the Certificates issued in respect of the Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the Trust Deed.

1. DEFINITIONS

The following definitions are used in these Terms and Conditions:

Issuer.	ABJA Investment Co. Pte. Ltd., a company incorporated under the laws of Singapore with Unique Entity Number 201309883M with offices at 22 Tanjong Kling Road, Singapore 628048
Parent	Tata Steel Limited, a company incorporated under the laws of the Republic of India with registered number L27100MH1907PLC000260 with its registered address at Bombay House, 24, Homi Mody Street, Fort, Mumbai 400 001, India
Trustee.	Citicorp International Limited 39th Floor, Champion Tower 3 Garden Road, Central Hong Kong Fax: +852 2323 0279 Attn: Agency and Trust
Principal Paying Agent.	Citibank, N.A., London Branch c/o Citibank, N.A., Dublin Branch Ground Floor 1 North Wall Quay Dublin 1 Ireland Fax: +353 I 662 2212/2210 Attn: Agency and Trust
Paying Agents	The Principal Paying Agent and any other paying agent appointed by the Issuer
Registrar	Citibank, N.A., London Branch c/o Citibank, N.A., Dublin Branch Ground Floor 1 North Wall Quay Dublin 1 Ireland Fax: +353 I 662 2212/2210 Attn: Agency and Trust
Notes	U.S.$[●] [●]% Notes due [●] (which term shall include, unless the context requires otherwise, any further Notes issued in accordance with Condition 19 and consolidated and forming a single series therewith)

[●] Notes	U.S.$[●] [●]% Notes due [●]
Closing Date	[●]
Maturity Date	[●]
Noteholders	The holders of the Notes (each a **Noteholder**)

2. RELATED AGREEMENTS

2.1 The Notes are constituted by a trust deed dated as of the Closing Date (the **Trust Deed**) made between the Issuer and the Trustee.

2.2 These Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed (as amended and supplemented from time to time) which includes the form of the Notes. Copies of the Trust Deed and the agency agreement dated as of the Closing Date (the **Agency Agreement**) made between the Issuer, the Principal Paying Agent, the Registrar and the Trustee are available for inspection by the Noteholders, during normal business hours at the specified office for the time being of the Trustee and at the specified office of each of the Paying Agents (and, together with the Principal Paying Agent and the Registrar, the **Agents**). The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement. References in these Conditions to the Trustee, the Registrar or any Paying Agent include any successor appointed under the Trust Deed or Agency Agreement, respectively.

3. FORM, DENOMINATION AND TITLE

3.1 Form and denomination

The Notes are issued in registered form in the denomination of U.S.$200,000 each and integral multiples of U.S.$1,000 in excess thereof (referred to as the **principal amount** of each Note). A note certificate (each a **Certificate**) will be issued to each Noteholder in respect of its registered holding of Notes. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Noteholders which the Issuer will procure to be kept by the Registrar.

3.2 Title

Title to the Notes passes only by registration in the register of Noteholders. The holder of any Note will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or the theft or loss of the Certificate issued in respect of it) (other than a duly executed transfer thereof in the form endorsed thereon), and no person will be liable for so treating the holder.

4. TRANSFER OF NOTES AND ISSUE OF CERTIFICATES

4.1 Register

The Issuer will cause to be kept at the specified office of the Registrar and in accordance with the terms of the Agency Agreement a register on which shall be entered the names and addresses of the holders of the Notes and the particulars of the Notes held by them and of all transfers of the Notes (the **Register**).

Each Noteholder shall be entitled to receive only one Certificate in respect of its entire holding of Notes.

4.2 Transfers

Subject to Conditions 4.5 and 4.6 and the terms of the Agency Agreement, a Note may be transferred by depositing the Certificate issued in respect of that Note, with the form of transfer on the back duly completed and signed, at the specified office of the Registrar or the Transfer Agent. No transfer of a Note will be valid unless and until entered into the Register.

4.3 Delivery of new Certificates

Each new Certificate to be issued upon a transfer of Notes will, within five business days of receipt by the Registrar or the relevant Agent of the duly completed form of transfer endorsed on the relevant Certificate, be mailed by uninsured mail (at the cost of the Issuer and at the risk of the holder entitled to the Note) to the address specified in the form of transfer. For the purposes of this Condition, "business day" shall mean a day on which banks are open for business in the city in which the specified office of the Agent with whom a Certificate is deposited in connection with a transfer is located.

Where some but not all of the Notes in respect of which a Certificate is issued are to be transferred, a new Certificate in respect of the Notes not so transferred will, within five business days of receipt by the Registrar or the relevant Agent of the original Certificate, be mailed by uninsured mail (at the cost of the Issuer and at the risk of the holder of the Notes not so transferred) to the address of such holder appearing on the register of Noteholders or as specified in the form of transfer.

4.4 Formalities free of charge

Registration of a transfer of Notes will be effected without charge by or on behalf of the Issuer or any Agent but upon payment (or the giving of such indemnity as the Issuer or any Agent may reasonably require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer.

4.5 Closed Periods

No Noteholder may require the transfer of a Note to be registered (a) during the period of 15 days ending on the due date for any payment of principal, premium or interest on that Note; or (b) during a period of seven days ending on the date on which the Notes are exchanged for the New Notes (as defined herein) pursuant to Condition 9.4.

The Issuer shall not be required in the event of a partial redemption of Notes under Condition 9 (Redemption and Purchase):

(a) to register the transfer of Notes (or parts of Notes) during the period beginning on the 65th day before the date of the partial redemption and ending on the day on which notice is given specifying the serial numbers of Notes called (in whole or in part) for redemption (both inclusive); or

(b) to register the transfer of any Note, or part of a Note, called for redemption.

4.6 Regulations

All transfers of Notes and entries on the register of Noteholders will be made subject to the detailed regulations concerning a transfer of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be mailed (at the cost of the Issuer and free of charge to the Noteholder) by the Registrar to any Noteholder who requests one.

5. STATUS OF THE NOTES

The Notes constitute (subject to Condition 6.1 (Negative Pledge)) unsecured and unsubordinated obligations of the Issuer and will rank at all times *pari passu* without any preference among themselves and at least *pari passu* with all other present and future outstanding unsecured and unsubordinated obligations of the Issuer but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

6. COVENANTS

6.1 Negative Pledge

So long as any of the Notes remain outstanding:

(a) the Issuer will not create or permit to subsist any Security (as defined below) upon the whole or any part of its property or assets, present or future, to secure any External Obligations (as defined below), unless the Issuer, in the case of the creation of the Security, at the same time or prior thereto, takes any and all action necessary to ensure that:

(i) all amounts payable by it under the Notes and the Trust Deed are secured by the Security equally and rateably with the External Obligations to the satisfaction of the Trustee; or

(ii) such other Security or other arrangement (whether or not it includes the giving of Security) is provided as is approved by an Extraordinary Resolution of the Noteholders;

(b) the Parent will not create or permit to subsist any Security upon the whole or any part of its property or assets, present or future, to secure any External Obligations, unless the Parent, in the case of the creation of Security, at the same time or prior thereto, takes any and all action necessary to ensure that:

(i) all amounts payable by the Issuer under the Notes and the Trust Deed are secured by the Security equally and rateably with the External Obligations to the satisfaction of the Trustee; or

(ii) such other Security or other arrangement (whether or not it includes the giving of Security) is provided as is approved by an Extraordinary Resolution of the Noteholders; and

(c) the Parent will not guarantee any additional External Obligations of the Issuer unless the terms of such External Obligations include a provision substantially similar to the following:

"It shall be an Event of Default if:

(i) any of the U.S.$[●] [●]% Notes Due [●] (the "**ABJA [●] Notes**") or the U.S.$[●] [●]% Notes Due [●] (the "**ABJA [●] Notes**", and together with the ABJA [●] Notes, the "**ABJA Notes**") of ABJA Investment Co. Pte. Ltd. ("**ABJA**") become due and repayable prior to their stated maturity by reason of an event of default or potential event of default (however described);

(ii) ABJA (or any successor entity) fails to make any payment in respect of any of the ABJA Notes on the due date for payment as extended by any originally applicable grace period;

(iii) any security given by ABJA (or any successor entity) or Tata Steel Limited for the ABJA Notes becomes enforceable; or

(iv) default is made by ABJA (or any successor entity) in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person;

provided that no event described in this Condition shall constitute an Event of Default unless the Indebtedness for Borrowed Money (including the ABJA Notes) or other relative liability due and unpaid, either alone or when aggregated (without duplication) with other amounts of Indebtedness for Borrowed Money (including the ABJA Notes) and/or other liabilities due and unpaid relative to all (if any) other events specified in (i) to (iv) above which have occurred and are continuing, amounts to at least U.S.$75,000,000 (or its equivalent in any other currency).

Indebtedness for Borrowed Money means any indebtedness (whether being principal, premium (if any), interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities or any borrowed money or any liability under or in respect of any acceptance under any credit facility."

For the purposes of this Condition 6.1(c), whether a provision is considered substantially similar to the above quoted provision in this Condition 6.1(c) shall be exclusively determined by the Board of Directors of the Issuer or any person(s) authorised by the Board of Directors of the Issuer, in either case acting in good faith.

6.2 Limitations on Asset Sales

(a) So long as any of the Notes remain outstanding, the Parent shall apply any Net Cash Proceeds from an Asset Sale to:

(i) permanently repay unsubordinated Financial Indebtedness; or

(ii) acquire properties and assets (other than current assets) that will be directly owned and used by the Parent in Permitted Businesses; or

(iii) invest in subsidiaries involved in Permitted Businesses; *provided that* the amount of such investment, individually or when aggregated with all other investments in subsidiaries in respect of the Net Cash Proceeds from any Asset Sales in the 12 month period prior to such investment, does not exceed 3% of the Fixed Assets of the Parent on the immediately preceding balance sheet date (as stated in the Parent's most recent semi-annual or annual financial statements); or

(iv) pay a dividend, *provided that*, the Parent shall not pay any such dividend in respect of or otherwise distribute such Net Cash Proceeds to its shareholders if such dividend or distribution, individually or when aggregated with all other dividends or distributions in respect of the Net Cash Proceeds from any Asset Sales in the 12 month period prior to the date of the declaration of such dividend or distribution, exceeds U.S.$200,000,000 or its equivalent in other currencies.

(b) The Parent will not, directly or indirectly, consummate an Asset Sale unless the Parent receives consideration at the time of the Asset Sale at least equal to the Fair Market Value (measured as of the date of the definitive agreement with respect to the Asset Sale (including as to the value of all non-cash consideration, such non-cash consideration shall, for the avoidance of doubt, not be subject to the restrictions under Condition 6.2(a)) of the Fixed Assets sold or otherwise disposed of.

(c) Pending application of Net Cash Proceeds as set out above, such Net Cash Proceeds may be placed in cash deposits or invested in short term money market instruments.

6.3 Limitation on Financial Indebtedness

(a) So long as any of the Notes remain outstanding, the Parent and the Issuer shall not Incur, directly or indirectly, any Financial Indebtedness, unless after giving effect to the application of the proceeds thereof:

(i) no Event of Default or Potential Event of Default would occur as a consequence of such Incurrence or be continuing following such Incurrence; and

(ii) the Total Net Long Term Debt to Total Net Worth ratio for the Parent's most recently ended semi-annual or annual period for which unconsolidated financial statements are available immediately preceding the date on which such Financial Indebtedness is Incurred shall not be greater than 3.0:1.0.

Provided that this Condition 6.3 shall not apply to:

A. Financial Indebtedness of the Issuer evidenced by the Notes or the [●] Notes (and any notes exchanged for the Notes or the [●] Notes);

B. Financial Indebtedness existing as at [●] 2018, and any refinancings thereof; and

C. Financial Indebtedness used to refinance Financial Indebtedness properly Incurred under this Condition 6.3.

(b) The Total Net Long Term Debt to Total Net Worth ratio shall be calculated and interpreted on an unconsolidated basis.

6.4 Suspension of Covenants

(a) Following the first day (the **Suspension Date**) that (i) the Notes have Notes Investment Grade Status and (ii) no Event of Default has occurred and is continuing, Condition 6.2 (*Limitations on Asset Sales*) and Condition 6.3 (*Limitation on Financial Indebtedness*) shall no longer be tested in relation to the Parent for purposes of these Conditions and the Trust Deed (the **Suspended Covenants**). In the event that the Suspended Covenants are no longer tested in relation to the Parent for any period of time as a result of the preceding sentence and, on any subsequent date (the **Reversion Date**), either (A) a Rating Agency has assigned ratings to the Notes below the required Notes Investment Grade Status or (B) an Event of Default occurs and is continuing, then the Suspended Covenants will thereafter again be tested in relation to the Parent for purposes of these Conditions and the Trust Deed. The period of time between the Suspension Date and the Reversion Date is referred to in the covenant described hereunder as the **Suspension Period**.

(b) Notwithstanding that the Suspended Covenants may be reinstated, no Event of Default will be deemed to have occurred as a result of a failure to comply with the Suspended Covenants during the Suspension Period. On the Reversion Date, all Financial Indebtedness Incurred during a Suspension Period will be classified to have been Incurred pursuant to paragraph B of the proviso to Condition 6.3(a) and will be deemed to have been in existence on [●] 2018 and therefore permitted. On the Reversion Date, for purposes of determining compliance with Condition 6.2, the amount of Net Cash Proceeds applied in the 12 month period prior to the Reversion Date under Condition 6.2(a)(iii) and 6.2(a)(iv) shall be deemed to be zero.

6.5 Interpretation

In these Conditions:

(a) **2024 Notes** means the U.S.$1,000,000,000 5.95% Guaranteed Notes Due 2024 issued by the Issuer.

(b) **Asset Sale** means the sale, lease, conveyance or other disposition of any Fixed Assets by the Parent. Notwithstanding the preceding, none of the following items will be deemed to be an Asset Sale:

(i) any single transaction or series of related transactions that involves Fixed Assets having a Fair Market Value of less than U.S.$100,000,000;

(ii) the sale, lease or other transfer of accounts receivable, inventory, trading stock and other assets in the ordinary course of business (including the abandonment, sale or other disposition of damaged, worn out or obsolete assets or assets or intellectual property that are, in the reasonable judgment of the Parent, no longer economically practicable to maintain or useful in the conduct of business of the Parent);

(iii) licences, sub-licences, subleases, assignments or other disposition by the Parent of software or intellectual property in the ordinary course of business;

(iv) any surrender or waiver of contract rights or settlement, release, recovery on or surrender of contract, tort or other claims in the ordinary course of business;

(v) the sale or other disposition of cash or cash equivalents;

(vi) the disposition of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;

(vii) the foreclosure, condemnation or any similar action with respect to any property or other assets or a surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind;

(viii) any unwinding or termination of hedging obligations not for speculative purposes;

(ix) the disposition of assets of the Parent which are seized, expropriated or compulsory purchased by or by the order of any central or local government authority;

(x) the disposition of assets to another person whereby the Parent leases such assets back from such person; and

(xi) operating leases of Fixed Assets.

(c) **Cash** means, at any time, the amount of cash and bank balances as stated in the latest standalone balance sheet of the Parent.

(d) **Cash Equivalents** means investments that are short term investments (excluding equity investments) which are readily convertible into cash without incurring any significant premium or penalty.

(e) **Default** means any event which is, or after notice or passage of time or both would be, an Event of Default.

(f) **External Obligations** means bonds, debentures, notes or other similar securities of the Issuer or the Parent which both:

(i) are by their terms payable, or confer a right to receive payment, in, or by reference to, any currency other than Rupees, or which are denominated in Rupees and more than 50% of the aggregate principal amount thereof is initially distributed outside of India by or with the authorisation of the Issuer or the Parent; and

(ii) are for the time being or are capable of being quoted, listed, ordinarily dealt in or traded on any stock exchange or over-the-counter or other similar securities market outside of India.

(g) **Extraordinary Resolution** means:

(i) a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority consisting of not less than two-thirds of the Eligible Persons (as defined in the Trust Deed) voting thereat upon a show of hands or, if a poll is duly demanded, by a majority consisting of not less than two-thirds of the votes cast on such poll; or

(ii) a resolution in writing signed by or on behalf of holders of not less than two-thirds in principal amount of the Notes for the time being outstanding which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the holders; and

(iii) consent given by way of electronic consents through the relevant Clearing System(s) (as defined in the Trust Deed) (in a form satisfactory to the Trustee) by or on behalf of the holders of not less than two-thirds in principal amount of the Notes for the time being outstanding.

(h) **Fair Market Value** means, with respect to any asset or property, the price which could be negotiated in an arm's length, for cash, between a willing seller and a willing and able buyer, neither of whom is under undue pressure or compulsion to complete the transaction. Fair Market Value will be determined in good faith by the Board of Directors of the Parent or any person(s) authorised by the Board of Directors of the Parent, whose determination will be conclusive and evidenced by a certificate from the same.

(i) **Financial Indebtedness** means any indebtedness Incurred by the Parent or the Issuer for or in respect of:

(i) moneys borrowed;

(ii) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;

(iii) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(iv) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with Ind-AS (in relation to the Parent) or SFRS (in relation to the Issuer), be treated as a finance or capital lease;

(v) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

(vi) any amount raised under any other transaction having the commercial effect of a borrowing and required by Ind-AS (in relation to the Parent) or SFRS (in relation to the Issuer), to be shown as a borrowing in the balance sheet of the Parent or the Issuer, as applicable;

(vii) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);

(viii) shares which are expressed to be redeemable on or before [●];

(ix) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and

(x) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (i) to (ix) above.

(j) **Fixed Assets** refers to assets classified as such in the Parent's unconsolidated financial statements prepared in accordance with Ind-AS.

(k) **Ind-AS** means the Indian Accounting Standards.

(l) **Incur** means, with respect to any Financial Indebtedness, to incur, create, issue, assume, guarantee or otherwise become liable for or with respect to, or become responsible for, the payment of, contingently or otherwise, such Financial Indebtedness. The terms "**Incurrence**," "**Incurred**" and "**Incurring**" have meanings correlative with the foregoing.

(m) **Net Cash Proceeds** with respect to any sale of any Fixed Assets of the Parent means the cash proceeds of such sale net of payments to repay Financial Indebtedness or any other obligation outstanding at the time that either (1) is secured by a lien on such Fixed Assets or (2) is required to be paid as a result of such sale, legal fees, accountants' fees, agents' fees, discounts or commissions and brokerage, consultant fees and other fees actually incurred in connection with such sale and net of taxes paid or payable as a result thereof.

(n) **Notes Investment Grade Status** exists as of any time if at such time the Notes have been assigned (x) "BBB-" or higher by Fitch; (y) "BBB-" or higher by S&P; or (z) "Baa3" or higher by Moody's.

(o) **Officer** means any director of the Issuer.

(p) **Officers' Certificate** means a certificate signed by two Officers.

(q) **Permitted Business** means (i) any business, services or activities engaged in by the Parent and its Subsidiaries on the Closing Date and (ii) any business, services or activities engaged in by the Parent or any of its Subsidiaries that are related, complementary, incidental, ancillary or similar to any of the foregoing, or are extensions or developments of any thereof.

(r) **Rating Agency** shall have the meaning given to such term in Condition 9.3(e)(viii).

(s) **Rupees** means the lawful currency of the Republic of India.

(t) **Security** means a mortgage, charge, pledge, lien, encumbrance or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect, including any mortgage, pledge, retention of title arrangement, right of retention, and, in general, any right in rem, created for the purpose of granting security.

(u) **SFRS** means Singapore Financial Reporting Standards.

(v) **Total Net Long Term Debt** means at any time the aggregate of:

(i) long term borrowings of the Parent; *plus*

(ii) the portion of other current liabilities which comprise current maturities of long term borrowings of the Parent; *plus*

(iii) any guarantee or indemnity given by the Parent in respect of any indebtedness with a maturity of more than 1 year of any person; *minus*

(iv) the aggregate amount of Cash and Cash Equivalents,

each as stated, or derived from the latest standalone financial statements of the Parent.

(w) **Total Net Worth** means at any time the aggregate of the amounts paid up or credited as paid up on the share capital of the Parent, on a standalone basis, and the amount standing to the credit of the reserves and surplus of the Parent, on a standalone basis, but deducting (to the extent included) any amounts arising from an upward revaluation of assets made at any time after 30 September 2017.

7. INTEREST

7.1 Interest Rate and Interest Payment Dates

The Notes bear interest on their outstanding principal amount from and including the Closing Date at the rate of [●]% per annum, payable semi-annually in arrear on [●] and [●] of each year (each, an **Interest Payment Date**). The first payment (for the period from and including [●] 2018 to but excluding [●] 2018) will be made on [●] 2018.

If any Interest Payment Date falls on a day which is not a Business Day, it shall be postponed to the next day which is a Business Day unless it would then fall into the next calendar month, in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In this Condition **Business Day** means in relation to any place a day (other than a Saturday or Sunday) on which commercial banks are open for business in London, Singapore, New York, Mumbai and, in the case of presentation of a Note Certificate, in the place in which the Note Certificate is presented.

7.2 Interest Accrual

Each Note will cease to bear interest from and including the Maturity Date or the date on which all amounts due in respect of such Note have been paid unless, upon due presentation, payment of principal in respect of the Note is improperly withheld or refused or unless default is otherwise made in respect of payment. In such event, interest will continue to accrue until whichever is the earlier of:

(a) the date on which all amounts due in respect of such Note have been paid; and

(b) seven days after the date on which the full amount of the moneys payable in respect of such Notes has been received by the Principal Paying Agent or the Registrar, as the case may be, and notice to that effect has been given to the Noteholders in accordance with Condition 15 (Notices).

7.3 Calculation of Broken Interest

When interest is to be calculated in respect of a period of less than six months, the day-count fraction used will be the number of days in the relevant period, from (and including) the date from which interest begins to accrue to (but excluding) the date on which it falls due, divided by 360.

8. PAYMENTS

8.1 Method of Payments

(a) Payment of principal, premium (if any) and interest will be made by transfer to the registered account of the Noteholder or, in the case of payments of interest due on an Interest Payment Date, in accordance with the provisions of the Agency Agreement. Payments of principal and premium (if any) and payments of interest due otherwise than on an Interest Payment Date will only be made against surrender of the relevant Certificate at the specified office of any of the Agents. Interest on Notes due on an Interest Payment Date will be paid to the holder shown on the register of Noteholders at the close of business on the date (the **record date**) being the 15th day before the relevant Interest Payment Date.

(b) For the purposes of this Condition, a Noteholder's registered account means the US dollar account maintained by or on behalf of it with a bank in New York City, details of which appear on the register of Noteholders at the close of business, in the case of principal and premium (if any) and interest due otherwise than on an Interest Payment Date, on the Business Day (as defined below) before the due date for payment and, in the case of interest due on an Interest Payment Date, on the relevant record date.

8.2 Partial Payments

If the amount of principal, premium (if any) or interest which is due on the Notes is not paid in full, the Principal Paying Agent or the Registrar, as the case may be, will annotate the register of Noteholders with a record of the amount of principal, premium (if any) or interest in fact paid.

8.3 Payments subject to Applicable Laws

All payments are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 10 (*Taxation*). No commissions or expenses shall be charged to the Noteholders in respect of any such payments.

8.4 Payment on Business Days

(a) Payment instructions (for value on the due date or, if that is not a Business Day (as defined below), for value on the first following day which is a Business Day) will be initiated on the due date for payment (or, if it is not a Business Day, the immediately following Business Day) or, in the case of payment of principal, if later, on the Business Day on which the relevant Certificate is surrendered at the specified office of the Agent.

(b) Noteholders will not be entitled to interest or other payment for any delay after the due date in receiving the amount due if (i) the due date is not a Business Day or (ii) the Noteholder is late in surrendering its Certificate (if required to do so).

In this Condition **Business Day** means in relation to any place a day (other than a Saturday or Sunday) on which commercial banks are open for business in London, Singapore, New York, Mumbai and, in the case of presentation of a Note Certificate, in the place in which the Note Certificate is presented.

8.5 Default Interest

(a) If on or after the due date for payment of any sum in respect of the Notes, payment of all or any part of such sum shall not be made against due presentation of the Certificates, the Issuer shall pay interest on the amount so unpaid from such due date up to the day of actual receipt by the relevant Noteholders (before and after judgment) at a rate per annum equal to [●]% per annum. The Issuer shall pay any unpaid interest accrued on the amount so unpaid on the last Business Day of the calendar month in which such interest accrued and any interest payable under this Condition which is not paid on the last Business Day of the calendar month in which it accrued shall be added to the overdue sum and itself bear interest accordingly.

(b) The Trustee and Agents shall not be liable for (i) any such payments of default interest pursuant to Condition 8.5(a) above which shall be made directly by the Issuer to the relevant Noteholders; (ii) any failure of the Issuer to make payments of any such default interest to the Noteholders; or (iii) any calculations in respect of such default interest which are carried out by any other party.

8.6 Agents

The name of the initial Paying Agents and their initial specified offices are set out at the front of these Conditions. The Issuer reserves the right, subject to the prior written approval of the Trustee, to vary or terminate the appointment of any Paying Agent at any time and to appoint additional or other Paying Agents *provided that*:

(a) there is always a Principal Paying Agent;

(b) there is always a Registrar; and

(c) such other agents as may be required by any stock exchange on which the Notes may be listed. Notice of any termination or appointment and of any changes in specified offices shall be given to the Noteholders promptly by the Issuer in accordance with Condition 15 (Notices).

9. REDEMPTION AND PURCHASE

9.1 Redemption at Maturity

Unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem the Notes at their principal amount (together with unpaid accrued interest thereon (if any)) on the Maturity Date.

9.2 Redemption for Taxation Reasons

(a) The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time or on any Interest Payment Date, on giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 15 (Notices) (which notice shall be irrevocable), at their principal amount (together with unpaid accrued interest thereon (if any)), if (i) the Issuer satisfies the Trustee immediately prior to the giving of such notice that it has or will become obliged to pay additional amounts as provided or referred to in Condition 10 (Taxation) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction (as defined in Condition 10.2(b)), or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Closing Date, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, *provided that* no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts where a payment in respect of the Notes is then due.

(b) Prior to the publication of any notice of redemption pursuant to Condition 9.2(a), the Issuer shall deliver to the Trustee a certificate signed by two directors of the Issuer stating that the obligation referred to in Condition 9.2(a)(ii) above cannot be avoided by the Issuer taking reasonable measures available to it and the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment. The Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out in Condition 9.2(a)(ii) above in which event it shall be conclusive and binding on the Noteholders and the Trustee shall not be liable to any person for doing so.

9.3 Redemption for Change of Control Triggering Event

(a) If a Change of Control Triggering Event (as defined below) occurs with respect to the Parent, each Noteholder shall have the right (the **Change of Control Redemption Right**), at such Noteholder's option, to require the Issuer to redeem all of such Noteholder's Note(s) in whole, but not in part on the Change of Control Redemption Date (as defined below), at a price equal to the Change of Control Redemption Amount (as defined below). The Agents shall not be required to take any steps to ascertain whether a Change of Control Triggering Event or any event which could lead to the occurrence of a Change of Control Triggering Event has occurred and shall not be liable to any person for any failure to do so.

(b) To exercise the Change of Control Redemption Right attaching to a Note on the occurrence of a Change of Control Triggering Event, the holder thereof must complete, sign and deposit at its own expense at any time from 9.30 a.m to 5.30 p.m (local time in the place of deposit) on any Business Day at the specified office of any Paying Agent a notice (a **Change of Control Redemption Notice**) in the form (for the time being current) obtainable from the specified office of any Paying Agent together with the relevant Certificate evidencing the Notes to be redeemed. Such Change of Control Redemption Notice may be given on the earlier of the date on which the relevant Noteholder becomes aware of the occurrence of the Change of Control Triggering Event and the date on which the Change of Control Notice (as detailed below) delivered by the Issuer under Condition 9.3(d) is received by such Noteholder. No Change of Control Redemption Notice rnay be given after 90 days from the date of the Change of Control Notice.

(c) A Change of Control Redemption Notice, once delivered, shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the Change of Control Redemption Notice and instead to give notice that the Note is immediately due and repayable under Condition 11.1 (Events of Default). The Issuer shall redeem the Notes (in whole but not in part) which form the subject of any Change of Control Redemption Notice which is not withdrawn on the Change of Control Redemption Date.

(d) Not later than seven days after becoming aware of a Change of Control Triggering Event, the Issuer shall procure that notice (a **Change of Control Notice**) regarding the Change of Control Triggering Event be delivered to the Trustee, the Agents and the Noteholders (in accordance with Condition 15 (Notices) stating:

  (i) that Noteholders may require the Issuer to redeem their Notes under Condition 9.3 (Redemption for Change of Control Triggering Event);

  (ii) the date of such Change of Control Triggering Event and, briefly, the events causing such Change of Control Triggering Event;

  (iii) the names and addresses of all relevant Paying Agents;

  (iv) such other information relating to the Change of Control Triggering Event as any Noteholder may require; and

  (v) that the Change of Control Redemption Notice pursuant to Condition 9.3(b) once validly given, may not be withdrawn and the last day on which a Change of Control Redemption Notice may be given.

(e) In this Condition:

(i) **Change of Control** means the occurrence of any of the following:

(A) a person or persons, acting together, other than the Tata Group, acquire Control, directly or indirectly, of the Parent;

(B) the Parent consolidates with or merges into or sells or transfers all or substantially all of its assets to any other person or persons, acting together;

(C) the adoption of a plan relating to the liquidation or dissolution of the Parent; or

(D) the Parent ceases directly to own 100% of the share capital of the Issuer or adopts a plan relating to the liquidation or dissolution of the Issuer.

(ii) **Change of Control Redemption Amount** means an amount equal to 101% of the principal amount of the Notes redeemed plus unpaid accrued interest, if any, to and including the Change of Control Redemption Date.

(iii) **Change of Control Redemption Date** means the date specified in the Change of Control Redemption Notice, such date being not less than 30 nor more than 60 days after the date of the Change of Control Redemption Notice.

(iv) **Change of Control Triggering Event** means the occurrence of a Change of Control; provided, however, that if the Change of Control is an event described in clauses (A) and (B) of the definition thereof, it shall not constitute a Change of Control Triggering Event unless and until a Rating Decline also shall have occurred.

(v) **Control** means (A) the acquisition or control of more than 50% of the Voting Rights of the issued share capital of the Parent or (B) the right to appoint and/or remove all or the majority of the members of the Parent's Board of Directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of Voting Rights, contract or otherwise, and "controlled" shall be construed accordingly.

(vi) **Investment Grade Status** exists as of any time if at such time the Parent's corporate credit rating has been assigned at least two of the three following ratings: (x) "BBB-" or higher by Fitch; (y) "BBB-" or higher by S&P; or (z) "Baa3" or higher by Moody's.

(vii) for the purposes of the Change of Control Redemption Right, a "person" includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or two or more of the foregoing.

(viii) **Rating Agency** means any of Standard & Poor's Ratings Service, a division of the McGraw Hill Companies Inc. (**S&P**) Moody's Investors Service, Inc. (**Moody's**) or Fitch Inc., a subsidiary of Fimalac, S.A. (**Fitch**), and any of their successors, as applicable.

(ix) **Rating Category** means (i) with respect to S&P, any of the following categories: "BB", "B", "CCC", "CC", "C", and "D" (or equivalent successor categories); (ii) with respect to Moody's, any of the following categories: "Ba", "B", "Caa", "Ca", "C", and "D" (or equivalent successor categories); (iii) with respect to Fitch, any of the following categories: "BB", "B", "CCC", "CC", "C", and "D" (or equivalent successor categories) and (iv) the equivalent of any such category of S&P, Moody's and Fitch used by another Rating Agency. In determining whether the rating of the Parent has decreased by one or more gradations, gradations within Rating Categories ("+" and "-" for S&P and Fitch; "l", "2" and "3" for Moody's; or the equivalent gradations for another Rating Agency) shall be taken into account (eg, with respect to S&P and Fitch, a decline in a rating from "BB+" to "BB", as well as from "BB-" to "B+" will constitute a decrease of one gradation).

(x) **Rating Date** means in connection with a Change of Control Triggering Event, that date which is 90 days prior to the earlier of (A) a Change of Control, (B) the initial public notice of the occurrence of a Change of Control or of the intention by the Parent or any other Person or Persons to effect a Change of Control and (C) the date that the acquirer or prospective acquirer (1) has entered into one or more binding agreements with the Parent and/or shareholders of the Parent that would give rise to a Change of Control or (2) has commenced an offer to acquire outstanding capital stock of the Parent.

(xi) **Rating Decline** means in connection with a Change of Control Triggering Event, the occurrence on, or within six months after, the date, or public notice of the occurrence of, a Change of Control or the intention by the Parent or any other person or persons to effect a Change of Control (which period shall be extended so long as the corporate credit rating of the Parent or the Parent and its subsidiaries, is under publicly announced consideration for possible downgrade by any of the Rating Agencies) of any of the events listed below:

(A) in the event the Parent is rated by one or more Rating Agencies on the Rating Date as having Investment Grade Status, the rating of the Parent by any such Rating Agency shall be downgraded to below Investment Grade Status; or

(B) in the event the Parent is rated below Investment Grade Status by one or more Rating Agencies on the Rating Date, the rating of the Parent by any such Rating Agency shall be withdrawn or decreased by one or more gradations (including gradations within Rating Categories as well as between Rating Categories).

(xii) **Tata Group** means Tata Sons Limited, Tata Power Company Limited, Tata Steel Limited, Tata Industries Limited, Tata Motors Limited, Tata Chemicals Limited, Tata Tea Limited, The Indian Hotels Company Limited, Tata International Limited, Tata Consultancy Services Limited, Trent Limited, Tata Investment Corporation Limited and Panatone Finvest Limited (each of which is a company incorporated under the laws of India), their respective subsidiaries and holding companies and any other company which includes the word 'Tata' in its name pursuant to a brand equity promotion agreement with a member of the Tata Group.

(xiii) **Voting Rights** means the right generally to vote at a general meeting of shareholders of the Parent (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency).

9.4 Mandatory exchange at the option of the Issuer

(a) The Notes may be exchanged for new notes issued directly by the Parent (the **New Notes**), at the option of the Issuer in whole, but not in part, at any time or on any Interest Payment Date, on giving not less than 15 nor more than 30 days' notice to the Noteholders, the Trustee and the Principal Paying Agent in accordance with Condition 15 (Notices) (which notice shall be irrevocable) (the **Exchange Notice**). The terms and conditions of the New Notes will be as set out in Schedule 7 to the Trust Deed and will contain the same terms as the Notes (including, but not limited to, principal, premium and interest payable, covenants, cross-acceleration, interest payment dates and the maturity date), except for the issue date. The exchange of the Notes for the New Notes (the **Exchange**) will be done in such a manner that each Noteholder will receive an amount of New Notes equal in principal amount to the principal amount of the Notes then held by such Noteholder.

(b) The Trustee shall not be liable for acting or refraining from acting in reliance on any purported Exchange Notice and shall not be responsible for checking that such Exchange Notice has been duly completed or properly delivered and any purported Exchange Notice which the Trustee accepts shall be conclusive and binding on the Issuer, the Trustee, the Agents and the Noteholders.

(c) The Issuer shall be responsible for the payment of, and shall, in the relevant Exchange Notice, indemnify the Noteholders, the Trustee and the Principal Paying Agent in respect of, all stamp, stamp duty reserve, registration, documentary, transfer and other similar taxes or duties (including penalties) arising on the delivery of the New Notes to the relevant Noteholder.

9.5 Provisions relating to Partial Redemption

If fewer than all of the Notes are to be redeemed at any time, the selection of such Notes for redemption will be made by the Trustee in compliance with the rules, if any, of any stock exchange on which the Notes are listed or, if such Notes are not then listed or there are no such applicable rules, on a pro rata basis and in such manner as the Trustee may deem appropriate and fair, *provided that* no Notes shall be redeemed in part more than 30 days before the date fixed for redemption. Notice of any such selection will be given not less than 15 days before the date fixed for redemption. Each notice will specify the date fixed for redemption and the aggregate principal amount of the Notes to be redeemed, the serial numbers of the Notes called for redemption, the serial numbers of Notes previously called for redemption and not presented for payment and the aggregate principal amount of the Notes which will be outstanding after the partial redemption. Where some but not all of the Notes in respect of which a Certificate is issued are to be redeemed, the notice of redemption that relates to such Certificates shall state the portion of the principal amount of the Notes to be redeemed and, where applicable, a new Certificate in a principal amount equal to the unredeemed Notes will be issued in the name of the Noteholder thereof upon cancellation of the original Certificate. Any such new Certificate will be delivered to the specified office of a Paying Agent or (at the risk and, if mailed at the request of the Noteholder otherwise than by ordinary uninsured mail, at the expense of the Noteholder) sent by mail to the Noteholder.

9.6 Purchases

The Issuer and the Parent (and any other subsidiary of the Parent) may at any time purchase Notes in any manner and at any price. The Notes so acquired, while held on behalf of the Issuer or the Parent (or such other subsidiary of the Parent), shall not entitle the holders thereof to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders for the purposes of Condition 11 (Events of Default), Condition 13 (Enforcement) and Condition 16 (Meetings of Noteholders, Modification, Waiver and Authorisation). If purchases are made by tender, tenders must be available to all Noteholders alike except where it is not possible to do so in order to qualify for exemptions from any offering restrictions imposed by any jurisdiction.

9.7 Cancellations

All Notes which are (a) redeemed or exchanged or (b) purchased by or on behalf of the Issuer, the Parent or any of the Parent's other subsidiaries, will forthwith be cancelled, and accordingly may not be reissued or resold.

9.8 Notices Final

Upon the expiry of any notice as is referred to in Conditions 9.2 or 9.3 above the Issuer shall be bound to redeem the Notes to which the notice refers in accordance with the terms of such Condition.

10. TAXATION

10.1 Payment without Withholding

All payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (**Taxes**) imposed or levied by or on behalf of any of the Relevant Jurisdictions, unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders after the withholding or deduction shall equal the amounts which would have been received by them had no such withholding or deduction been required; except that no additional amounts shall be payable on any Note in relation to any payment in respect of:

(a) any Taxes that would not have been withheld, deducted or imposed but for (i) the holder of the Notes, (ii) the beneficial owner of the Notes or (iii) a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of power over, the relevant holder, if the relevant holder is an estate, trust, partnership or corporation, being a citizen or resident or national of, incorporated in or carrying on a trade or business in or having a permanent establishment in the Relevant Jurisdiction in which such Taxes are imposed or having any other present or former connection with the Relevant Jurisdiction other than the mere acquisition, holding, enforcement or receipt of payment in respect of the Notes;

(b) any Taxes that are withheld, deducted or imposed as a result of the failure of the holder or beneficial owner of the Notes to comply, to the extent legally able, with any reasonable request, made to that holder or beneficial owner at least 60 days before any such withholding or deduction would be payable, by the Issuer to provide timely and accurate information concerning the nationality, residence or identity of such holder or beneficial owner or to make any valid and timely declaration or similar claim or satisfy any certification, information or other reporting requirement, which is required or imposed by a statute, treaty, regulation or administrative practice of the Relevant Jurisdiction as a precondition to any exemption from or reduction in all or part of such Taxes to which such holder is entitled;

(c) any Taxes that would not have been withheld, deducted or imposed but for the presentation of a Note for payment more than 30 days after the relevant payment is first made available for payment to the holder (except to the extent that the holder would have been entitled to additional amounts had the Note been presented on the last day of such 30 day period);

(d) any Taxes that are withheld, deducted or imposed on or with respect to any payment of principal or interest on such Note made to any holder who is a fiduciary or partnership or any person other than the sole beneficial owner of such payment, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such a partnership or the beneficial owner of such payment would not have been entitled to the additional amounts had such beneficiary, settlor, member or beneficial owner been the actual holder of such Note;

(e) any estate, inheritance, gift, sales, excise, transfer, personal property or similar Taxes;

(f) where such withholding or deduction is required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations thereunder, official interpretations thereof, or law implementing an intergovernmental approach thereto.

(g) any Taxes withheld, deducted or imposed on or with respect to any Note presented for payment by or on behalf of a holder of Notes who would have been able to avoid such withholding or deduction by presenting the relevant Note to another Paying Agent;

(h) any Taxes payable other than by deduction or withholding from payments under, or with respect to, the Notes; or

(i) any combination of items 11.1(a) through 11.1(h) above.

10.2 Interpretation

In these Conditions:

(a) **Relevant Date** means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by a Paying Agent or the Trustee on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect has been duly given to the Noteholders by the Issuer in accordance with Condition 15 (Notices); and

(b) **Relevant Jurisdiction** means Singapore or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal and interest on the Notes.

10.3 Additional Amounts

Any reference in these Conditions to any amounts in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition or under any undertakings given in addition to, or in substitution for, this Condition pursuant to the Trust Deed.

11. EVENTS OF DEFAULT

11.1 Events of Default

The Trustee at its discretion may, and if so requested in writing by the holders of at least 25% in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders, shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction), give notice to the Issuer that the Notes are, and shall immediately become, due and repayable at their principal amount, together with unpaid accrued interest as provided in the Trust Deed, if any of the following events occurs and is continuing (**Events of Default**):

(a) **Non-payment**

If the Issuer fails to pay any principal, redemption amount or interest on any of the Notes when due and the default continues for a period of seven business days in the case of principal or 30 days in the case of interest; or

(b) **Breach of other obligations**

If the Issuer or the Parent fail to perform or comply with any of their other obligations or the other requirements under these Conditions or the Trust Deed and (except where the Trustee considers the failure to be incapable of remedy, when no continuation nor notice mentioned below will be required) the failure continues for the period of 30 days following the service by the Trustee on the Issuer of notice requiring the default to be remedied; or

(c) **Cross acceleration**

If (i) any Indebtedness for Borrowed Money (as defined below) of the Issuer or the Parent becomes due and repayable prior to its stated maturity by reason of an event of default or potential event of default (however described); (ii) the Issuer or the Parent fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment as extended by any originally applicable grace period; (iii) any security given by the Issuer or the Parent for any Indebtedness for Borrowed Money becomes enforceable; or (iv) default is made by the Issuer or the Parent in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person; *provided that* no event described in this Condition shall constitute an Event of Default unless the Indebtedness for Borrowed Money or other relative liability due and unpaid, either alone or when aggregated (without duplication) with other amounts of Indebtedness for Borrowed Money and/or other liabilities due and unpaid relative to all (if any) other events specified in (i) to (iv) above which have occurred and are continuing, amounts to at least U.S.$75,000,000 (or its equivalent in any other currency); or

(d) **Winding-up**

If any order is made by any competent court or resolution is passed for the winding up or dissolution of the Issuer or the Parent, save for the purposes of reorganisation on terms approved by an Extraordinary Resolution of the Noteholders; or

(e) **Cessation of business**

If the Issuer or the Parent ceases or threatens to cease to carry on the whole or a substantial part of its business, save for the purposes of any reorganisation on terms approved by an Extraordinary Resolution of the Noteholders; or

(f) **Insolvency**

The Issuer or the Parent stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or

(g) **Liquidation and insolvency proceedings**

If (i) proceedings are initiated against the Issuer or the Parent under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or the Parent or, as the case may be, in relation to the whole or a substantial part of the undertaking or assets of any of them or an encumbrancer takes possession of the whole or a substantial part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the undertaking or assets of any of them, and (ii) in any such case (other than the appointment of an administrator) unless initiated by the relevant company is not discharged or stayed within 60 days; or

(h) **Creditors arrangement**

If the Issuer or the Parent (or their respective directors or shareholders) initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors); or

(i) **Nationalisation**

Any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Issuer or the Parent; or

(j) **Validity**

If the validity of the Notes is contested by the Issuer, or the Issuer denies any of its obligations under the Notes or it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or any of such obligations are or become unenforceable or invalid; or

(k) **Guarantee of the 2024 Notes by the Parent**

If the guarantee by the Parent of the 2024 Notes ceases to be, or is claimed by the Parent not to be, in full force and effect at any time while any of the 2024 Notes remain outstanding; or

(l) **Termination or Withdrawal of Letter of Comfort**

If the Letter of Comfort is terminated or withdrawn; or

(m) **Analogous event**

If any event occurs which, under the laws of any Relevant Jurisdiction, has or may have, in the Trustee's opinion, an analogous effect to any of the events referred to in Conditions 11.1(d) to 11.1(i) above.

The Issuer shall deliver to the Trustee, as soon as possible and in any event within 21 calendar days after the Issuer or the Parent becomes aware of the occurrence of a Default, an Officers' Certificate setting forth the details of such Default, and the action which the Issuer and the Parent propose to take with respect thereto.

11.2 Interpretation

For the purposes of this Condition:

Indebtedness for Borrowed Money means any indebtedness (whether being principal, premium (if any), interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities or any borrowed money or any liability under or in respect of any acceptance under any credit facility.

12. PRESCRIPTION

Claims in respect of principal and interest will become void unless presentation for payment is made as required by Condition 8 (Payments) within ten years (in the case of principal) and five years (in the case of interest) from the appropriate relevant due date.

13. ENFORCEMENT

13.1 The Trustee may at any time, at its discretion and without notice, take any proceedings or any other steps or actions (including lodging an appeal) against, in relation to, or in connection with, the Issuer as it thinks fit to enforce the provisions of the Trust Deed and the Notes or otherwise, but it is not bound to take any such proceedings or steps or other action in relation to the Trust Deed or the Notes unless (a) it has been directed to do so by an Extraordinary Resolution of the Noteholders or requested to do so in writing by the holders of at least 25% in principal amount of the Notes then outstanding, and (b) it has been indemnified and/or secured and/or prefunded to its satisfaction.

13.2 No Noteholder will be entitled to take any steps, action or proceedings against the Issuer to (i) enforce any of the provisions of the Trust Deed or the Notes or (ii) take any proceedings (including the lodging of an appeal in respect of or concerning the Issuer) unless the Trustee, having become bound to do so itself, fails to do so within a reasonable period and the failure is continuing.

14. REPLACEMENT OF CERTIFICATES

If any Certificate is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Principal Paying Agent upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

15. NOTICES

15.1 Notices to the Noteholders

(a) Notices to Noteholders will be valid if published in a leading newspaper having general circulation in (i) Asia (which is expected to be the Asian Wall Street Journal) and (ii) Europe (which is expected to be the Financial Times) If at any time publication in such newspapers is not practicable, notices will be valid if published in such other manner as the Issuer shall determine. Notices will, if published more than once or on different dates, be deemed to have been given on the first date on which publication is made.

(b) Notwithstanding the other provisions of this Condition, in any case where the identity and addresses of all the Noteholders are known to the Issuer, notices to such holders may be given individually by recorded delivery mail to such addresses and will be deemed to have been given when received at such addresses.

15.2 Notices from the Noteholders

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together with the relative Certificate, with the Registrar, or, if the Certificates are held in a clearing system, may be given through the clearing system in accordance with its standard rules and procedure.

16. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND AUTHORISATION

16.1 Meetings of Noteholders

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the modification or abrogation by Extraordinary Resolution of any of these Conditions or any of the provisions of the Trust Deed. The quorum at any meeting for passing an Extraordinary Resolution will be one or more persons present holding or representing more than 50% in principal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons present whatever the principal amount of the Notes held or represented by him or them, except that, at any meeting the business of which includes the modification or abrogation of certain of the provisions of these Conditions and certain of the provisions of the Trust Deed, the necessary quorum for passing an Extraordinary Resolution will be one or more persons present holding or representing not less than two-thirds, or at any adjourned meeting not less than one-third, of the principal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders will be binding on all Noteholders, whether or not they are present at the meeting.

16.2 Modification, Waiver, Authorisation and Determination

The Trustee may agree, without the consent of the Noteholders, to any modification of (except as mentioned in Condition 16.1 above), or to the waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed or the Agency Agreement, or determine, without any such consent as aforesaid, that any Event of Default or Potential Event of Default (as defined in the Trust Deed) shall not be treated as such (*provided that*, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders) or may agree, without any such consent as aforesaid, to any modification which, in its opinion, is of a formal, minor or technical nature or to correct a manifest error or an error which is, in the opinion of the Trustee, proven. Any such modification, authorisation or waiver shall be binding on the Noteholders and, unless Trustee otherwise agrees, such modification authorisation or waiver shall be notified to the Noteholders as soon as practicable in accordance with Condition 15.

16.3 Trustee to have Regard to Interests of Noteholders as a Class

In connection with the exercise by it of any of its functions (including, without limitation, any modification, waiver, authorisation, or determination), the Trustee shall have regard to the general interests of the Noteholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders (whatever their number) and, in particular, shall not have regard to the consequences of any such exercise for individual Noteholders (whatever their number) resulting from their being domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer, the Parent, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

16.4 Notification to the Noteholders

Any modification, waiver, authorisation, or determination shall be binding on the Noteholders and, unless the Trustee agrees otherwise, any modification shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 15 (Notices).

17. SUBSTITUTION

The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Noteholders, to the substitution of certain other entities in place of the Issuer or of any previous substituted company, as principal debtor under the Trust Deed and the Notes. In the case of such a substitution the Trustee may agree, without the consent of the Noteholders, to a change of the law governing the Notes and/or the Trust Deed *provided that* such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders.

18. INDEMNIFICATION OF THE TRUSTEE AND ITS CONTRACTING WITH THE ISSUER

18.1 Indemnification and protection of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility and liability towards the Issuer and the Noteholders including provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction.

18.2 Trustee Contracting with the Issuer and the Parent

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, inter alia, (i) to enter into business transactions with the Issuer and/or the Parent and/or any of the Parent's other subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or the Parent and/or any of the Parent's other subsidiaries, (ii) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders, and (iii) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

18.3 Reliance

The Trustee may rely, without any liability to the Noteholders, on any certificate or report of, or confirmation, advice or information provided by the Issuer or the Parent or the Parent's auditors as sufficient and conclusive evidence of the facts stated therein, regardless of whether such certificate, report, or confirmation, advise or information is addressed to the Trustee, was made pursuant to any document, engagement letter or agreement to which the Trustee is a party, or regardless of any monetary or other limitation or exclusion of liability of any such person in respect thereof. The Trustee may accept and shall be entitled to rely on any such report, certificate confirmation, advice or information and such report, certificate or information shall be binding on the Issuer, the Parent and the Noteholders.

19. FURTHER ISSUES

The Issuer is at liberty from time to time without the consent of the Noteholders to create and issue further Notes ranking *pari passu* in all respects (or in all respects save for the first payment of interest thereon) and so that the same shall be consolidated and form a single series with the outstanding Notes constituted by the Trust Deed or any supplemental deed, subject to the receipt by the Trustee of a certificate signed by two authorised signatories or directors of the Issuer and a legal opinion from an internationally recognised law firm, in each case in form and substance satisfactory to the Trustee.

The Issuer will also be permitted to issue and incur indebtedness through the issuance of further notes or bonds.

20. GOVERNING LAW AND SUBMISSION TO JURISDICTION

20.1 Governing Law

The Trust Deed, the Agency Agreement and the Notes and any non-contractual obligations arising out of or in connection with them are governed by, and will be construed in accordance with, English law.

20.2 Jurisdiction of English Courts

The Issuer has, in the Trust Deed, irrevocably agreed for the benefit of the Trustee and the Noteholders that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed or the Notes (including any dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed or the Notes) and accordingly has submitted to the exclusive jurisdiction of the English courts.

The Issuer has, in the Trust Deed, waived any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Trustee and the Noteholders may take any suit, action or proceeding arising out of or in connection with the Trust Deed or the Notes respectively (including any suit, action or proceedings relating to any non-contractual obligations arising out of or in connection with the Trust Deed or the Notes) (together referred to as **Proceedings**) against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

20.3 Appointment of Process Agent

The Issuer has, in the Trust Deed, irrevocably and unconditionally appointed Tata Limited, 18, Grosvenor Place, London SW1X 7HS (Attention: J.D. Contractor) as its agent for service of process in England in respect of any Proceedings and has undertaken that in the event of such agent ceasing so to act it will appoint such other person as the Trustee may approve as its agent for that purpose.

20.4 Sovereign Immunity

The Issuer has, in the Trust Deed, irrevocably and unconditionally waived and agreed not to raise with respect to the Notes any right to claim sovereign or other immunity from jurisdiction or execution or any similar defence, and has irrevocably and unconditionally consented to the giving of any relief or the issue of any process, including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any Proceedings.

21. RIGHTS OF THIRD PARTIES

No person shall have any right to enforce any term of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

THE GLOBAL CERTIFICATE

The Global Certificate

The Global Certificate contains provisions which apply to the Notes in respect of which the Global Certificate is issued, some of which modify the effect of the terms and conditions of the Notes set out in this Offering Memorandum. The following is a summary of certain of those provisions:

Exchange for definitive Notes and purchases

The Global Certificate will be exchangeable in whole but not in part (free of charge to the holder) for definitive Notes only upon happening of any of the events defined in the Trust Deed as Events of Default, if Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or if Euroclear or Clearstream announces an intention permanently to cease business or does in fact do so and no alternative clearing system is available.

Cancellation

Cancellation of any Notes following its redemption, exchange or purchase by the Issuer or the Group will be effected by reduction in the aggregate principal amount of the Notes in the register of Noteholders and by the annotation of the appropriate schedule to the relevant Global Certificate.

Trustee's Powers

In considering the interests of holders while the Global Certificate is registered in the name of a nominee for a clearing system, the Trustee may, without being obliged to do so, have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to Notes and may consider such interests as if such accountholders were the holders of the Notes in respect of which the Global Certificate is issued.

Payments

Payments of principal, premium (if any) and interest in respect of Notes represented by a Global Certificate will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of the Global Certificate to the order of the Principal Paying Agent or such other Paying Agent as shall have been notified to the holders for such purposes. A record of each payment made will be endorsed on the appropriate schedule to the relevant Global Certificate by or on behalf of the Registrar and shall be prima facie evidence that payment has been made.

Notices

So long as the Notes are represented by a Global Certificate and such Global Certificate is held on behalf of Euroclear or Clearstream, Luxembourg, notices to holders may be given by delivery of the relevant notice to Euroclear or Clearstream, Luxembourg rather than by publication as required by Condition 16.

Prescription

Claims in respect of principal and interest will become void unless presentation for payment is made as required by Condition 8 (Payments) within 10 years (in the case of principal) and five years (in the case of interest) from the appropriate relevant due date.

TAXATION

The information provided below does not purport to be a comprehensive description of all tax considerations that may be relevant to a decision to purchase Notes. In particular, the information does not consider any specific facts or circumstances that may apply to a particular purchaser. Neither these statements nor any other statements in this Offering Memorandum are to be regarded as advice on the tax position of any holder of Notes or of any person acquiring, selling or otherwise dealing in securities or on any tax implications arising from the acquisition, sale of or other dealings in Notes. The statements do not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in Notes) may be subject to special rules.

Prospective purchasers of Notes are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposition of Notes, including the effect of any applicable local taxes as well as the tax laws of India or any political sub division thereof. Additionally, in view of the number of different jurisdictions where local laws may apply, this Offering Memorandum does not discuss the local tax consequences to a potential holder arising from the acquisition, holding or disposition of the Notes. Prospective investors must, therefore, inform themselves as to any tax laws and regulations in force relating to the purchase, holding or disposition of the Notes in their country of residence and in the countries of which they are citizens or in which they purchase, hold or dispose of Notes.

Indian Taxation

The following summary describes certain Indian tax consequences applicable to the ownership and disposal of Notes by persons who are not resident for tax purposes in India and who do not hold Notes in connection with an Indian trade, business or permanent establishment.

It is not intended to constitute a complete analysis of all the Indian tax consequences that may be relevant to a holder of the Notes. It does not cover all tax matters that may be of importance to a particular purchaser. Prospective investors should consult their own tax advisors about the tax consequences of purchasing, holding and disposing of an investment in the Notes. This summary is based on Indian tax law and practice as at the date of this Offering Memorandum.

Income and withholding taxes

Holders of the Notes should not be subject to income or withholding taxes in India in connection with payments of interest made by the Issuer on the Notes in the manner set out in "Terms and Conditions of the Notes", provided, as the Issuer intends, all the proceeds of issue of the Notes are used by the Issuer for the purposes of its business carried on outside India. Payments of principal made by the Issuer on the Notes should also not be subject to Indian income or withholding taxes.

Although the position is not free from doubt because the Group includes Indian companies, payments by any such Indian company in respect of interest and principal on the Notes should also not be subject to withholding tax in India. If prospective investors are held to be liable to tax on interest in India, then payments in respect of interest will be subject to withholding tax at the rate of 20% (plus applicable surcharge and education cess and secondary and higher education cess). However, it is possible that withholding tax at a higher rate of 40% (plus applicable surcharge and education cess and secondary and higher education cess) could apply if the holder is a foreign company and in other cases at the rate of 30% (plus applicable surcharge and education cess and secondary and higher education cess). If the prospective investor creates a Permanent Establishment ("PE") or business connection in India and the said interest is effectively connected to the PE or the business connection then the rate of 40% or 30% (plus applicable surcharge and education cess and secondary and higher education cess), as the case may be, could apply. The rate of tax will be reduced if the beneficial recipient is a resident of a country with which the Central Government has entered into a Double Taxation Avoidance Agreement ("DTAA") and the provisions of such DTAA provide for taxation of such income at a reduced rate, subject to the requisite documentation being fulfilled.

Taxation of gains arising on disposal of the Notes (including redemption)

Subject to any relief available under a DTAA, gains arising on disposals of capital assets situated in India are subject to income tax in India. Since the Notes would be issued by the Issuer and the Issuer is an overseas entity, the capital assets would be regarded as situated outside of India and consequently, the capital gains should not be taxable in India provided the Notes continue to be maintained at all times in registered form on a register outside India.

Singapore Taxation

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore, administrative guidelines and circulars issued by the Monetary Authority of Singapore ("MAS") in force as of the date of this Offering Memorandum and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis. These laws, guidelines and circulars are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Offering Memorandum are intended or are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Prospective holders of the Notes are advised to consult their own tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Notes, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasized that none of the Issuer, the Joint Lead Managers and any other persons involved in the issuance of the Notes accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Notes.

Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the Income Tax Act, Chapter 134 of Singapore ("ITA"), the following payments are deemed to be derived from Singapore:

(a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or

(b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15% final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17%. The applicable withholding tax rate for non-resident individuals is currently 22%. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15%. The 15% withholding tax rate may be reduced by applicable tax treaties.

Certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

(a) interest from debt securities derived on or after January 1, 2004;

(b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after February 17, 2006; and

(c) prepayment fee, redemption premium and break cost from debt securities derived on or after February 15, 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession in Singapore.

As the issue of each of the [●] Notes and the [●] Notes is jointly lead-managed by Australia and New Zealand Banking Group Limited Singapore Branch, Barclays Bank PLC, Singapore Branch, BNP Paribas Singapore Branch, Citigroup Global Markets Singapore Pte. Ltd., Crédit Agricole Corporate and Investment Bank, Singapore Branch, DBS Bank Ltd., Deutsche Bank AG, Singapore Branch, First Abu Dhabi Bank PJSC, ING Bank N.V., Singapore Branch, J.P. Morgan Securities plc, Merrill Lynch (Singapore) Pte. Ltd., Morgan Stanley & Co. International plc, SMBC Nikko Capital Markets Limited, Société Générale, Standard Chartered Bank Singapore Branch and The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, and more than half of them are Financial Sector Incentive (Bond Market) ("FSI-BM"), Financial Sector Incentive (Standard Tier) ("FSI-ST") or Financial Sector Incentive (Capital Market) ("FSI-CM") Companies (as defined in the ITA), and more than half of each of the [●] Notes and the [●] Notes issued are distributed by FSI-BM, FSI-ST and/or FSI-CM Companies, and the Notes are issued as debt securities before December 31, 2018, each of the [●] Notes and the [●] Notes would be QDS for the purposes of the ITA, to which the following treatment shall apply:

(i) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the MAS may direct), to the MAS of a return on debt securities for each of the [●] Notes and the [●] Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with such Notes as the MAS may require and the inclusion by the Issuer in all offering documents relating to the Notes of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Notes is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for QDS shall not apply if the non-resident person acquires the Notes using the funds and profits of such person's operations through the permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the "Qualifying Income") from the Notes derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Notes are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore tax;

(ii) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities for each of the [●] Notes and the [●] Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Notes as the MAS may require), Qualifying Income from the Notes derived by any company or a body of persons (as defined in the ITA) in Singapore is subject to tax at a concessionary rate of 10% (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

(iii) subject to:

(aa) the Issuer including in all offering documents relating to the Notes a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Notes is not exempt from tax shall include such income in a return of income made under the ITA; and

(bb) the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities for each of the [●] Notes and the [●] Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Notes as the MAS may require,

payments of Qualifying Income derived from the Notes are not subject to withholding of tax by the Issuer.

Notwithstanding the foregoing:

(A) if during the primary launch of each of the [●] Notes and the [●] Notes, the [●] Notes or the [●] Notes are issued to fewer than four persons and 50% or more of the issue of the [●] Notes or the [●] Notes (as the case may be) are beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Notes would not qualify as QDS; and

(B) even though the [●] Notes and the [●] Notes are QDS, if, at any time during the tenure of the [●] Notes or the [●] Notes, 50% or more of the [●] Notes and the [●] Notes (as the case may be) which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from such Notes held by:

(i) any related party of the Issuer; or

(ii) any other person where the funds used by such person to acquire such Notes are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption or concessionary rate of tax as described above.

The term "related party", in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where a person and that other person, directly or indirectly, are under the control of a common person.

The terms "break cost", "prepayment fee" and "redemption premium" are defined in the ITA as follows:

- "break cost", in relation to debt securities and QDS, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption;

- "prepayment fee", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities; and

- "redemption premium", in relation to debt securities and QDS, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity.

References to "break cost", "prepayment fee" and "redemption premium" in this Singapore tax disclosure have the same meaning as defined in the ITA.

Where interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) is derived from each of the [●] Notes and the [●] Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS under the ITA (as mentioned above) shall not apply if such person acquires such Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) derived from the [●] Notes or the [●] Notes is not exempt from tax is required to include such income in a return of income made under the ITA.

Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Notes will not be taxable in Singapore. However, any gains derived by any person from the sale of the Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Notes who are adopting Singapore Financial Reporting Standard 39 ("FRS 39") or Singapore Financial Reporting Standard 109 ("FRS 109"), may for Singapore income tax purposes, be required to recognize gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of disposal, in accordance with FRS 39 or FRS 109. Please see the section below on "Adoption of FRS 39 and FRS 109 for Singapore Income Tax Purposes".

Adoption of FRS 39 and FRS 109 for Singapore Income Tax Purposes

Section 34A of the ITA provides for the tax treatment for financial instruments in accordance with FRS 39 (subject to certain exceptions and "opt-out" provisions) to taxpayers who are required to comply with FRS 39 for financial reporting purposes. The Inland Revenue Authority of Singapore has also issued a circular entitled "Income Tax Implications Arising from the Adoption of FRS 39 — Financial Instruments: Recognition and Measurement".

FRS 109 is mandatorily effective for annual periods beginning on or after January 1, 2018, replacing FRS 39. Section 34AA of the ITA requires taxpayers who comply or who are required to comply with FRS 109 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109, subject to certain exceptions. The Inland Revenue Authority of Singapore has also issued a circular entitled "Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 — Financial Instruments".

Holders of the Notes who may be subject to the tax treatment under Sections 34A or 34AA of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after February 15, 2008.

CLEARANCE AND SETTLEMENT

See “*Definitions*” in “*Terms and Conditions of the Notes*” for the definitions of certain capitalized terms used in this section.

Investors in the Notes may hold Notes through Euroclear or Clearstream, Luxembourg. Initial settlement and all secondary trades will settle as described below. Although the Issuer understands that Euroclear and Clearstream, Luxembourg will comply with the procedures provided below in order to facilitate transfers of Notes among participants of Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or continue to perform such procedures, and such procedures may be modified or discontinued at any time. None of the Issuer, the Group, the Trustee, the Registrar, the Transfer Agents, the Paying Agents or any other agent of any of them will have any responsibility for the performance by Euroclear or Clearstream, Luxembourg or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations. With respect to clearance and settlement through Euroclear and Clearstream, Luxembourg, the Issuer understands as follows:

THE CLEARING SYSTEMS

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg hold securities for participating organizations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream, Luxembourg provide to their participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg interface with domestic securities markets.

Euroclear and Clearstream, Luxembourg participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly.

Initial Settlement

The Notes will be issued initially in the form of a Global Certificate in book-entry form and will be deposited with a common depository for Euroclear and Clearstream, Luxembourg. Investors’ interests in Notes held in book-entry form by Euroclear or Clearstream, Luxembourg, as the case may be, will be represented through financial institutions acting on their behalf as direct and indirect participants in Euroclear or Clearstream, Luxembourg, as the case may be. In addition, Euroclear and Clearstream, Luxembourg may hold positions in the Notes on behalf of their participants through their respective depositories.

Investors electing to hold their Notes through Euroclear or Clearstream, Luxembourg accounts will follow the settlement procedures applicable to conventional notes. Notes will be credited to the accounts of depositories and will be processed by Euroclear or Clearstream, Luxembourg in accordance with usual new issue procedures.

Because the purchaser determines the place of delivery, it is important to establish at the time of trading of any Notes where both the purchaser’s and seller’s accounts are located to ensure that settlement can be made on the desired value date.

Trading between Euroclear and/or Clearstream, Luxembourg participants

Secondary market trading between Euroclear participants and/or Clearstream, Luxembourg participants will be settled using the procedures applicable to conventional notes in same-day funds.

SUBSCRIPTION AND SALE

Each of the Joint Lead Managers has, pursuant to the Subscription Agreement dated [●], 2018 (the "Subscription Agreement"), severally agreed, subject to the provisions of the Subscription Agreement, to subscribe and pay for, or to procure subscribers to subscribe and pay for, the respective principal amount of Notes of each Series set out opposite its name below:

Joint Lead Managers Principal Amount of Notes

Joint Lead Managers	Principal Amount of [●] Notes	Principal Amount of [●] Notes
Australia and New Zealand Banking Group Limited Singapore Branch	US$[●]	US$[●]
Barclays Bank PLC, Singapore Branch	US$[●]	US$[●]
BNP Paribas Singapore Branch	US$[●]	US$[●]
Citigroup Global Markets Singapore Pte. Ltd.	US$[●]	US$[●]
Crédit Agricole Corporate and Investment Bank, Singapore Branch	US$[●]	US$[●]
DBS Bank Ltd.	US$[●]	US$[●]
Deutsche Bank AG, Singapore Branch	US$[●]	US$[●]
First Abu Dhabi Bank PJSC	US$[●]	US$[●]
ING Bank N.V., Singapore Branch	US$[●]	US$[●]
J.P. Morgan Securities plc	US$[●]	US$[●]
Merrill Lynch (Singapore) Pte. Ltd.	US$[●]	US$[●]
Morgan Stanley & Co. International plc	US$[●]	US$[●]
SMBC Nikko Capital Markets Limited	US$[●]	US$[●]
Société Générale	US$[●]	US$[●]
Standard Chartered Bank Singapore Branch	US$[●]	US$[●]
The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch	US$[●]	US$[●]
Total	US$[●]	US$[●]

The Joint Lead Managers initially propose to offer the Notes at the issue prices listed on the cover page of this Offering Memorandum. The Issuer will be paying a combined management and underwriting commission to the Joint Lead Managers and the Issuer and Tata Steel Limited, jointly and severally, will reimburse the Joint Lead Managers in respect of certain of their expenses. The Issuer and Tata Steel Limited, jointly and severally, have also agreed to indemnify the Joint Lead Managers against certain liabilities incurred in connection with the issue of the Notes. The Subscription Agreements may be terminated in certain circumstances prior to payment of the issue price to the Issuer.

The Joint Lead Managers and some of their respective affiliates have, from time to time, performed, and may in the future perform certain commercial banking, investment banking and advisory and other banking services for the Issuer, Tata Steel Limited and/or their respective affiliates for which they have received or will receive customary fees and expenses. The Joint Lead Managers and their respective affiliates are full service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. In the ordinary course of their various business activities, the Joint Lead Managers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investments and securities activities may involve securities and instruments of the Issuer and Tata Steel Limited, including the Notes. Certain of the Joint Lead Managers or their affiliates that have a lending relationship with the Issuer and/or Tata Steel Limited routinely hedge their credit exposure to the Issuer and/or Tata Steel Limited consistent with their customary risk management policies. Typically, such Joint Lead Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Issuer's and/or Tata Steel Limited's securities, including potentially the Notes offered hereby. Any such short positions could adversely affect future trading prices of the Notes offered hereby. The Joint Lead Managers and their affiliates may make investment recommendations and/or publish or express independent research views (positive or negative) in respect of the Notes or other financial instruments of the Issuer or Tata Steel Limited, and may recommend to their clients that they acquire long and/or short positions in the Notes or other financial instruments.

The Issuer may use some or all of the net proceeds from the sale of the Notes pursuant to this Offering Memorandum for the full or partial repayment, or refinancing, of loans to its lenders, some of whom include Australia and New Zealand Banking Group Limited Singapore Branch, Barclays Bank PLC, Singapore Branch, BNP Paribas Singapore Branch, Citigroup Global Markets Singapore Pte. Ltd., Crédit Agricole Corporate and Investment Bank, Singapore Branch, DBS Bank Ltd., Deutsche Bank AG, Singapore Branch, First Abu Dhabi Bank PJSC, ING Bank N.V., Singapore Branch, J.P. Morgan Securities plc, Merrill Lynch (Singapore) Pte. Ltd., Morgan Stanley & Co. International plc, SMBC Nikko Capital Markets Limited, Société Générale, Standard Chartered Bank Singapore Branch and The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, who are also Joint Lead Managers, or their affiliates.

The Joint Lead Managers and/or their respective affiliates may purchase the Notes for their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to the Notes and/or other securities of the Issuer, Tata Steel Limited or their respective subsidiaries or associates at the same time as the offer and sale of the Notes or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Notes to which this Offering Memorandum relates (notwithstanding that such selected counterparties may also be purchasers of the Notes).

Each Joint Lead Manager or its affiliates may also purchase Notes for asset management and/or proprietary purposes but not with a view to distribution or may hold Notes on behalf of clients or in the capacity of investment advisors. While each Joint Lead Manager and its affiliates have policies and procedures to deal with conflicts of interests, any such transactions may cause a Joint Lead Manager or its affiliates or its clients or counterparties to have economic interests and incentives which may conflict with those of an investor in the Notes. Each Joint Lead Manager may receive returns on such transactions and has no obligation to take, refrain from taking or cease taking any action with respect to any such transactions based on the potential effect on a prospective investor in the Notes.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Joint Lead Managers or any affiliate of the Joint Lead Managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Joint Lead Managers or such affiliate on behalf of the Issuer in such jurisdiction.

Selling Restrictions

Dubai International Financial Centre

Each Joint Lead Manager has represented and agreed that it has not offered and will not offer the Notes to any person in the Dubai International Financial Centre unless such offer is: (a) an "Exempt Offer" in accordance with the Markets Rules (MKT module) of the Dubai Financial Services Authority (the "DFSA"); and (b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.2 of the DFSA Conduct of Business Module.

Hong Kong

The Notes may not be offered or sold in Hong Kong by means of any document other than to (a) to "professional Investors" as defined in the SFO and any rules made under the Securities and Futures Ordinance (Cap. 571) of Hong Kong) (the "SFO"); or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "C(WUMP)O") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and (2) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

India

Each Joint Lead Manager has represented and agreed that: (a) this Offering Memorandum has not been, nor will it be, registered, produced or published as an offer document (whether a prospectus in respect of a public offer or information memorandum or other offering material in respect of any private placement under the Companies Act or any other applicable Indian laws) with any Registrar of Companies, the Securities and Exchange Board of India or any other statutory or regulatory body of like nature in India, (b) the Notes will not be offered or sold, and have not been offered or sold, in India by means of any document, other than to persons permitted to acquire Notes under Indian law, whether as a principal or agent and (c) this Offering Memorandum or any other offering document or material relating to the Notes will not be circulated or distributed and have not been circulated or distributed, directly or indirectly, to any person or the public or any member of the public in India or otherwise generally distributed or circulated in India such that it would constitute an advertisement, invitation offer, sale, or solicitation of, or offer to subscribe for, or purchase, any securities in violation of Indian laws. The Notes have not been offered or sold, and will not be offered or sold, in India in circumstances which would constitute an offer of securities (whether to the public or by way of private placement) within the meaning of the Companies Act or any other applicable Indian laws for the time being in force.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan, and may not be offered or sold in Japan or to, or for the account or benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan) or to, or for the account or benefit of, any person for reoffering or resale, directly or indirectly, in Japan or to, or for the account or benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, or otherwise in compliance with, the Financial Instruments and Exchange Law of Japan, and in compliance with the other relevant laws and regulations of Japan.

Kingdom of Bahrain

Each Joint Lead Manager has represented and agreed that it has not offered or sold, and will not offer or sell, any Notes except on a private placement basis to persons in the Kingdom of Bahrain who are "accredited investors." For this purpose, an "accredited investor" means: (a) an individual holding financial assets (either singly or jointly with a spouse) of US$1,000,000 or more; (b) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than US$1,000,000; or (c) a government, supranational organization, central bank or other national monetary authority or a state organization whose main activity is to invest in financial instruments (such as a state pension fund).

Singapore

This Offering Memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Lead Manager has represented, warranted and undertaken that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor pursuant to Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i) (B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

State of Qatar

All applications for an investment in the Notes should be received, and any allotments made from, outside Qatar. The Notes have not been offered, sold or delivered, and will not be offered, sold or delivered at any time, directly or indirectly, in Qatar in a manner that would constitute a public offering. Therefore, this Offering Memorandum is strictly private and confidential and is being issued to a limited number of institutional and high net worth sophisticated investors in Qatar and may not be reproduced or used for any other purpose nor provided to any other person other than the recipient thereof. By receiving this Offering Memorandum, the person or entity to whom it has been provided to understands, acknowledges and agrees that: (i) neither this Prospectus nor the Notes have been registered, considered, authorised or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or any other authority or agency in the State of Qatar; (ii) no person has been authorised or licensed by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or any other regulatory authority or agency in the State of Qatar to market or sell the Notes within the State of Qatar; (iii) this Offering Memorandum may not be provided to any person other than the original recipient and is not for general circulation in the State of Qatar; and (iv) no agreement relating to the sale of the Notes shall be consummated within the State of Qatar.

United Arab Emirates (excluding the Dubai International Financial Centre)

Each Joint Lead Manager has represented and agreed that the Notes have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates other than in compliance with any laws applicable in the United Arab Emirates governing the issue, offering and sale of securities.

United Kingdom

The Joint Lead Managers have represented and agreed that (i) they have only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Market Act 2000 (the "FSMA")) to persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act of 2000 (Financial Promotion) Order 2005 or in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or Tata Steel Limited; and (ii) they have complied and will comply with all applicable provisions of the FSMA with respect to anything done by them in relation to the Notes in, from or otherwise involving the United Kingdom.

Prohibition of Sales to EEA Retail Investors

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area. For the purposes of this provision:

a. the expression "retail investor" means a person who is one (or more) of the following:

   (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or

   (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "Insurance Mediation Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

   (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "Prospectus Directive"); and

b. the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

TRANSFER RESTRICTIONS

Because of the following restrictions, purchasers are advised to consult legal counsel prior to making any offer, sale, resale, pledge or other transfer of the Notes.

Each purchaser of the Notes, by accepting the delivery of this Offering Memorandum, will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Regulation S are used herein as defined therein):

1. it is purchasing the Notes for its own account or an account with respect to which it exercises sole investment discretion, and it and any such account is outside the United States (as defined in Regulation S);

2. it understands and acknowledges that the Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any jurisdiction and may not be offered or sold within the United States except as set forth below;

3. agree that the Notes are being offered and sold only outside the United States in an offshore transaction in compliance with Rule 903 under the Securities Act;

4. agree that it will inform each person to whom it transfers the Notes of any restrictions on transfer of such Notes; and

5. acknowledge that each of Notes will be represented by a Global Certificate and that transfers thereto are restricted as described under "Terms and Conditions of the Notes — Transfer of Notes and Issue of Certificates".

INDEPENDENT AUDITORS

The Annual Financial Statements for the Group have been audited by Deloitte, as set forth in their audit reports included herein. For the financial year beginning from April 1, 2017 onwards, Price Waterhouse and Co. became the statutory auditor for the Group.

The Annual Financial Statements for the Issuer have been audited by Deloitte, as set forth in their audit reports included herein. The unaudited interim financial statements of the Issuer for the six months ended September 30, 2017, have been subject to a limited review by PricewaterhouseCoopers LLP as set forth in their report dated January 12, 2018.

The standalone financial results of Tata Steel for the quarter and six months ended September 30, 2017 have been audited by Price Waterhouse and Co. and the consolidated financial results of the Group for the quarter ended September 30, 2017 have been subjected to a limited review by Price Waterhouse and Co. as set forth in their respective review reports included herein.

The unaudited interim financial statements of the Issuer for the six months ended September 30, 2017, have been subjected to a limited review by PricewaterhouseCoopers LLP as set forth in their review report dated January 12, 2018.

With respect to the unaudited consolidated interim financial results of the Group for the quarter ended September 30, 2017 included in this Offering Memorandum, Price Waterhouse and Co. have reported that they have applied limited procedures in accordance with professional standards for a review of such unaudited consolidated interim financial results. However, their separate report dated October 30, 2017 appearing herein states that they did not audit and they do not express an audit opinion on the unaudited consolidated interim financial results of the Group for the quarter ended September 30, 2017 included in this Offering Memorandum. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied.

With respect to the unaudited interim financial statements of the Issuer for the six months ended September 30, 2017, prepared under SFRS 34, *Interim Financial Reporting*, included in this Offering Memorandum, PricewaterhouseCoopers have reported that they have applied limited procedures in accordance with professional standards for a review of such unaudited interim financial statements. However, their separate report dated January 12, 2018, states that they did not audit and they do not express an audit opinion on the unaudited interim financial statements of the Issuer for the six months ended September 30, 2017 included in this Offering Memorandum. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied.

On January 10, 2018, SEBI imposed a two year ban on Price Waterhouse and Co network of firms in India (which includes Price Waterhouse & Co.) from auditing any publicly listed companies in India as a result of their involvement as auditors in Satyam Computer Services Limited. The ban does not impact Price Waterhouse & Co.'s ability to continue as statutory auditors of Tata Steel and the Group for financial year ending March 31, 2018. Price Waterhouse and Co network of firms in India have proposed to appeal the SEBI ban, and should Price Waterhouse & Co. become legally incapable to continue the office of Tata Steel and the Group's statutory auditors post March 31, 2018 Tata Steel would evaluate to fill the vacancy in such eventuality, keeping in line with the requirements of the applicable statutes in India.

GENERAL INFORMATION

1. The creation and issue of the Notes has been authorized by resolutions of the Issuer's Board of Directors dated January 11, 2018.

2. Copies of the following documents, all of which are published in English, may be inspected during normal business hours at the offices of the Paying Agent after the date of this Offering Memorandum for so long as any of the Notes remains outstanding:

   (a) the Issuer's Constitution;

   (b) the Trust Deeds; and

   (c) the Agency Agreements.

3. The International Securities Identification Number (ISIN) in respect of the [●] Notes is XS1753594198.

4. The International Securities Identification Number (ISIN) in respect of the [●] Notes is X1753595328.

5. Approval in principle has been granted for the listing and quotation of the Notes on the SGX-ST. The SGX-ST takes no responsibility for the accuracy of any of the statements made or opinions or reports contained in this Offering Memorandum. Approval in-principle received for the listing and quotation of the Notes on the SGX-ST is not to be taken as an indication of the merits of either us, this offering or the Notes. The Notes will be traded on the SGX-ST in a minimum board lot size of US$200,000 for so long as any of the Notes are listed and quoted on the SGX-ST and the rules of the SGX-ST so require.

DESCRIPTION OF CERTAIN DIFFERENCES BETWEEN IND-AS AND IFRS

The Annual and Interim Financial Statements are prepared in conformity with Ind-AS, which differ in certain significant respects from IFRS. Such differences involve methods for measuring amounts in the Annual and Interim Financial Statements, as well as additional disclosures required by IFRS.

The following summarizes certain general differences between Ind-AS and IFRS that could have a significant impact on the financial position and operations of the Group if its financial statements were prepared under IFRS. The summary below should not be considered exhaustive, as no attempt has been made by the Group to quantify the effects of those differences, nor has a reconciliation of Ind-AS to IFRS been undertaken by the Group. Had any such quantification or reconciliation been undertaken, other potential significant accounting and disclosure differences may have come to its attention, which are not identified below.

Prospective investors should consult their own professional advisors for an understanding of the principal differences between Ind-AS and IFRS and how these differences might affect the Annual and Interim Financial Statements beginning on page F-1 of this Offering Memorandum.

Summary of Certain Differences

No.	Particulars of the Standard	Treatment under IFRS	Treatment under Ind-AS
Presentation of Financial Statement			
1	Primary requirement	IAS 1 sets out the requirements for presentation of financial statements and the guidelines for their structure and content.	The requirements for the presentation of financial statements are set out in Ind-AS 1 and Schedule III to the Companies Act, 2013.
2	Statements of comprehensive income/ Statement of profit and loss	With regard to preparation of statement of profit and loss, IFRS provides an option either to follow the single statement approach or to follow the two statement approach. An entity may present a single statement of profit or loss and other comprehensive income; or It may present the profit or loss section in a separate 'statement of profit or loss' which shall immediately precede the 'statement of comprehensive income'.	Ind-AS 1 allows only the single statement approach and does not permit the two statements approach.

No.	Particulars of the Standard	Treatment under IFRS	Treatment under Ind-AS
3	Analyses of expenses in the statement of profit and loss	IAS 1 requires an entity to present an analysis of expenses recognized in profit or loss using a classification based on either their nature or their function within the entity, whichever provides the information that is reliable and more relevant.	Ind-AS 1 and Schedule III to the Companies Act, 2013 requires entities to present an analysis of expenses recognized in profit or loss using a classification based on their nature only. Functional classification of expenses may be presented in the financial statements as additional information in the notes to the financial statements apart from the presentation by nature in the statement of Profit and Loss.
4	Materiality and aggregation	IAS 1 requires: • each material class of similar items to be presented separately in the financial statements; and • items of a dissimilar nature or function to be presented separately unless they are immaterial Also, IAS 1 states that specific disclosure need not be provided if the same is considered immaterial.	Ind-AS 1 modifies these requirement by adding the words 'except when required by law.' Hence, if the applicable law requires separate presentation/ disclosure of certain items, they are presented separately irrespective of materiality.
5	Current/non-current classification on breach of debt covenant	If an entity breaches a provision of a long-term loan arrangement on or before the period end with the effect that the liability becoming payable on demand, the loan is classified as current liability. This is the case even if the lender has agreed, after the period end and before the authorization of the financial statements for issue, not to demand payment as a consequence of the breach. Such waivers granted by the lender or rectification of a breach after the end of the reporting period are considered as non-adjusting event and disclosed.	Ind-AS 1 refers to breach of material provision, instead of any provision. This indicates that breach of immaterial provision may not impact loan classification. Where there is a breach of a material provision of a long term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach as this is considered as an adjusting event. A corresponding change has also been made in Ind-AS 10.

No.	Particulars of the Standard	Treatment under IFRS	Treatment under Ind-AS

First-time Adoption

No.	Particulars of the Standard	Treatment under IFRS	Treatment under Ind-AS
6	Deemed cost exemption for property, plant and equipment	IFRS 1 permits a first-time adopter to measure its items of property, plant and equipment (PPE) at deemed cost at the transition date. The deemed cost can be: • The fair value of the item at the date of transition • A previous GAAP revaluation at or before transition date, if revaluation met certain criteria Similar exemption is also available for intangible assets (if active market exists) and investment property measured at cost.	Ind-AS 101 also provides similar deemed cost exemption. In addition, if there is no change in the functional currency at the transition date, Ind-AS 101 allows a first-time adopter to continue with the Indian GAAP ("previous GAAP") carrying value for all of its property, plant and equipment as recognized in the previous GAAP financial statements at the transition date. The same is used as deemed cost at that date, after making adjustment relating to decommissioning liabilities. In consolidated Ind-AS financial statements, the previous GAAP amount of the subsidiary is the amount used in the consolidated financial statements. If an entity avails this option, no further adjustments to the deemed cost so determined is made.Similar exemption is also available for intangible assets and investment property. However, for investment property, fair valuation under deemed cost is not applicable.

No.	Particulars of the Standard	Treatment under IFRS	Treatment under Ind-AS
7	Additional exemptions relating to composite leases and land lease	Under IFRS 1, an entity classifies a lease based on the lease terms that are in force at its date of transition based on the circumstances that existed at the inception of the lease. No exemption is available for classification of composite leases.	Ind-AS 101 provides the following additional exemptions: • When a lease includes both land and building elements, a first time adopter may assess the classification of each element as finance or operating lease at the date of transition to Ind-AS based on the facts and circumstances existing as at that date. • If there is any land lease classified as finance lease at the transition date, which was classified differently under previous GAAP, then the first time adopter may recognize asset and liability at fair values on that date. Any difference between those fair values is recognized in retained earnings.

No.	Particulars of the Standard	Treatment under IFRS	Treatment under Ind-AS
8	Exchange differences arising on long-term monetary items	IAS 21 requires exchange differences arising on restatement of foreign currency monetary items, both long term and short term, to be recognized in the income statement for the period.	Under the current Indian GAAP, companies recognize exchange differences arising on restatement of foreign currency monetary items, both long term and short term, in the profit or loss immediately. Alternatively, they are given an irrevocable option to defer/capitalize exchange differences on long-term foreign currency monetary items. For the companies applying second option under Indian GAAP, Ind-AS 101 provides an additional option. They may continue to account for exchange differences arising on long-term foreign currency monetary items recognized in the financial statements for the period ending immediately before the beginning of first Ind-AS reporting period using the previous GAAP accounting policy. Ind-AS 21 does not apply to exchange differences arising on such outstanding long term foreign currency monetary items. However, for any new long term foreign currency monetary items recognized on or after beginning of first Ind-AS reporting period, companies will be required to apply principles of Ind-AS 21.
Financial Instruments			
9	Primary requirement	Currently principles of IAS 39 is applied. IFRS 9 will be mandatorily applicable across the globe only for accounting periods commencing on or after January 1, 2018.	IAS 39 like standard is not available. Instead, principles of Ind-AS 109, in line with IFRS 9, have been early adopted.

No.	Particulars of the Standard	Treatment under IFRS	Treatment under Ind-AS
Leases			
10	Straight-line of lease rentals in operating leases	Rental payments/income under an operating lease are recognized on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit.	Lease payments/income under an operating lease are recognized as an expense/ income on a straight-line basis over the lease term unless either: (a) Another systematic basis is more representative of the time pattern of the user's benefit, or (b) Payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments/ income to the lessor vary because of factors other than general inflation, then this condition is not met.
Business Combinations			
11	Common control business combinations	IFRS 3 excludes from its scope business combinations of entities under common control. In practice, companies develop and consistently apply an accounting policy; management can elect to apply the acquisition method or pooling of interest method to a business combination involving entities under common control.	Ind-AS 103 requires business combinations of entities or businesses under common control to be mandatorily accounted using the pooling of method. The application of this method requires the following: (i) The assets and liabilities of the combining entities are reflected at their carrying amounts. (ii) No adjustments are made to reflect fair values, or recognize any new assets or liabilities. The only adjustments that are made are to harmonize the accounting policies.

No.	Particulars of the Standard	Treatment under IFRS	Treatment under Ind-AS
			(iii) The financial information in respect of prior periods have to be restated as if the business combination had occurred from the beginning of the earliest period presented, irrespective of the actual date of the combination. (iv) The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee; alternatively, it is transferred to general reserves, if any. (v) The identity of the reserves is preserved and appear in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor. (vi) The difference between the amount recorded as share capital issued plus any additional consideration in cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and presented separately from other capital reserves.

No.	Particulars of the Standard	Treatment under IFRS	Treatment under Ind-AS
12	Bargain purchase gains	Where consideration transferred for business acquisition is lower than the acquisition date fair value of net assets acquired, the gain is recognized in the income statement after a detailed reassessment.	Ind-AS 103 requires bargain purchase gain to be recognized in OCI and accumulated in the equity as capital reserve. However, if there is no clear evidence for the underlying reason for bargain purchase, the gain is directly recognized in equity as capital reserve, without routing the same through OCI. A similar change has also been made with regard to bargain purchase gain arising on investment in associate/JV, accounted for using the acquisition method.
Investment Property			
13	Use of the fair value model	An entity has an option to apply either the cost model or the fair value model for subsequent measurement of its investment property. If the fair value model is used, all investment properties, including investment properties under construction, are measured at fair value and changes in the fair value are recognized in the profit or loss for the period in which it arises. Under the fair value model, the carrying amount is not depreciated.	Ind-AS 40 does not permit the use of fair value model for subsequent measurement of investment property. It however requires the fair value of the investment property to be disclosed in the notes to financial statements.

No.	Particulars of the Standard	Treatment under IFRS	Treatment under Ind-AS
Government Grants and Disclosure of Government Assistance			
14	Grants in the form of non-monetary assets	IAS 20 provides an option to entities to recognize government grants in the form of non-monetary assets, given at a concessional rate, either at their fair value or at the nominal value.	Ind-AS 20 requires measurement of such grants only at their fair value.
	Government Grants and Disclosure of Government Assistance and Grants related to assets	IAS 20 gives an option to present the grants related to assets, including non-monetary grants at fair value, in the balance sheet either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.	Ind-AS 20 requires presentation of such grants in the balance sheet only by setting up the grant as deferred income. Thus, the option to present such grants by deduction of the grant in arriving at the carrying amount of the asset is not available.
Borrowing Cost			
15	Exchange differences regarded as adjustment to interest costs	In accordance with IAS 23, borrowing cost includes exchange difference arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. However, it does not provide any specific guidance on measurement of such amounts.	Ind-AS 23 is similar to IAS 23. However, Ind-AS 23 provides following additional guidance on manner of arriving at this adjustment: The adjustment should be of an amount equivalent to the extent to which the exchange loss does not exceed the difference between the costs of borrowing in functional currency when compared to the costs of borrowing in a foreign currency. If there is an unrealized exchange loss which is treated as an adjustment to interest and subsequently there is a realized or unrealized gain in respect of the settlement or translation of the same borrowing, the gain to the extent of the loss previously recognized as an adjustment should also be recognized as an adjustment to interest.

No.	Particulars of the Standard	Treatment under IFRS	Treatment under Ind-AS
Related Party Disclosures			
16	Aggregation of transactions for disclosure	IFRS does not provide any guidance on the aggregation of transaction for disclosure.	Ind-AS 24 provides an additional guidance whereby items of similar nature may be disclosed in aggregate by type of related party. However, this is not done in such a way as to obscure the importance of significant transactions. Hence, purchases or sales of goods are not aggregated with purchases or sales of fixed assets. Nor a material related party transaction with an individual party is clubbed in an aggregated disclosure.
Cash Flow Statement			
17	Classification of interest paid and interest and dividend received	For non-financial entities, interest paid and interest and dividends received may be classified as 'operating activities'. Alternatively, interest paid and interest and dividends received may be classified as 'financing activities' and 'investing activities' respectively.	Ind-AS 7 does not give an option It requires non-financial entities to classify interest paid as part of 'financing activities' and interest and dividend received as 'investing activities'.
Separate Financial Statements			
18	Use of equity method to account for investments in subsidiaries, joint ventures and associates in SFS	IAS 27 allows an entity to use the equity method to account for its investments in subsidiaries, joint ventures and associates in its SFS. Consequently, an entity is permitted to account for these investments either • At cost • In accordance with AS 39 • Using the equity method This is an accounting policy choice for each category of investment.	Ind-AS 27 does not allow the use of equity method to account for investments in subsidiaries, joint ventures and associates in SFS. The reason for the same that Ind-AS considers equity method to be a manner of consolidation rather than a measurement basis.

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Standalone Financial Statements of Tata Steel as at and for the years ended March 31, 2016 and 2015

Standalone Financial Statements of Tata Steel as at and for the years ended March 31, 2017 and 2016

Consolidated Financial Statements of the Group as at and for the years ended March 31, 2016 and 2015

Consolidated Financial Statements of the Group as at and for the years ended March 31, 2017 and 2016

Consolidated and Standalone Interim Financial Statements for the quarters ended June 30, 2017 and September 30, 2017

Standalone Financial Statements of the Issuer as at and for the years ended March 31, 2016 and 2015

Standalone Financial Statements of the Issuer as at and for the years ended March 31, 2017 and 2016

Standalone Financial Statements of the Issuer as at and for the six months ended September 30, 2017

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TATA STEEL LIMITED

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of TATA STEEL LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable.

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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on 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 and the Order under section 143 (11) of the Act.

We conducted our audit of the standalone 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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 31st March, 2016, and its profit and its cash flows 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 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.

e) On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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 Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, 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

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, 25th May, 2016

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' 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 31st March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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 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.

AUDITORS' 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 auditors' 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, 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 31st March, 2016, 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, 25th May, 2016

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' 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 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 amounting to ₹3.4 million 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 amounting to ₹22,579 were not in the name of the Company;

iii. title deeds to freehold land amounting to ₹0.3 million which have not been executed.

iv. title deeds to freehold land with carrying amount of ₹67.4 million were not readily available; and

v. title deeds to buildings with gross carrying amount and net carrying amount of ₹48.1 million and ₹25.6 million respectively were not readily available.

In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement, except the following:

i. in respect of certain leasehold lands with gross and net carrying amount of ₹551.1 million and ₹492.5 million respectively, in which the lease agreement are in the name of the erstwhile Company which have been subsequently amalgamated with the Company.

ii. lease agreements for leasehold land with gross carrying amount and net carrying amount of ₹1.9 million and ₹1.3 million 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 ₹221.3 million 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 ₹5,555.1 million and interest amounting to ₹1,709.5 million representing due from two 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 31st March, 2016 for a period of more than six months from the date they became payable, except for collection of sales tax which we are informed are refundable to customers because they have been collected in excess or which have been collected pending receipt of necessary certificates from the customers and Jharkhand value added tax liability of ₹179.7 million on account of provision for input tax credit surrender pursuant to notification issued by the state.

(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 31st March, 2016 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) (₹ million)	Amounts paid under Protest (₹ million)
Income Tax	CIT(A)/ITAT	2004-05, 2006-07 to 2009-2010	6,689.0	6,417.6
	Income Tax Officer	2010-11	6.7	-
Customs Act	Supreme Court	1990-91 & 1993-94	97.1	-
	High Court	2002-03	0.2	0.7
	Commissioner	1993-94 & 2014-15	835.9	500.0
Central Excise Act	Supreme Court	2004-05	2,354.8	-
	High Court	1988-90, 1995-96, 2000-01 & 2003-06	1,019.7	19.7
	Tribunal	1990-91, 1992-94, 1996-97 & 1998-99 to 2015-16	10,602.1	425.0
	Commissioner	1988-90, 1994-95 to 2003-04 & 2005-06 to 2015-16	452.9	13.7
	Deputy Commissioner	1985-87 & 1998-99	1.8	-
	Assistant Commissioner	1983-2006	8.5	-
Sales Tax	Supreme Court	1969-73, 2000-04 & 2006-16	59.1	1,122.0
	High Court	1971-75, 1977-79, 1983-84, 1991-97,1999-2004, 2007-10 & 2012-16	2,806.4	2,71.3
	Tribunal	1980-81, 1983-85, 1989-99, 2001-12	739.6	181.9
	Commissioner	1988-90, 1991- 92, 1993-95, 2000-01 to 2014-15	5,311.0	88.0
	Deputy Commissioner	1975-76, 1977-82, 1983-88 & 1993-94 to 2015-16	727.5	129.3
	Assistant Commissioner	1973-74, 1980-81, 1983-84 to 1996-97, 2000-01 to 2005-06 & 2008-09 to 2009-10	93.7	34.8

(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 by its officers or employees 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.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

N. VENKATRAM
Partner
(Membership No. 71387)

Mumbai, 25th May, 2016

BALANCE SHEET AS AT 31ST MARCH, 2016

(₹ in million)

		Note	As at 31st March, 2016		As at 31st March, 2015	
Equity and Liabilities						
(1)	**SHAREHOLDERS' FUNDS**					
	(a) Share capital	2	9,714.1		9,714.1	
	(b) Reserves and surplus	3	6,95,053.1		6,56,924.8	
				7,04,767.2		**6,66,638.9**
(2)	**HYBRID PERPETUAL SECURITIES**	4		**22,750.0**		**22,750.0**
(3)	**NON-CURRENT LIABILITIES**					
	(a) Long-term borrowings	5	2,34,577.7		2,39,003.7	
	(b) Deferred tax liabilities (net)	6	21,798.3		22,504.1	
	(c) Other long-term liabilities	7	8,426.6		11,288.7	
	(d) Long-term provisions	8	28,881.8		28,759.2	
				2,93,684.4		**3,01,555.7**
(4)	**CURRENT LIABILITIES**					
	(a) Short-term borrowings	5	52,610.2		348.8	
	(b) Trade payables	9				
	(i) Total outstanding dues of micro enterprises and small enterprises; and		149.0		165.1	
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		76,912.3		57,854.7	
			77,061.3		58,019.8	
	(c) Other current liabilities	10	61,158.1		92,569.1	
	(d) Short-term provisions	8	20,050.3		16,754.1	
				2,10,879.9		**1,67,691.8**
				12,32,081.5		**11,58,636.4**
Assets						
(5)	**NON-CURRENT ASSETS**					
	(a) Fixed assets					
	(i) Tangible assets	11	2,49,012.4		2,50,713.8	
	(ii) Intangible assets	12	5,273.5		1,771.4	
	(iii) Capital work-in-progress		2,69,539.0		2,30,236.1	
	(iv) Intangibles assets under development		284.7		130.6	
			5,24,109.6		4,82,851.9	
	(b) Non-current investments	13	5,23,604.2		5,21,642.4	
	(c) Long-term loans and advances	14	37,878.8		32,079.0	
	(d) Other non-current assets	15	2,274.0		2,117.5	
				10,87,866.6		**10,38,690.8**
(6)	**CURRENT ASSETS**					
	(a) Current investments	16	43,201.7		10,000.8	
	(b) Inventories	17	70,838.1		80,420.0	
	(c) Trade receivables	18	6,328.0		4,914.6	
	(d) Cash and bank balances	19	10,146.7		4,785.9	
	(e) Short-term loans and advances	14	12,434.8		19,271.6	
	(f) Other current assets	20	1,265.6		552.7	
				1,44,214.9		**1,19,945.6**
				12,32,081.5		**11,58,636.4**
Notes to Balance Sheet and Statement of Profit and Loss		1-46				

STATEMENT OF
PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in million)

		Note	Year ended 31st March, 2016		Year ended 31st March, 2015	
(1)	**Revenue**					
	(a) Revenue from operations	21	4,26,862.9		4,65,772.6	
	Less: Excise duty		44,759.5		47,922.6	
			3,82,103.4		4,17,850.0	
	(b) Other income	22	38,907.0		5,827.8	
Total Revenue				**4,21,010.4**		**4,23,677.8**
(2)	**Expenses**					
	(a) Raw materials consumed	23	97,000.1		1,16,786.0	
	(b) Purchase of finished, semi-finished and other products	24	9,915.4		6,883.2	
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	1,429.7		(7,159.4)	
	(d) Employee benefits expense	26	43,249.0		46,019.2	
	(e) Depreciation and amortisation expense	27	19,331.1		19,975.9	
	(f) Finance costs	28	14,602.7		19,759.5	
	(g) Other expenses	29	1,64,380.6		1,61,099.9	
			3,49,908.6		3,63,364.3	
	(h) Less: Expenditure (other than interest) transferred to capital and other accounts		5,988.9		5,866.9	
Total Expenses				**3,43,919.7**		**3,57,497.4**
(3)	**Profit before Exceptional Items and Tax**			**77,090.7**		**66,180.4**
(4)	**Exceptional Items**	30				
	(a) Profit on sale of non-current investments		1,042.9		8,061.0	
	(b) Profit on sale of non-current assets		–		11,468.6	
	(c) Provision for diminution in the value of investments/ doubtful advances		(1,990.3)		(1,984.0)	
	(d) Provision / Reversal for impairment of non-current assets		(515.1)		1,362.9	
	(e) Provision for demands and claims		(8,800.5)		–	
	(f) Employee Seperation Compensation		(5,562.5)		–	
				(15,825.5)		**18,908.5**
(5)	**Profit before Tax**			**61,265.2**		**85,088.9**
(6)	**Tax Expense**					
	(a) Current tax		14,330.6		19,086.0	
	(b) MAT credit		(1,521.7)		(1,172.1)	
	(c) Deferred tax		(553.2)		2,783.8	
				12,255.7		**20,697.7**
(7)	**Profit after Tax**			**49,009.5**		**64,391.2**
(8)	**Nominal Value per Share (₹)**			**10.00**		**10.00**
(9)	**Basic Earnings per Share (₹)**	31		**48.67**		**64.49**
(10)	**Diluted Earnings per Share (₹)**	31		**48.67**		**64.49**
Notes to Balance Sheet and Statement of Profit and Loss		1-46				

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in million)

			Year ended 31st March, 2016		Year ended 31st March, 2015	
A.	**Cash Flow from Operating Activities:**					
	Profit before tax			**61,265.2**		**85,088.9**
		Adjustments for:				
		Depreciation and amortisation expense	19,331.1		19,975.9	
		Impairment of fixed assets	–		515.0	
		Income from other non-current investments	(1,070.8)		(1,196.0)	
		(Profit)/Loss on assets sold/discarded/written off	21.1		(9.7)	
		Provision for diminution in value of investments	–		0.1	
		Profit on sale of non-current investments	(35,075.2)		(17.0)	
		Exceptional (Income) / Expenses	15,825.5		(18,908.5)	
		(Gain)/Loss on cancellation of forwards, swaps and options	12.1		774.1	
		Interest and other income from current investments and guarantees	(2,665.1)		(4,891.3)	
		Finance costs	14,602.7		19,759.5	
		Provision for wealth tax	–		20.0	
		Exchange (gain) / loss on revaluation of foreign currency loans and swaps	55.9		5,468.3	
				11,037.3		**21,490.4**
	Operating Profit before Working Capital Changes			**72,302.5**		**1,06,579.3**
		Adjustments for:				
		Trade and other receivables	379.7		(12,505.0)	
		Inventories	9,597.0		(19,942.8)	
		Trade payables and other liabilities	5,838.6		(5,079.8)	
				15,815.3		**(37,527.6)**
	Cash Generated from Operations			**88,117.8**		**69,051.7**
		Direct tax paid		**(12,441.0)**		**(20,532.8)**
	Net Cash Flow from/(used in) Operating Activities			**75,676.8**		**48,518.9**
B.	**Cash Flow from Investing Activities:**					
		Purchase of fixed assets[(1)]	(58,280.5)		(69,225.8)	
		Sale of fixed assets	302.0		10,501.2	
		Advance received against sale of asset	19.3		3.5	
		Purchase of other non-current investments	(4,233.8)		(2,248.1)	
		Purchase of investments in subsidiaries	(1,712.8)		(805.3)	
		Sale of Investments in Subsidiaries	0.6		666.3	
		Sale of other non-current investments	39,803.5		12,357.6	
		(Purchase) / Sale of current investments (net)	(31,396.9)		17,499.7	
		Inter-corporate deposits given	(446.9)		(20.0)	
		Repayment of inter-corporate deposits	629.2		4,769.1	
		Fixed/Restricted deposits with banks (placed)/realised	(19.8)		(106.5)	
		Interest received	213.1		1,557.4	
		Dividend received	1,070.8		1,229.9	
	Net Cash Flow from/(used in) Investing Activities			**(54,052.2)**		**(23,821.0)**

(₹ in million)

		Year ended 31st March, 2016		Year ended 31st March, 2015	
C.	**Cash Flow from Financing Activities:**				
	Capital contributions received	79.0		101.9	
	Proceeds from borrowings	88,933.5		71,210.4	
	Repayment of borrowings	(77,545.5)		(67,242.6)	
	Amount received/(paid) on cancellation of forwards and swaps	(29.6)		(790.8)	
	Expenses (incurred) /reimbursed on issue of equity instruments	33.6		38.9	
	Distribution on Hybrid Perpetual Securities	(2,664.9)		(2,661.3)	
	Interest paid [(1)]	(15,853.8)		(18,917.5)	
	Dividend paid	(7,769.7)		(9,712.1)	
	Tax on dividend paid	(1,493.0)		(1,599.0)	
	Net Cash Flow from/(used in) Financing Activities		**(16,310.4)**		**(29,572.1)**
	Net increase/(decrease) in Cash and Cash Equivalents		**5,314.2**		**(4,874.2)**
	Opening Cash and Cash Equivalents		**4,219.3**		**9,093.3**
	Effect of exchange rate on translation of foreign currency cash and cash equivalents		**(1.2)**		**0.2**
	Closing Cash and Cash Equivalents		**9,532.3**		**4,219.3**

Additional information:

(1) Interest paid is exclusive of and purchase of fixed assets is inclusive of interest capitalised ₹**10,325.6** million (2014-15: ₹6,472.5 million)

(2) Previous year figures have been recast / restated where necessary.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Accounting Policies

(A) BASIS FOR ACCOUNTING

The financial statements are prepared under the historical cost convention on an accrual basis of accounting in accordance with the Generally Accepted Accounting Principles, Accounting Standards notified under Section 133 of the Companies Act, 2013 and the relevant provisions thereof.

(B) USE OF ESTIMATES AND JUDGEMENTS

In preparation of the financial statements, the Company makes judgements, estimates and assumptions about the carrying amounts 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 amounts of assets and liabilities include useful lives of tangible and intangible assets, impairment of tangible assets, intangible assets, employee benefits and other provisions and recoverability of deferred tax assets. Long term investments are tested for decline in value which is other than temporary when there are any indicators of impairment. Any change in the underlying assumptions used such as discount rate or growth rate may have an impact on the carrying value of such long term investments.

(C) REVENUE RECOGNITION

(i) Revenue from sale of goods is recognised net of rebates and discounts on transfer of significant risks and rewards of ownership to the buyer. Sale of goods is recognised gross of excise duty but net of sales tax and value added tax.

(ii) Export incentive under various schemes notified by the Government has been recognised on the basis of amount received.

(iii) Dividend is recorded when the right to receive payment is established. Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

(D) EMPLOYEE BENEFITS

(i) Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the employee has rendered services.

(ii) For defined-benefit plans, the amount recognised in the Balance Sheet is the present value of the defined-benefit obligation less the fair value of any plan assets and any past service costs not yet recognised. The present value of the defined-benefit obligation is the present value of expected future payments required to settle the obligation resulting from employee service in the current and prior periods. The discount rate used is the market yields on government bonds at the Balance Sheet date with remaining terms to maturity approximating those of the Company's obligations.

(iii) Other long-term employee benefits are recognised as an expense in the Statement of Profit and Loss of the year in which the employee has rendered services. Estimated liability on account of long-term benefits is discounted to the present value, using the market yield on Government Bonds, as on the date of Balance Sheet.

(iv) Actuarial gains and losses in respect of post employment and other long-term benefits are charged to the Statement of Profit and Loss.

(v) In respect of the Employee Separation Scheme, the increase in the net present value of the future liability for pension payable to employees, who have opted for retirement under the Employee Separation Scheme of the Company, is charged to the Statement of Profit and Loss.

1. Accounting Policies (contd.)

(E) TANGIBLE ASSETS

Tangible assets are stated at cost less accumulated depreciation and net of impairment, if any. Trial run expenses

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(net of revenue) are capitalised. Borrowing costs during the period of construction is added to the cost of eligible tangible assets.

Major expenses on relining of furnace are capitalised. The written down value of the asset consisting of lining/relining expenditure embedded in the cost of the furnace is written off in the year of fresh relining.

(F) INTANGIBLE ASSETS

Intangible assets are stated at cost less accumulated amortisation and net of impairments, if any. An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and its cost can be measured reliably. Intangible assets having finite useful lives are amortised on a straight-line basis over their estimated useful lives.

(G) DEPRECIATION AND AMORTISATION

Depreciation is provided on a straight line basis over the useful lives of assets, which is as stated in Schedule II of Companies Act 2013 or based on technical estimate made by the Company. However, assets value upto ₹25,000 are fully depreciated in the year of acquisition. The details of estimated life for each category of asset are as under:

(i) Buildings – 30 to 60 years
(ii) Roads – 5 years
(iii) Plant and Machinery used in manufacturing of Steel – 20 years*
(iv) Other Plant and Machinery – 6 to 40 years*
(v) Railway Sidings – 20 years*
(vi) Vehicles and Aircraft – 5 to 20 years
(vii) Furniture, Fixtures and Office Equipments – 4 to 6 years
(viii) Computer Software – 5 years
(ix) Assets covered under Electricity Act (life as prescribed under the Electricity Act) – 3 to 34 years
(x) Development of property for development of mines and collieries are amortised over the useful life of the mine or lease period whichever is lower.
(xi) Major furnace relining expenses are depreciated over a period of 10 years (average expected life).
(xii) Freehold land is not depreciated.
(xiii) Leasehold land and other leasehold assets are amortised over the life of the lease.

*For these class of assets, based on internal assessment and independent technical evaluation carried out by external valuers 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.

(H) IMPAIRMENT

Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable.

An impairment loss is recognised in the Statement of Profit and Loss if the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of an asset's net selling price and value in use.

An impairment loss recognised on asset is reversed when the conditions warranting impairment provision no longer exists.

(I) LEASES

A lease is classified at the inception date as finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

The Company as a 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.

(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 charged directly against income over the period of the lease.

The Company as a 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.

(ii) Finance lease – Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Accounting Policies (contd.)

(J) FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of transaction. Year-end balance of foreign currency monetary item is translated at the year-end rates. Exchange differences arising on settlement of monetary items or on reporting of monetary items at rates different from those at which they were initially recorded during the period or reported in previous financial statements are recognised as income or expense in the period in which they arise.

The Company has elected to account for exchange differences arising on reporting of long-term foreign currency monetary items in accordance with Companies (Accounting Standards) Amendment Rules, 2009 pertaining to Accounting Standard 11 (AS-11) notified by Government of India on 31st March, 2009 (as amended on 29th December, 2011). Accordingly, the effect of exchange differences on foreign currency loans of the Company is accounted by addition or deduction to the cost of the assets so far it relates to depreciable capital assets and in other cases by transfer to "Foreign Currency Monetary Item Translation Difference Account" to be amortised over the balance period of the long-term monetary items.

Exchange differences relating to monetary items that are in substance forming part of the Company's net investment in non-integral foreign operations are accumulated in Foreign Exchange Fluctuation Reserve Account.

Foreign currency monetary items that are used as hedge instruments or hedged items are accounted as per accounting policy on derivative financial instruments.

(K) DERIVATIVE FINANCIAL INSTRUMENTS

(i) The Company uses derivative financial instruments such as forwards, swaps and options, to hedge its risks associated with foreign exchange fluctuations. Such derivative financial instruments are used as risk management tools and not for speculative purposes.

(ii) Derivative financial instruments entered into for hedging foreign exchange risks of recognised foreign currency monetary items are accounted for as per the principles laid down in Accounting Standard - 11 "The effects of changes in Foreign Rates".

(iii) For derivative financial instruments and foreign currency monetary items designated as Cash Flow hedges, the effective portion of the fair value of the derivative financial instruments are recognised in Cash Flow Hedge Reserve and reclassified in the period in which the Statement of Profit and Loss is impacted by the hedged items. In cases where the exposure gives rise to a non-financial asset, the effective portion is reclassified from Hedging Reserve to the initial carrying amount of the non-financial asset as a 'basis adjustment' and recycled to the Statement of Profit and Loss when the respective non-financial asset affects the Statement of Profit and Loss in future periods. The ineffective portion of the change in fair value of such instruments is recognised in the Statement of Profit and Loss in the period in which they arise. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in Cash Flow Hedge Reserve is retained there until the forecasted transaction occurs.

If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised in Cash Flow Hedge Reserve is immediately transferred to the Statement of Profit and Loss.

(iv) If no hedging relationship is designated, the fair value of the derivative financial instruments is marked to market through the Statement of Profit and Loss.

(L) INVESTMENTS

Long-term investments are carried at cost less provision for diminution other than temporary, if any, in value of such investments. Current investments are carried at lower of cost and fair value.

(M) INVENTORIES

Finished and semi-finished products produced and purchased by the Company are carried at lower of cost and net realisable value.

Work-in-progress is carried at lower of cost and net realisable value.

Coal, iron ore and other raw materials produced and purchased by the Company are carried at lower of cost and net realisable value.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Accounting Policies (contd.)

Stores and spare parts are carried at cost. Necessary provision is made and expensed in case of identified obsolete and non-moving items.

Cost of inventories is generally ascertained on the 'weighted average' basis. Work-in-progress and finished and semi-finished products are valued on full absorption cost basis.

(N) RELINING EXPENSES

Relining expenses other than major expenses on furnace relining are charged as an expense in the Statement of Profit and Loss in the year in which they are incurred.

(O) RESEARCH AND DEVELOPMENT

Research and Development costs (other than cost of fixed assets acquired) are charged as an expense in the Statement of Profit and Loss in the year in which they are incurred.

(P) DEFERRED TAX

Deferred Tax is accounted for by computing the tax effect of timing differences, subject to the consideration of prudence in respect of deferred tax assets, which arise during the year and reverse in subsequent periods. Deferred tax is measured at substantively enacted tax rates by the Balance Sheet date.

2. Share Capital

(₹ in million)

		As at 31st March, 2016	As at 31st March, 2015
AUTHORISED:			
1,75,00,00,000	Ordinary Shares of ₹10 each (31.03.2015: 1,75,00,00,000 Ordinary Shares of ₹10 each)	17,500.0	17,500.0
35,00,00,000	"A" Ordinary Shares of ₹10 each (31.03.2015: 35,00,00,000 "A" Ordinary Shares of ₹10 each)	3,500.0	3,500.0
2,50,00,000	Cumulative Redeemable Preference Shares of ₹100 each (31.03.2015: 2,50,00,000 Shares of ₹100 each)	2,500.0	2,500.0
60,00,00,000	Cumulative Convertible Preference Shares of ₹100 each (31.03.2015: 60,00,00,000 Shares of ₹100 each)	60,000.0	60,000.0
		83,500.0	**83,500.0**
ISSUED:			
97,21,26,020	Ordinary Shares of ₹10 each (31.03.2015: 97,21,26,020 Ordinary Shares of ₹10 each)	9,721.3	9,721.3
Subscribed and Paid up:			
97,12,15,439	Ordinary Shares of ₹10 each fully paid up (31.03.2015: 97,12,15,439 Ordinary Shares of ₹10 each)	9,712.1	9,712.1
	Amount paid up on 3,89,516 Ordinary Shares forfeited (31.03.2015: 3,89,516 Shares of ₹10 each)	2.0	2.0
		9,714.1	**9,714.1**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2. Share Capital (Contd.)

Additional information:

(1) The movement in subscribed and paid up share capital is set out below:

	As at 31st March, 2016		As at 31st March, 2015	
	No. of shares	(₹ in million)	No. of shares	(₹ in million)
Ordinary Shares of ₹10 each				
At beginning of the year	97,12,15,439	9,712.1	97,12,15,405	9,712.1
Shares allotted during the year	–	–	34 [(a)]	–
	97,12,15,439	**9,712.1**	**97,12,15,439**	**9,712.1**

(a) (i) **20** Ordinary Shares of face value of ₹10 per share allotted on 1st December, 2014 at a premium of ₹**290** per share to shareholders whose shares were kept in abeyance in the Rights issue made in 2007.

(ii) **14** Ordinary Shares of face value of ₹10 per share allotted on 1st December, 2014 at a premium of ₹**590** per share to holders of Cumulative Convertible Preference Shares in the ratio of 6:1 on conversion whose shares were kept in abeyance in the Rights issue made in 2007.

(b) The balance Ordinary Shares kept in abeyance are **3,01,183** (31.03.2015: 3,01,183) in respect of Rights issue of 2007.

(2) Shareholders holding more than 5 percent shares in the Company:

	As at 31st March, 2016		As at 31st March, 2015	
	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%
(b) Life Insurance Corporation of India	14,17,39,415	14.59%	14,17,39,185	14.59%

(3) **2,25,14,584** shares (31.03.2015: 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.

(4) 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 follows:

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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2. Share Capital (Contd.)

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 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

3. Reserves and Surplus

(₹ in million)

		As at 31st March, 2016		As at 31st March, 2015	
(A)	**CAPITAL RESERVE**				
	Balance as per last account		**14.9**		**14.9**
(B)	**CAPITAL REDEMPTION RESERVE**				
	Balance as per last account		**207.8**		**207.8**
(C)	**SECURITIES PREMIUM RESERVE**				
	Balance as per last account	1,78,528.0		1,78,423.7	
	Expenses/reimbursement related to GDR	–		38.9	
	Effect of tax rate changes on items adjusted against reserves	–		65.4	
			1,78,528.0		**1,78,528.0**
(D)	**DEBENTURE REDEMPTION RESERVE**				
	Balance as per last account		**20,460.0**		**20,460.0**
(E)	**AMALGAMATION RESERVE**				
	Balance as per last account		**2.6**		**2.6**
(F)	**EXPORT PROFITS RESERVE**				
	Balance as per last account		**12.5**		**12.5**
(G)	**FOREIGN EXCHANGE FLUCTUATION RESERVE**				
	Balance as per last account		**140.0**		**140.0**
(H)	**CONTRIBUTIONS FOR CAPITAL EXPENDITURE**				
	Balance as per last account	687.8		599.5	
	Received/Capitalised during the year	111.4		88.3	
			799.2		**687.8**
(I)	**CONTINGENCY RESERVE**				
	Balance as per last account		**1,000.0**		**1,000.0**
(J)	**DEBENTURE FORFEITURE RESERVE**				
	Balance as per last account		**0.4**		**0.4**
(K)	**CASH FLOW HEDGE RESERVE**[1]				
	Balance as per last account	(17.4)		(158.4)	
	Changes recognised (net of tax)	11.9		141.0	
			(5.5)		**(17.4)**
(L)	**GENERAL RESERVE**				
	Balance as per last account	1,15,963.6		1,09,524.5	
	Transfer from Surplus in Statement of Profit and Loss	–		6,439.1	
			1,15,963.6		**1,15,963.6**
(M)	**FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE ACCOUNT**[2]				
	Balance as per last account	1.2		(2,767.5)	
	Exchange gain/(loss) during the year	–		(856.5)	
	Amortisation during the year	(1.2)		3,625.2	
			–		**1.2**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

3. Reserves and Surplus (Contd.)

(₹ in million)

		As at 31st March, 2016		As at 31st March, 2015	
(N)	**SURPLUS IN THE STATEMENT OF PROFIT AND LOSS**				
	Balance as per last account	3,39,923.4		2,94,305.8	
	Profit for the year	49,009.5		64,391.2	
	Adjustment on account of Schedule II of the Companies Act, 2013 (Net of Tax)[(3)]	–		(1,278.0)	
	Distribution on Hybrid Perpetual Securities [net of tax of ₹921.1 million (2014-15: ₹904.5 million)]	(1,740.6)		(1,756.6)	
	Proposed dividend on Ordinary Shares	(7,769.7)		(7,769.7)	
	Tax on dividend	(1,493.0)		(1,530.2)	
	Transfer to General Reserve	–		(6,439.1)	
			3,77,929.6		**3,39,923.4**
			6,95,053.1		**6,56,924.8**

Additional information:

(₹ in million)

			As at 31st March, 2016	As at 31st March, 2015
(1)	(a)	**Opening Balance of Cash Flow Hedge Reserve**	(17.4)	(158.4)
		Add: Effective portion of changes in fair value of cash flow hedges	(48.6)	(185.9)
		Less: Amount subsequently adjusted against cost of inventory	66.7	317.7
		Gross Balance of Cash Flow Hedge Reserve	0.7	(26.6)
		Add: Deferred tax on above	(6.2)	9.2
		Net Balance of Cash Flow Hedge Reserve	**(5.5)**	**(17.4)**

(b) The amount recognised in Cash Flow Hedge Reserve is expected to impact Statement of Profit and Loss within the next one year.

(c) Ineffective portion taken to Statement of Profit and Loss during the year ₹**0.5** million (31.03.2015: ₹4.4 million).

(2) The Company has elected to account for exchange differences arising on reporting of long-term foreign currency monetary item in accordance with Companies (Accounting Standards) Amendment Rules 2009 pertaining to Accounting Standard 11 (AS-11) notified by Government of India on 31st March, 2009 (as amended on 29th December, 2011) which allows foreign exchange differences on long-term monetary items arising on or after 1st April, 2011 to be capitalised to the extent they relate to acquisition of depreciable assets and in other cases to amortise over the balance period of the respective monetary items. As on 31st March, 2016, **Nil** (31.03.2015: ₹1.2 million) remains to be amortised in the "Foreign Currency Monetary Item Translation Difference Account".

(3) During the year ended 31st March, 2015, the Company had revised depreciation rate on certain fixed assets as per the useful life specified in the Companies Act, 2013 or re-assessed by the Company based on technical evaluation. Accordingly, depreciation of ₹**1,278.0** million (net of deferred tax of ₹667.4 million) on account of assets with no remaining useful life as on 1st April, 2014 had been adjusted to retained earnings.

Had there been no change in useful life of assets, depreciation for the year ended 31st March, 2015 would have been higher by ₹348.7 million.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

4. Hybrid Perpetual Securities

(₹ in million)

	As at 31st March, 2016	As at 31st March, 2015
Hybrid Perpetual Securities	22,750.0	22,750.0
	22,750.0	**22,750.0**

Additional information:

(1) The Company had issued Hybrid Perpetual Securities of ₹7,750.0 million and ₹15,000.0 million 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 are not classified as 'debt'.

5. Borrowings

(₹ in million)

	As at 31st March, 2016			As at 31st March, 2015		
	Long-Term	Short-Term	Total	Long-Term	Short-Term	Total
A. SECURED BORROWINGS						
(a) Term loan						
(i) Joint Plant Committee – Steel Development Fund[1(a)]	23,389.1	–	23,389.1	22,323.6	–	22,323.6
(b) Repayable on demand						
(i) From banks	–	–	–	–	2.8	2.8
	23,389.1	**–**	**23,389.1**	**22,323.6**	**2.8**	**22,326.4**
B. UNSECURED BORROWINGS						
(a) Bonds/Debentures[2(a)]						
(i) Non-convertible debentures	99,466.4	–	99,466.4	1,03,633.0	–	1,03,633.0
(b) Term loans						
(i) From banks[2(b)]	1,11,722.2	20,000.0	1,31,722.2	1,04,557.1	–	1,04,557.1
(ii) From financial institutions and others	–	–	–	8,490.0	–	8,490.0
(c) Commercial Paper	–	32,348.5	32,348.5	–	–	–
(d) Other loans	–	261.7	261.7	–	346.0	346.0
	2,11,188.6	**52,610.2**	**2,63,798.8**	**2,16,680.1**	**346.0**	**2,17,026.1**
	2,34,577.7	**52,610.2**	**2,87,187.9**	**2,39,003.7**	**348.8**	**2,39,352.5**

Additional information:

(1) Details of outstanding secured borrowings are as follows:

(a) Loan from Joint Plant Committee – Steel Development Fund which includes funded interest ₹**6,995.8** million (31.03.2015: ₹5,930.3 million). It is repayable in 16 equal semi-annual installments after completion of 4 years from the date of receipt of the last tranche.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

5. Borrowings (contd.)

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 13th April, 1967 and in favour of Government of Bihar under two deeds of mortgage dated 11th May, 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 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 sub-judice. Loan from the Joint Plant Committee-Steel Development Fund includes ₹**16,393.3** million (31.03.2015: ₹16,393.3 million) 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.

(2) Terms of repayment of outstanding unsecured borrowings are as follows:

(a) Bonds/Debentures

(i) 10.25% p.a. interest bearing 25,000 debentures of face value ₹10,00,000 each are redeemable at par in 3 equal annual instalments commencing from 6th January, 2029.

(ii) 10.25% p.a. interest bearing 5,000 debentures of face value ₹10,00,000 each are redeemable at par in 3 equal annual instalments commencing from 22nd December, 2028.

(iii) 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 23rd April, 2022.

(iv) 9.15% p.a. interest bearing 5,000 debentures of face value ₹10,00,000 each are redeemable at par on 24th January, 2021.

(v) 11.00% p.a. interest bearing 15,000 debentures of face value ₹10,00,000 each are redeemable at par on 19th May, 2019.

(vi) 10.40% p.a. interest bearing 6,509 debentures of face value ₹10,00,000 each are redeemable at par on 15th May, 2019.

(vii) 9.15% p.a. interest bearing 5,000 debentures of face value ₹10,00,000 each are redeemable at par on 24th January, 2019.

(viii) 12.50% p.a. interest bearing 12,500 debentures of face value ₹10,00,000 each, amounting to ₹4,166.7 million are redeemable at par on 19th November, 2016.

(b) Term loans from banks

(i) USD **7.86** million equivalent to ₹**520.8** million (31.03.2015: Nil) is repayable on 1st March, 2021.

(ii) USD **200.00** million equivalent to ₹**13,250.5** million (31.03.2015: USD 200.00 million equivalent to ₹1,2500.0 million) loan is repayable in 3 equal annual instalments commencing from 18th February, 2020.

(iii) Indian rupee loan amounting ₹**20,000.0** million (31.03.2015: Nil) is repayable in 10 semi-annual instalments commencing from 30th April, 2019.

(iv) Indian rupee loan amounting ₹**70,000.0** million (31.03.2015: ₹70,000.0 million) is repayable in 34 quarterly instalments commencing from 31st December, 2016.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

5. Borrowings (contd.)

(v) Euro **32.42** million equivalent to ₹**2,446.9** million (31.03.2015: Euro 37.83 million equivalent to ₹2,541.7 million) loan is repayable in 12 equal semi-annual instalments; the next instalment is due on 6th July, 2016.

(vi) Euro **14.08** million equivalent to ₹**1,062.5** million (31.03.2015: Euro 18.77 million equivalent to ₹1,261.3 million) loan is repayable in 6 equal semi-annual instalments; the next instalment is due on 1st July, 2016.

(vii) Euro **1.94** million equivalent to ₹**146.4** million (31.03.2015: Euro 2.91 million equivalent to ₹195.5 million) loan is repayable in 4 equal semi-annual instalments; the next instalment is due on 2nd May, 2016.

(viii) Euro **124.19** million equivalent to ₹**9,372.2** million (31.03.2015: Euro 143.29 million equivalent to ₹9,628.4 million) loan is repayable in 13 equal semi-annual instalments; the next instalment is due on 30th April, 2016.

6. Deferred Tax Liabilities (Net)

(₹ in million)

		Deferred tax (asset)/ liability as at 01.04.2015	Adjustment through reserves	Current year charge/ (credit)	Deferred tax (asset)/ liability as at 31.03.2016
DEFERRED TAX LIABILITIES					
(a)	Differences in depreciation and amortisation for accounting and income tax purposes	38,569.6	(158.9)	2,711.2	41,121.9
(b)	Prepaid expenses	681.2	–	(3.9)	677.3
		39,250.8	**(158.9)**	**2,707.3**	**41,799.2**
DEFERRED TAX ASSETS					
(a)	Employee separation compensation	(3,159.1)	–	(1,419.1)	(4,578.2)
(b)	Provision for doubtful debts and advances	(804.6)	–	(128.8)	(933.4)
(c)	Disallowance under Section 43B of Income Tax Act, 1961	(3,655.9)	–	(1,864.6)	(5,520.5)
(d)	Provision for employee benefits	(5,442.1)	–	(289.1)	(5,731.2)
(e)	Redemption Premium on issue of non-convertible debenture	(3,116.5)	–	441.4	(2,675.1)
(f)	Discount on issue of non-convertible debenture	(549.7)	–	77.8	(471.9)
(g)	Fair value changes of cash flow hedges	(9.2)	6.3	–	(2.9)
(h)	Others	(9.6)	–	(78.1)	(87.7)
		(16,746.7)	**6.3**	**(3,260.5)**	**(20,000.9)**
	Net amount charged to Statement of Profit and Loss			(553.2)	
	Deferred tax liabilities (net)	**22,504.1**			**21,798.3**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

7. Other Long-term Liabilities

(₹ in million)

		As at 31st March, 2016	As at 31st March, 2015
(a)	Creditors for capital supplies/services	6,111.6	9,101.9
(b)	Others	2,315.0	2,186.8
		8,426.6	**11,288.7**

8. Provisions

(₹ in million)

		As at 31st March, 2016			As at 31st March, 2015		
		Long-Term	**Short-Term**	**Total**	**Long-Term**	**Short-Term**	**Total**
(a)	Provision for employee benefits[(1)]	21,169.5	1,179.6	22,349.1	24,340.4	1,027.6	25,368.0
(b)	Provision for employee separation compensation[(2)]	7,712.3	2,193.5	9,905.8	4,418.8	1,317.6	5,736.4
(c)	Provision for taxation[(3)]	–	8,860.2	8,860.2	–	6,591.9	6,591.9
(d)	Provision for fringe benefit tax	–	47.3	47.3	–	47.3	47.3
(e)	Proposed dividend	–	7,769.7	7,769.7	–	7,769.7	7,769.7
		28,881.8	**20,050.3**	**48,932.1**	**28,759.2**	**16,754.1**	**45,513.3**

Additional information:

(1) Includes provision for leave salaries ₹**9,188.1** million (31.03.2015: ₹8,543.7 million).

(2) Provision for employee separation compensation has been calculated on the basis of net present value of the future monthly payments of pension and lump sum benefits under the scheme including ₹**5,198.5** million (2014-15: ₹335.2 million) in respect of schemes introduced during the year.

(3) Provision for taxation is after year wise set off against advance payment against taxes.

9. Trade Payables

(₹ in million)

		As at 31st March, 2016	As at 31st March, 2015
(a)	Creditors for supplies/services[(1)]	66,348.7	48,846.5
(b)	Creditors for accrued wages and salaries	10,712.6	9,173.3
		77,061.3	**58,019.8**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

9. Trade Payables (contd.)

Additional information:

(1) 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 as at 31st March, 2016 are as under:

(₹ in million)

		Year ended 31st March, 2016	Year ended 31st March, 2015
Description			
(i)	The principal amount remaining unpaid to supplier as at the end of the year	149.0	165.1
(ii)	The interest due thereon remaining unpaid to supplier as at the end of the year	7.2	5.6
(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	43.6	43.3
(iv)	The amount of interest accrued during the year and remaining unpaid at the end of the year	50.8	48.9

10. Other Current Liabilities

(₹ in million)

		As at 31st March, 2016	As at 31st March, 2015
(a)	Current maturities of long-term borrowings	9,243.7	42,631.9
(b)	Interest accrued but not due on borrowings	4,593.2	5,878.6
(c)	Unpaid dividend	516.4	514.9
(d)	Application money received due for refund and interest accrued thereon	0.2	1.6
(e)	Unpaid matured deposits and interest accrued thereon	0.7	1.2
(f)	Advances received from customers	2,650.2	2,291.0
(g)	Creditors for capital supplies/services	22,650.7	19,210.5
(h)	Creditors for other liabilities(1)(2)	21,503.0	22,039.4
		61,158.1	**92,569.1**

Additional information:

(1) Includes liability for employee family benefit scheme ₹**1,083.9** million (31.03.2015: ₹957.2 million)

(2) Includes liability for VAT, Sales tax, Excise duty etc.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

11. Tangible Assets

(₹ in million)

Tangible Assets	Freehold Land and Roads	Leasehold Land	Buildings[3]	Leasehold Buildings	Plant and Machinery	Furniture and Fixtures	Office Equipments	Vehicles	Railway Sidings	Total
Gross block as at 01.04.2015	**4,411.7**	**7,262.0**	**30,866.0**	**5.9**	**3,63,737.6**	**525.6**	**1,633.5**	**2,840.1**	**4,861.4**	**4,16,143.8**
	5,599.8	1,947.7	28,471.5	9.0	3,43,357.6	491.8	1,496.3	2,282.3	4,528.0	3,88,184.0
Additions during the year[1]	**1,636.1**	**1,506.8**	**3,423.6**	**–**	**8,792.5**	**70.0**	**155.3**	**303.1**	**13.4**	**15,900.8**
	176.7	3,951.4	2,592.0	–	20,850.6	43.2	193.4	702.8	310.6	28,820.7
Deductions during the year[2]	**(49.4)**	**–**	**(36.8)**	**–**	**(316.0)**	**(0.5)**	**(1.0)**	**(76.0)**	**–**	**(479.7)**
	(1.9)	–	(118.7)	(3.1)	(841.7)	(9.5)	(56.2)	(145.0)	(0.8)	(1,176.9)
Transfer and other movements	–	–	–	–	–	–	–	–	–	–
	(1,362.9)	1,362.9	(78.8)	–	55.1	0.1	–	–	23.6	–
Exchange fluctuations capitalised during the year	**–**	**–**	**–**	**–**	**1,078.4**	**–**	**–**	**–**	**–**	**1,078.4**
	–	–	–	–	316.0	–	–	–	–	316.0
Gross block as at 31.03.2016	**5,998.4**	**8,768.8**	**34,252.8**	**5.9**	**3,73,292.5**	**595.1**	**1,787.8**	**3,067.2**	**4,874.8**	**4,32,643.3**
	4,411.7	7,262.0	30,866.0	5.9	3,63,737.6	525.6	1,633.5	2,840.1	4,861.4	4,16,143.8
Impairment as at 01.04.2015	**–**	**–**	**12.5**	**–**	**–**	**–**	**–**	**–**	**–**	**12.5**
	1,362.9	–	12.5	–	–	–	–	–	–	1,375.4
Impairment during the year	**1.2**	**–**	**1.1**	**–**	**0.9**	**–**	**–**	**–**	**–**	**3.2**
	–	–	–	–	–	–	–	–	–	–
Reversal during the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	(1,362.9)	–	–	–	–	–	–	–	–	(1,362.9)
Transfer and other movements	**–**	**–**	**(0.4)**	**–**	**–**	**–**	**–**	**–**	**–**	**(0.4)**
	–	–	–	–	–	–	–	–	–	–
Impairment as at 31.03.2016	**1.2**	**–**	**13.2**	**–**	**0.9**	**–**	**–**	**–**	**–**	**15.3**
	–	–	12.5	–	–	–	–	–	–	12.5
Accumulated depreciation as at 01.04.2015	**2,342.7**	**442.6**	**6,496.6**	**5.9**	**1,51,631.8**	**489.3**	**1,279.6**	**1,165.5**	**1,563.5**	**1,65,417.5**
	411.6	176.4	5,669.5	7.6	1,35,900.1	454.3	1,161.2	1,077.8	1,305.8	1,46,164.3
Impact of adoption of Schedule II	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	1,125.9	–	0.8	–	803.1	0.2	0.3	2.6	7.0	1,939.9
Depreciation during the year	**511.9**	**111.3**	**1,107.8**	**–**	**16,105.3**	**40.6**	**180.8**	**257.4**	**229.3**	**18,544.4**
	805.6	266.2	879.8	0.2	15,676.1	44.1	174.1	217.7	251.2	18,315.0
Depreciation on assets written off during the year[1]	**–**	**–**	**(12.2)**	**–**	**(271.3)**	**(0.2)**	**(0.8)**	**(62.3)**	**–**	**(346.8)**
	(0.4)	–	(53.5)	(1.9)	(747.5)	(9.3)	(56.0)	(132.6)	(0.5)	(1,001.7)
Transfer and other movements	**–**	**–**	**0.4**	**–**	**0.1**	**–**	**–**	**–**	**–**	**0.5**
	–	–	–	–	–	–	–	–	–	–
Accumulated depreciation as at 31.03.2016	**2,854.6**	**553.9**	**7,592.6**	**5.9**	**1,67,465.9**	**529.7**	**1,459.6**	**1,360.6**	**1,792.8**	**1,83,615.6**
	2,342.7	442.6	6,496.6	5.9	1,51,631.8	489.3	1,279.6	1,165.5	1,563.5	1,65,417.5
Total accumulated depreciation and impairment as at 31.03.2016	**2,855.8**	**553.9**	**7,605.8**	**5.9**	**1,67,466.8**	**529.7**	**1,459.6**	**1,360.6**	**1,792.8**	**1,83,630.9**
	2,342.7	442.6	6,509.1	5.9	1,51,631.8	489.3	1,279.6	1,165.5	1,563.5	1,65,430.0
Net block as at 31.03.2016	**3,142.6**	**8,214.9**	**26,647.0**	**–**	**2,05,825.7**	**65.4**	**328.2**	**1,706.6**	**3,082.0**	**2,49,012.4**
	2,069.0	6,819.4	24,356.9	–	2,12,105.8	36.3	353.9	1,674.6	3,297.9	2,50,713.8

Additional information:

(1) Additions and depreciation on assets written off during the year include adjustments for inter se transfers.

(2) Deductions include cost of assets scrapped/surrendered during the year.

(3) Buildings include ₹**23.2** million (31.03.2015: ₹23.2 million) being cost of shares in Co-operative Housing Societies and Limited Companies.

(4) Rupee liability has increased by ₹**1,078.4** million (net) (2014-15: ₹316.0 million) arising out of realignment of the value of long-term foreign currency loans and vendor retention liability for procurement of fixed assets. This increase has been adjusted in the carrying cost of respective fixed assets and has been depreciated over their remaining depreciable life. The depreciation for the current year has increased by ₹**64.8** million (2014-15: ₹17.5 million) arising on account of this adjustment.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

11. Tangible Assets (contd.)

(5) Tangible assets schedule includes the capital cost of in-house research recognised facility as under:

(₹ in million)

Tangible Assets	Freehold Land and Roads	Leasehold Land	Buildings	Leasehold Buildings	Plant and Machinery	Furniture and fixtures	Office Equipments	Vehicles	Railway Sidings	Total
Gross block as at 01.04.2015	**–**	**–**	**0.2**	**–**	**734.7**	**20.9**	**25.3**	**0.9**	**–**	**782.0**
	–	–	0.2	–	542.6	20.4	21.7	0.9	–	585.8
Additions during the year	**–**	**–**	**1.8**	**–**	**187.9**	**0.4**	**3.4**	**–**	**–**	**193.5**
	–	–	–	–	192.3	0.5	5.7	–	–	198.5
Deductions during the year	–	–	–	–	–	–	–	–	–	–
	–	–	–	–	(0.2)	–	(2.1)	–	–	(2.3)
Gross block as at 31.03.2016	**–**	**–**	**2.0**	**–**	**922.6**	**21.3**	**28.7**	**0.9**	**–**	**975.5**
	–	–	0.2	–	734.7	20.9	25.3	0.9	–	782.0
Capital work-in-progress										**58.9**
										121.9

12. Intangible Assets

(₹ in million)

Intangible Assets	Software Costs	Development of property[3]	Total
Gross block as at 01.04.2015	**1,424.0**	**8,266.0**	**9,690.0**
	1,420.6	6,835.9	8,256.5
Additions during the year[1]	**53.6**	**4,623.6**	**4,677.2**
	3.4	1,430.1	1,433.5
Deductions during the year[2]	**–**	**(54.7)**	**(54.7)**
	–	–	–
Gross block as at 31.03.2016	**1,477.6**	**12,834.9**	**14,312.5**
	1,424.0	8,266.0	9,690.0
Impairment at beginning of period	–	–	–
	–	–	–
Charge for the period	**–**	**359.2**	**359.2**
	–	–	–
Impairment at end of period	**–**	**359.2**	**359.2**
	–	–	–
Accumulated amortisation as at 01.04.2015	**1,080.0**	**6,838.6**	**7,918.6**
	921.3	5,322.0	6,243.3
Impact of adoption of Schedule II	–	–	–
	14.4	–	14.4
Amortisation during the year	**147.2**	**639.5**	**786.7**
	144.3	1,516.6	1,660.9
Amortisation on assets written off during the year	**–**	**(25.5)**	**(25.5)**
	–	–	-
Accumulated amortisation as at 31.03.2016	**1,227.2**	**7,452.6**	**8,679.8**
	1,080.0	6,838.6	7,918.6
Net block as at 31.03.2016	**250.4**	**5,023.1**	**5,273.5**
	344.0	1,427.4	1,771.4

(1) Additions and amortisation on assets written off during the year include adjustments for inter se transfers.
(2) Deductions include cost of assets scrapped/surrendered during the year.
(3) Development of property represents expenditure incurred on development of mines/collieries.
(4) The above intangible assets do not include any internally generated assets.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

13. Non-current Investments

(₹ in million)

	No. of equity shares of face value of ₹10 each fully paid-up unless otherwise specified	As at 31st March, 2016		As at 31st March, 2015	
A. TRADE INVESTMENTS					
(I) Investments in Equity Instruments					
(a) Investments in Subsidiary Companies					
(i) Quoted					
(1) Tata Metaliks Ltd.	1,26,67,590	263.0		263.0	
(2) Tayo Rolls Limited	55,87,372	485.7		485.7	
(3) Tata Sponge Iron Limited	83,93,554	865.4		865.4	
(4) The Tinplate Company of India Ltd.	7,84,57,640	3,950.2		3,950.2	
			5,564.3		**5,564.3**
(ii) Unquoted					
(1) ABJA Investment Co. Pte Ltd. (Face value of USD 1 each)	2,00,000	10.8		10.8	
(2) Adityapur Toll Bridge Company Limited	1,50,00,000	144.4		144.4	
(3) Bangla Steel & Mining Co. Ltd.*	9,998	–		–	
(4) Indian Steel & Wire Products Ltd.	56,92,651	30.9		30.9	
(5) Jamshedpur Continuous Annealing & Processing Company Private Limited (2,95,80,000 shares acquired during the year)	47,53,20,000	4,753.2		4,457.4	
(6) Jamshedpur Utilities & Services Company Limited	2,03,50,000	203.5		203.5	
(7) Mohar Exports Services Pvt. Limited	3,352	–		–	
(8) NatSteel Asia Pte. Ltd. (Face value of SGD 1 each)	28,14,37,128	7,738.6		7,738.6	
(9) Rujuvalika Investments Limited (10,08,333 shares acquired during the year)	13,28,800	604.0		–	
(10) Tata Steel Special Economic Zone Limited (5,96,70,000 shares acquired during the year)	9,20,92,631	920.9		324.2	
(11) T M International Logistics Limited	91,80,000	91.8		91.8	
(12) T M Mining Company Limited	1,62,800	1.6		1.6	
(13) Tata Incorporated (Face value of USD 1,000 each) (1,500 shares disposed during the year)	–	–		16.4	
(14) Tata Korf Engineering Services Ltd.*	3,99,986	–		–	
(15) Tata Steel (KZN) (Pty) Ltd. (Face value of ZAR 1 each)	12,96,00,000	847.0		847.0	
(16) T Steel Holdings Pte Ltd. (Face value of GBP 1 each)	5,93,17,67,688	4,78,753.3		4,78,753.3	
(17) Tata Steel Processing and Distribution Limited	6,82,50,000	2,744.5		2,744.5	
(18) Tata Steel Odisha Limited	25,50,000	25.5		25.5	
(19) Tata Pigments Limited (Face value of ₹100 each)	75,000	7.0		7.0	
(20) TS Alloys Limited (62,33,067 shares acquired during the year)	6,57,07,544	786.4		724.1	
			4,97,663.4		**4,96,121.0**
			5,03,227.7		**5,01,685.3**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

13. Non-current Investments (contd.)

(₹ in million)

	No. of equity shares of face value of ₹10 each fully paid-up unless otherwise specified	As at 31st March, 2016		As at 31st March, 2015	
(b) Investments in Joint Ventures					
(i) Unquoted					
(1) Bhubaneshwar Power Private Limited (75,32,306 shares acquired during the year)	3,27,57,836	327.6		252.2	
(2) Himalaya Steel Mill Services Private Limited	36,19,945	36.1		36.1	
(3) mjunction services limited	40,00,000	40.0		40.0	
(4) S & T Mining Company Private Limited	1,29,41,400	129.4		129.4	
(5) Tata BlueScope Steel Limited	43,30,00,000	4,330.0		4,330.0	
(6) Tata NYK Shipping Pte Ltd. (Face value of USD 1 each) (34,20,000 shares acquired during the year)	6,51,67,500	3,501.4		3,288.6	
			8,364.5		**8,076.3**
			8,364.5		**8,076.3**
(c) Investments in Associate Companies					
(i) Quoted					
(1) Kumardhubi Fireclay and Silica Works Ltd.*	1,50,001	–		–	
(2) TRF Limited (19,739 shares disposed during the year)	37,53,275	57.9		58.2	
			57.9		**58.2**
(ii) Unquoted					
(1) Industrial Energy Limited (96,72,000 shares acquired during the year)	17,31,60,000	1,731.6		1,634.9	
(2) Jamipol Limited	36,75,000	83.9		83.9	
(3) Kalinga Aquatics Ltd.*	10,49,920	–		–	
(4) Kumardhubi Metal Casting and Engineering Limited*	10,70,000	–		–	
(5) Nicco Jubilee Park Limited *	3,40,000	–		–	
(6) Rujuvalika Investments Limited	–	–		6.0	
(7) Strategic Energy Technology Systems Private Limited (9,05,000 shares acquired during the year)	2,56,14,500	256.2		247.1	
(8) Tata Construction & Projects Ltd.*	11,97,699	–		–	
(9) TRL Krosaki Refractories Limited	55,63,864	423.8		423.8	
(10) Others ₹33,520 (31.03.2015: ₹67,040)[3]		–		0.1	
			2,495.5		**2,395.8**
			2,553.4		**2,454.0**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

13. Non-current investments (contd.)

(₹ in million)

	No. of equity shares of face value of ₹10 each fully paid-up unless otherwise specified	As at 31st March, 2016		As at 31st March, 2015	
(d) Investments in Others					
(i) Quoted					
(1) Steel Strips Wheels Limited (1,00,000 shares disposed during the year)	11,55,856	196.5		213.5	
(2) Tata Investment Corporation Limited	2,46,018	65.1		65.1	
(3) Tata Motors Ltd. (Face value of ₹2 each) (83,49,770 shares acquired during the year and 7,63,99,588 shares disposed during the year)	8,36,37,697	3,507.4		2,953.5	
(4) The Tata Power Company Ltd. (Face value of ₹1 each)	3,91,22,725	2,250.9		2,250.9	
(5) Titan Company Limited (Face value of ₹1 each) (3,87,75,840 shares disposed during the year)	–	–		133.6	
(6) Others ₹7,574 (31.03.2015: ₹7,574)[(4)]		–		–	
			6,019.9		**5616.6**
(ii) Unquoted					
(1) Medica TS Hospital Pvt. Ltd.	2,60,000	2.6		2.6	
(2) Panatone Finvest Ltd.	45,000	0.5		0.5	
(3) Steelscape Consultancy Pvt. Ltd.	50,000	0.3		0.3	
(4) Taj Air Limited	42,00,000	42.0		42.0	
(5) Tarapur Environment Protection Society (52,352 shares acquired during the year)	82,776	8.9		3.1	
(6) Tata Industries Ltd. (Face value of ₹100 each)	99,80,436	2,021.9		2,021.9	
(7) Tata International Ltd. (Face value of ₹1,000 each)	28,616	311.9		311.9	
(8) Tata Projects Ltd. (Face value of ₹100 each) (2,18,250 shares disposed during the year)	–	–		323.6	
(9) Tata Services Ltd. (Face value of ₹1,000 each)	1,621	1.6		1.6	
(10) Tata Sons Limited (Face value of ₹1,000 each)	12,375	687.5		687.5	
(11) Tata Teleservices Ltd.	6,46,92,310	1,386.8		1,386.8	
(12) Others ₹72,737 (31.03.2015: ₹72,737)[(5)]		0.1		0.1	
			4,464.1		**4,781.9**
			10,484.0		**10,398.5**
			5,24,629.6		**5,22,614.1**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

13. Non-current investments (contd.)

(₹ in million)

		No. of equity shares of face value of ₹10 each fully paid-up unless otherwise specified	As at 31st March, 2016		As at 31st March, 2015	
(II)	**Investments in Preference Shares**					
(a)	**Investments in Subsidiary Companies**					
	(i) Unquoted					
	(1) Tata Metaliks Ltd. 8.50% non-cumulative redeemable preference shares (Face value of ₹100 each)	1,00,00,000	1,000.0		1,000.0	
	(2) Tayo Rolls Limited 8.50% non-cumulative redeemable preference shares (Face value of ₹100 each) (16,00,000 shares acquired during the year)	2,31,00,000	2,310.0		2,150.0	
				3,310.0		**3,150.0**
				3,310.0		**3,150.0**
(III)	**Investments in Debentures/Bonds**					
(a)	**Investments in Associate Companies**					
	(i) Unquoted					
	(1) Tata Construction & Projects Ltd.* 10% Convertible debentures of ₹100 each	97,000	–		–	
				–		–
(b)	**Investments in Others**					
	(i) Unquoted					
	(1) Medica TS Hospital Pvt. Ltd. Secured optionally convertible redeemable debentures of ₹1,000 each (3,39,500 debentures acquired during the year)	3,39,500	339.5		–	
				339.5		–
				339.5		–
	Provision for diminution in the value of investments					
	(i) Investment in Equity Instruments		(2,367.0)		(1,973.8)	
	(ii) Investment in Preference Shares		(2,310.0)		(2,150.0)	
				(4,677.0)		**(4,123.8)**
	Total trade investments			**5,23,602.1**		**5,21,640.3**
B.	**OTHER INVESTMENTS**					
(I)	**Investments in Equity Instruments**					
(a)	**Investments in others**					
	(i) Quoted					
	(1) Credit Analysis & Research Limited	3,54,000	1.0		1.0	
	(2) Housing Development Finance Corporation Ltd. (Face value of ₹2 each)	7,900	0.1		0.1	
				1.1		**1.1**
	(ii) Unquoted					
	(1) IFCI Venture Capital Funds Ltd.	1,00,000	1.0		1.0	
	(2) Others ₹47,488 (31.03.2015: ₹47,488)[(6)]		–		–	
				1.0		**1.0**
	Total other investments			**2.1**		**2.1**
	Total non-current investments			**5,23,604.2**		**5,21,642.4**

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

13. Non-current investments (contd.)

Additional information:

(₹ in million)

			No. of equity shares of face value of ₹10 each fully paid-up unless otherwise specified	As at 31st March, 2016	As at 31st March, 2015
(1)	Carrying value of Quoted Investments Market Value as at 31st March, 2016 ₹47,457.9 million (31.03.2015: ₹1,15,289.7 million)			11,157.5	10,754.5
(2)	Carrying value of Unquoted Investments			5,12,446.7	5,10,887.9
				5,23,604.2	**5,21,642.4**
				₹	₹
(3)	Trade Investments - Equity instruments (Associates) - Unquoted include:				
	(a)	Malusha Travels Pvt. Ltd.	3,352	33,520	33,520
	(b)	Mohar Exports Services Pvt. Limited	–	–	33,520
				33,520	**67,040**
(4)	Trade Investments - Equity instruments (Others) - Quoted include:				
	(a)	Tata Consultancy Services Limited (Face Value of ₹1 each)	24,400	7,564	7,564
	(b)	Timken India Ltd.	1	10	10
				7,574	**7,574**
(5)	Trade Investments - Equity instruments (Others) - Unquoted include:				
	(a)	Barajamda Iron Ore Mine Workers' Central Co-operative Stores Ltd. (Face Value of ₹25 each)	200	5,000	5,000
	(b)	Bokaro and Ramgarh Ltd.	100	16,225	16,225
	(c)	Ferro Manganese Plant Employees' Consumer Co-operative Society Ltd. (Face Value of ₹25 each)	100	2,500	2,500
	(d)	Jamshedpur Co-operative House Building Society Ltd. (Face Value of ₹100 each)	10	1,000	1,000
	(e)	Jamshedpur Co-operative Stores Ltd. (Face Value of ₹5 each)	50	250	250
	(f)	Jamshedpur Educational and Culture Co-operative Society Ltd. (Face Value of ₹100 each)	50	5,000	5,000
	(g)	Joda East Iron Mine Employees' Consumer Co-operative Society Ltd. (Face Value of ₹25 each)	100	2,500	2,500
	(h)	Sijua (Jherriah) Electric Supply Co. Ltd.	4,144	40,260	40,260
	(i)	TBW Publishing and Media Pvt. Limited	100	1	1
	(j)	Woodland Multispeciality Hospital Ltd.	1,25,000	1	1
				72,737	**72,737**
(6)	Other Investments - Equity instruments (Others) - Unquoted include:				
	(a)	Eastern Synpacks Limited	1,50,000	1	1
	(b)	Investech Advisory Services (India) Limited (Face Value of ₹100 each)	1,680	1	1
	(c)	Namtech Electronic Devices Limited	48,026	1	1
	(d)	Reliance Firebrick and Pottery Company Ltd. (Partly paid-up)	16,800	1	1
	(e)	Reliance Firebrick and Pottery Company Ltd.	2,400	1	1

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

13. Non-current investments (contd.)

(₹ in million)

		No. of equity shares of face value of ₹10 each fully paid-up unless otherwise specified	As at 31st March, 2016	As at 31st March, 2015
(f)	Sanderson Industries Ltd.	3,33,876	2	2
(g)	Standard Chrome Ltd.	11,16,000	2	2
(h)	Wellman Incandescent India Ltd.	15,21,234	2	2
(i)	Unit Trust of India – Mastershares	2,229	47,477	47,477
			47,488	**47,488**

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

14. Loans and Advances

(₹ in million)

		As at 31st March, 2016			As at 31st March, 2015		
		Long-Term	**Short-Term**	**Total**	**Long-Term**	**Short-Term**	**Total**
(A)	CAPITAL ADVANCES[(1)]						
	Unsecured and considered good	5,981.8	–	5,981.8	7,812.9	–	7,812.9
	Unsecured and considered doubtful	734.3	–	734.3	–	–	–
	Less: Provision for bad & doubtful loans and advances	734.3	–	734.3	–	–	–
		5,981.8	**–**	**5,981.8**	**7,812.9**	**–**	**7,812.9**
(B)	SECURITY DEPOSITS						
	Unsecured and considered good	1,659.2	–	1,659.2	988.5	–	988.5
	Unsecured and considered doubtful	14.0	–	14.0	17.2	–	17.2
	Less: Provision for bad & doubtful loans and advances	14.0	–	14.0	17.2	–	17.2
		1,659.2	**–**	**1,659.2**	**988.5**	**–**	**988.5**
(C)	ADVANCE WITH PUBLIC BODIES						
	Unsecured and considered good	18,409.0	9,280.6	27,689.6	13,320.5	8,075.6	21,396.1
	Unsecured and considered doubtful	127.3	26.9	154.2	133.0	18.5	151.5
	Less: Provision for bad & doubtful loans and advances	127.3	26.9	154.2	133.0	18.5	151.5
		18,409.0	**9,280.6**	**27,689.6**	**13,320.5**	**8,075.6**	**21,396.1**
(D)	LOANS AND ADVANCES TO RELATED PARTIES[(2)]						
	Unsecured and considered good	504.5	509.2	1,013.7	840.5	1,399.3	2,239.8
	Unsecured and considered doubtful	5,405.1	2,560.7	7,965.8	5,305.7	1,772.6	7,078.3
	Less: Provision for bad & doubtful loans and advances	5,405.1	2,560.7	7,965.8	5,305.7	1,772.6	7,078.3
		504.5	**509.2**	**1,013.7**	**840.5**	**1,399.3**	**2,239.8**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

14. Loans and Advances (contd.)

(₹ in million)

		As at 31st March, 2016			As at 31st March, 2015		
		Long-Term	Short-Term	Total	Long-Term	Short-Term	Total
(E)	**MAT CREDIT ENTITLEMENT**						
	Unsecured and considered good	2,693.8	–	2,693.8	1,172.1	–	1,172.1
(F)	**ADVANCE PAYMENT AGAINST TAXES**[3]						
	Unsecured and considered good	8,376.6	–	8,376.6	7,235.7	–	7,235.7
(G)	**OTHER LOANS AND ADVANCES**[4]						
	Unsecured and considered good	253.9	2,645.0	2,898.9	708.8	9,796.7	10,505.5
	Unsecured and considered doubtful	4.3	417.4	421.7	34.1	362.2	396.3
	Less: Provision for bad & doubtful loans and advances	4.3	417.4	421.7	34.1	362.2	396.3
		253.9	**2,645.0**	**2,898.9**	**708.8**	**9,796.7**	**10,505.5**
		37,878.8	**12,434.8**	**50,313.6**	**32,079.0**	**19,271.6**	**51,350.6**

Additional information:

(1) Include capital advance in respect of research and development activities of ₹**62.9** million (31.03.2015: ₹31.9 million).

(2) Loans and advances to related parties include:

(a) Advance against equity for purchase of shares in subsidiaries, joint ventures and associate **Nil** (31.03.2015: ₹212.8 million).

(b) Loans and advances in the nature of loans given to subsidiaries and associate ₹**6,330.7** million (31.03.2015: ₹6,413.6 million). Disclosure as per Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

		As at 31.03.2016	Maximum balance outstanding during the year	Investment by the loanee in the shares of parent company
Name of the Company	**Relationship**	**(₹ in million)**	**(₹ in million)**	**No. of Shares**
Tata Steel (KZN) (Pty) Ltd.	Subsidiary	**5,405.1**	**5,416.6**	**–**
		5,305.7	5,418.6	–
Tata Metaliks Ltd.	Subsidiary	**220.0**	**220.0**	**–**
		220.0	220.0	–
Adityapur Toll Bridge Company Limited	Subsidiary	**154.3**	**154.3**	**–**
		150.0	150.0	–
Tayo Rolls Limited	Subsidiary	**436.3**	**436.3**	**–**
		–	–	–
Industrial Energy Limited	Associate	**–**	**622.9**	**–**
		622.9	1,392.0	–
Jamshedpur Utilities & Services Company Limited	Subsidiary	**115.0**	**115.0**	**–**
		115.0	115.0	–

(c) Intercorporate deposits ₹**925.6** million (31.03.2015: ₹1,107.9 million)

(3) Advance payment against taxes is after year wise set off against provision for taxation.

(4) Other loans and advances include Intercorporate deposits ₹**20.0** million (31.03.2015: ₹20.0 million)

(5) Loans and advances in the nature of loans and inter-corporate deposits have been given for business purpose.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

15. Other Non-current Assets

(₹ in million)

		As at 31st March, 2016	As at 31st March, 2015
(a)	Balances with banks[(1)(2)]	350.0	378.1
(b)	Unamortised loan issue expenses	1,720.1	1,723.2
(c)	Others	203.9	16.2
		2,274.0	**2,117.5**

Additional information:

(1) Represents bank deposits not due for realisation within 12 months of the balance sheet date.

(2) Includes balances with banks held as security against guarantees ₹**346.4** million (31.03.2015: ₹295.7 million).

16. Current Investments

(₹ in million)

	As at 31st March, 2016	As at 31st March, 2015
INVESTMENTS IN MUTUAL FUNDS – UNQUOTED		
Axis Liquid Fund - Growth	3,800.0	–
Goldman Sachs Mutual Fund - Liquid Bees	0.8	0.8
HDFC Liquid Fund - Growth	5,000.0	–
ICICI Prudential Liquid - Reg - Growth	–	1,000.0
ICICI Prudential Money Market Fund - Reg - Growth	7,000.0	–
Kotak Liquid Scheme - Plan A - Growth	3,000.0	–
Reliance Liquidity Fund - Growth	6,300.0	1,000.0
Religare Invesco Liquid Fund - Growth	1,000.0	–
SBI Premier Liquid Fund - Reg - Growth	3,500.0	500.0
Tata Money Market Fund - Plan A - Growth	–	7,500.0
Tata Money Market Fund - Growth	9,000.0	–
UTI Liquid Fund - Cash Plan - IP - Growth	4,600.9	–
	43,201.7	**10,000.8**

17. Inventories

(At lower of cost and net realisable value)

(₹ in million)

		As at 31st March, 2016	As at 31st March, 2015
(a)	Raw materials	23,686.1	32,651.9
(b)	Work-in-progress	183.0	443.2
(c)	Finished and semi-finished goods	27,391.2	28,884.7
(d)	Stock-in-trade of goods acquired for trading	697.5	373.5
(e)	Stores and spares	18,880.3	18,066.7
		70,838.1	**80,420.0**
INCLUDED ABOVE, GOODS-IN-TRANSIT:			
(i)	Raw materials	3,824.2	5,986.3
(ii)	Finished and semi-finished goods	0.4	196.2
(iii)	Stock-in-trade of goods acquired for trading	653.1	238.5
(iv)	Stores and spares	1,607.0	1,607.7
		6,084.7	**8,028.7**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

18. Trade Receivables

(₹ in million)

	As at 31st March, 2016	As at 31st March, 2015
(a) More than six months	244.4	242.8
(b) Others	6,223.2	4,838.5
	6,467.6	**5,081.3**
Less: Provision for doubtful trade receivables		
(a) More than six months	119.6	166.7
(b) Others	20.0	–
	6,328.0	**4,914.6**
Unsecured and considered good	6,328.0	4,914.6
Doubtful	139.6	166.7
	6,467.6	**5,081.3**

19. Cash and Bank Balances

(₹ in million)

	As at 31st March, 2016	As at 31st March, 2015
(a) Cash in hand	4.1	4.6
(b) Cheques, drafts on hand	245.3	422.1
(c) Remittances in-transit	2.7	1.3
(d) Balances with banks	9,280.2	3,791.3
Total cash and cash equivalents	9,532.3	4,219.3
(e) Earmarked balances with banks [(1)]	614.4	566.6
	10,146.7	**4,785.9**

Additional information:

(1) Includes balances with banks held as security against guarantees ₹**93.2** million (31.03.2015: ₹45.4 million).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

20. Other Current Assets

(₹ in million)

		As at 31st March, 2016	As at 31st March, 2015
(a)	Interest accrued on deposits, loans and advances	118.4	66.3
(b)	Others[1]	1,147.2	486.4
		1,265.6	**552.7**

Additional information:

(1) Includes ₹**237.0** million (31.03.2015: ₹255.6 million) on account of loan issue expenses.

21. Revenue from Operations

(₹ in million)

		Year ended 31st March, 2016	Year ended 31st March, 2015
(a)	Sale of products[1]	4,06,892.2	4,50,076.3
(b)	Sale of power and water	14,683.7	11,189.1
(c)	Income from town, medical and other services	1,330.5	995.4
(d)	Other operating income[2]	3,956.5	3,511.8
		4,26,862.9	**4,65,772.6**

Additional information:

(1) Details of products sold:

(₹ in million)

		Year ended 31st March, 2016	Year ended 31st March, 2015
Class of Products			
(i)	Saleable Steel (Finished)	3,35,623.6	3,76,396.2
(ii)	Agrico Products	1,493.6	1,569.5
(iii)	Semi-finished Steel and Scrap	9,896.3	13,982.5
(iv)	Welded Steel Tubes	20,891.5	23,472.9
(v)	By-Products, etc.	3,365.9	4,457.8
(vi)	Raw Materials:		
	– Ferro Manganese	1,700.3	1,998.6
	– Charge Chrome/Ferro Chrome	10,905.4	5,297.7
	– Other Raw Materials	15,536.6	18,102.5
(vii)	Bearings	1,831.4	1,741.9
(viii)	Metallurgical Machinery	245.4	137.7
(ix)	Sale of Purchased Materials:		
	– Saleable Steel (Finished/Converted)	5,368.4	2,889.7
	– Raw Materials/Scrap/Other Materials	33.8	29.3
		4,06,892.2	**4,50,076.3**

(2) Includes lease rentals of ₹**2.0** million (2014-15: ₹2.0 million) on wagons leased to railways under Own Your Wagon Scheme.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

22. Other Income

(₹ in million)

		Year ended 31st March, 2016	Year ended 31st March, 2015
(a)	Dividend income		
	(i) Investment in subsidiaries	435.6	350.4
	(ii) Investment in joint ventures and associates	205.8	262.3
	(iii) Other non-current investments	429.4	583.3
	(iv) From current investments	–	5.1
(b)	Interest income	427.6	1,075.1
(c)	Net gain/(loss) on sale of investments		
	(i) On sale of other non-current investments	35,075.2	17.2
	(ii) On sale of current investments	1,804.1	4,068.1
(d)	Profit on sale of capital assets (net of loss on assets sold/written off)	(21.1)	9.7
(e)	Gain/(Loss) on cancellation of forwards, swaps and options (net)	(12.1)	(774.1)
(f)	Other miscellaneous income	562.5	230.7
		38,907.0	**5,827.8**

23. Raw Materials Consumed

(₹ in million)

		Year ended 31st March, 2016	Year ended 31st March, 2015
(a)	Iron Ore	31,199.7	36,668.4
(b)	Coal [excluding ₹**48,929.3** million (2014-15: ₹54,113.0 million) used for manufacturing coke]	14,061.7	12,474.7
(c)	Coke	47,274.8	55,809.4
(d)	Limestone and Dolomite	8,124.5	7,865.8
(e)	Ferro Manganese	1,616.4	1,693.8
(f)	Zinc and Zinc Alloys	2,732.9	2,962.3
(g)	Sulphur and Other Materials	21,710.5	20,922.6
		1,26,720.5	**1,38,397.0**

Additional information:

(1) The consumption figures shown above are after adjusting excess and shortages ascertained on physical count, unserviceable items, etc.

(2) Raw materials consumed includes ₹**29,720.4** million (2014-15: ₹21,611.0 million) charged to wages and salaries and other revenue accounts.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

24. Purchase of Finished, Semi-finished and Other Products

(₹ in million)

		Year ended 31st March, 2016	Year ended 31st March, 2015
(a)	For Resale:		
	(i) Finished/Semi-finished steel materials	5,886.4	4,426.3
	(ii) Finished/Semi-finished steel materials - Agrico and Tubes	251.6	349.8
(b)	For Own Consumption:		
	(i) Finished/Semi-finished steel materials[1]	3,619.0	1,552.2
	(ii) Sponge/Pig iron	58.8	458.6
	(iii) Others	99.6	96.3
		9,915.4	**6,883.2**

Additional information:

(1) Includes components for manufacture of metallurgical machinery ₹**226.4** million (2014-15: ₹259.6 million).

25. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

(₹ in million)

		Year ended 31st March, 2016	Year ended 31st March, 2015
INVENTORIES AT THE END OF THE YEAR			
(a)	Work-in-progress	183.0	443.2
(b)	Finished and semi-finished goods	27,391.2	28,884.7
(c)	Stock-in-trade of goods acquired for trading	697.5	373.5
		28,271.7	**29,701.4**
INVENTORIES AT THE BEGINNING OF THE YEAR			
(a)	Work-in-progress	443.2	359.9
(b)	Finished and semi-finished goods	28,884.7	22,161.4
(c)	Stock-in-trade of goods acquired for trading	373.5	20.7
		29,701.4	**22,542.0**
		(1,429.7)	**7,159.4**

Additional information:

(1) Details of finished and semi-finished goods, stock-in-trade of goods acquired for trading:

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

25. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade (contd.)

(₹ in million)

Class of Products		As at 31st March, 2016		As at 31st March, 2015	
		Closing Stock	Opening Stock	Closing Stock	Opening Stock
(a)	Saleable Steel (Finished)	15,109.7	19,250.5	19,250.5	11,956.5
(b)	Agrico Products	118.5	143.5	143.5	110.8
(c)	Semi-finished Steel and Scrap	9,310.4	6,623.7	6,623.7	7,616.6
(d)	Welded Steel Tubes	843.8	859.3	859.3	935.4
(e)	By-Products, etc.	518.9	189.8	189.8	157.9
(f)	Other Products	1,214.7	1,348.3	1,348.3	1,159.7
(g)	Bearings	252.2	264.5	264.5	219.7
(h)	Sale of Purchased Materials –				
	Saleable Steel (Finished/Converted)	708.1	559.6	559.6	4.8
	Raw Materials/Scrap/Other Materials	12.4	19.0	19.0	20.7
		28,088.7	**29,258.2**	**29,258.2**	**22,182.1**

26. Employee Benefits Expense

(₹ in million)

		Year ended 31st March, 2016	Year ended 31st March, 2015
(a)	Salaries and wages, including bonus	36,077.9	35,688.6
(b)	Contribution to provident and other funds	4,646.4	6,001.4
(c)	Staff welfare expenses	2,524.7	4,329.2
		43,249.0	**46,019.2**

27. Depreciation and Amortisation Expense

(₹ in million)

		Year ended 31st March, 2016	Year ended 31st March, 2015
(a)	Depreciation on tangible assets	18,544.4	18,315.0
(c)	Amortisation of intangible assets	786.7	1,660.9
		19,331.1	**19,975.9**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

28. Finance Costs

(₹ in million)

			Year ended 31st March, 2016	Year ended 31st March, 2015
(a)	Interest expense			
	(i)	Debentures/bonds and fixed loans	20,849.8	23,255.8
	(ii)	Others[1]	1,052.6	1,997.7
(b)	Other borrowing costs		3,025.9	978.5
			24,928.3	**26,232.0**
	Less: Interest capitalised		10,325.6	6,472.5
			14,602.7	**19,759.5**

Additional information:

(1) Includes interest on service tax **Nil** (2015-14: ₹22.1 million) and income tax **Nil** (2014-15: ₹804.0 million).

29. Other Expenses

(₹ in million)

		Year ended 31st March, 2016	Year ended 31st March, 2015
(a)	Consumption of stores and spares	24,251.1	23,054.7
(b)	Repairs to buildings	574.1	765.1
(c)	Repairs to machinery	20,253.0	18,644.4
(d)	Relining expenses	431.0	455.8
(e)	Fuel oil consumed	1,380.7	1,342.6
(f)	Purchase of power	27,431.0	25,701.6
(g)	Conversion charges	22,044.3	18,859.8
(h)	Freight and handling charges	29,948.8	28,833.2
(i)	Rent	735.3	753.4
(j)	Royalty	9,386.2	8,072.2
(k)	Rates and taxes	7,528.3	6,848.5
(l)	Insurance	568.2	571.8
(m)	Commission, discounts and rebates	1,827.8	1,643.5
(n)	Provision for wealth tax	–	20.0
(o)	Provision for doubtful debts and advances	224.9	260.5
(p)	Excise duty	(471.8)	1,069.3
(q)	Others[1][2]	18,267.7	24,203.5
		1,64,380.6	**1,61,099.9**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

29. Other Expenses (contd.)

Additional information:

(₹ in million)

				Year ended 31st March, 2016	Year ended 31st March, 2015
(1)	Others include:				
	(a)	Adjustment to the carrying amount of investments		–	0.1
	(b)	Provision for impairment of fixed assets		–	515.0
	(c)	Net loss/(gain) on foreign currency transactions		43.5	6,566.9
	(d)	Auditors remuneration and out-of-pocket expenses			
		(i)	As auditors	65.3	50.0
		(ii)	For taxation matters	4.7	4.6
		(iii)	For other services	26.4	9.5
		(iv)	Auditors out-of-pocket expenses	1.7	3.6
	(e)	Cost audit fees [Including expenses ₹**22,388** (2014-15: ₹25,064)]		1.2	1.2
	(f)	Donation to electoral trust		–	89.2

(2) (i) Amount required to be spent by the Company on Corporate Social Responsibility (CSR) activities during the year was ₹**1,503.6** million (2014-15: ₹1,682.6 million).

(ii) Others include revenue expenditure charged to Statement of Profit and Loss in respect of Corporate Social Responsibility (CSR) activities undertaken during the year ₹**1,956.4** million [₹1,923.9 million has been paid in cash and ₹32.5 million is yet to be paid in cash] as compared to ₹1,612.8 million for the year ended 31st March, 2015 [₹1,578.8 million was paid in cash and ₹34.0 million was unpaid.] Capital expenditure incurred during the year in construction of capital assets under CSR projects is ₹**88.2** million [₹84.9 million paid in cash and ₹3.3 million is yet to be paid in cash] as compared to ₹101.5 million for the year ended 31st March, 2015 [₹94.3 million was paid in cash and ₹7.2 million was unpaid] .

30. Exceptional Items

(a) 'Profit on sale of non-current investments' represents profit of ₹**1,042.9** million on sale of investments held by the Company in its subsidiaries, associates and others.

The previous year amount of ₹8,061.0 million represents profit on divestment in The Dhamra Port Company Limited and Lanka Special Steels Ltd.

(b) The previous year amount of 'Profit on sale of non-current assets' represents profit on sale of a land at Borivali, Mumbai.

(c) During the year, the Company carried out impairment testing of its exposure in some of its affiliate companies due to the existence of factors indicating probable impairment.

Consequently, an amount of ₹**1,260.4** million majorly on account of exposure in Tayo Rolls Limited (a subsidiary), Adityapur Toll Bridge Company Limited (a subsidiary), Tata Korf Engineering Services Ltd (a subsidiary) and Strategic Energy Technology Systems Private Limited (an associate) has been provided for.

Further, a provision of ₹**729.9** million has been created on account of the Company's exposure in its Chhattisgarh Project.

The previous year provision of ₹1,984.0 million relates to provision on account of investment exposure in subsidiaries, Tayo Rolls Limited and Adityapur Toll Bridge Company Limited.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

30. Exceptional Items (contd.)

(d) 'Provision for impairment on non-current assets' of ₹**515.1** million represents non-cash write down of fixed assets and inventory in certain non-performing business units.

The previous year reversal of impairment loss of ₹1362.9 million was in respect of land acquired in Gopalpur.

(e) 'Provisions for demands and claims' of ₹**8,800.5** million represents provisions created during the year for certain demands and claims.

(f) 'Employee Separation Compensation' represents the charge of ₹**5,562.5** million taken on Employee Separation Scheme.

31. Earnings Per Share (EPS)

(₹ in million)

		As at 31st March, 2016	**As at 31st March, 2015**
(a)	Profit after tax	49,009.5	64,391.2
	Less: Distribution on Hybrid Perpetual Securities (net of tax)	1,740.6	1,756.6
	Profit attributable to Ordinary Shareholders – for Basic EPS	47,268.9	62,634.6
	Profit attributable to Ordinary Shareholders – for Diluted EPS	47,268.9	62,634.6
		Nos.	Nos.
(b)	Weighted average no. of Ordinary Shares for Basic EPS	97,12,15,439	97,12,15,416
	Weighted average no. of Ordinary Shares for Diluted EPS	97,12,15,439	97,12,15,416
(c)	Nominal value per Ordinary Share	₹10.00	₹10.00
(d)	Basic Earnings per Ordinary Share	₹48.67	₹64.49
(e)	Diluted Earnings per Ordinary Share	₹48.67	₹64.49(1)

Additional information:

(1) 4.5% Foreign Currency Convertible Bonds are anti-dilutive.

32. Contingent Liabilities and Commitments

A. CONTINGENT LIABILITIES

(a) Claims not acknowledged by the Company

(₹ in million)

		As at 31st March, 2016	**As at 31st March, 2015**
(i)	Excise and Service Tax	4,701.4	4,513.2
(ii)	Customs	137.2	137.2
(iii)	Sales Tax and VAT	5,678.8	4,323.3
(iv)	State Levies	3,914.0	2,649.7
(v)	Suppliers and Service Contract	868.3	820.7
(vi)	Labour Related	543.0	517.1
(vii)	Income Tax	3,545.7	3,011.1
(viii)	Royalty	140.1	14 0.1

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

32. Contingent Liabilities and Commitments (contd.)

A. CONTINGENT LIABILITIES

(b) Claim by a party arising out of conversion arrangement- ₹**1,958.2** million (31.03.2015: ₹1,958.2 million). The Company has not acknowledged this claim and has instead filed a claim of ₹**1,396.5** million (31.03.2015: ₹1,396.5 million) on the party. The matter is pending before the Calcutta High Court.

(c) 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 of 31st March, 2016 would be approximately ₹**55,019.8** million (31.03.2015: ₹48,051.8 million).

(d) Interest expenditure on loans taken for acquisition of a subsidiary has been disallowed in assessments with tax demand raised for ₹**9,580.6** million (31.03.2015: ₹7,150.1 million). Company has deposited ₹**4,150.0** million (31.03.2015: ₹3,400.0 million) as part payment as a precondition to obtain stay of demand. The Company expects to sustain its position on ultimate resolution of the appeals.

(e) 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 quarries pursuant to the judgment and order dated 23rd July, 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 Judgment dated 12th March, 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 Tata Steel in respect of the issues related to Coal royalty, the Hon'ble Supreme Court has pronounced the judgment on 17th March, 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 Tata Steel either to revive the appeals limited to this question or to separately challenge the constitutionality and vires of these Rules. Accordingly, Tata Steel has filed writ petitions challenging the constitutionality and vires of Rules 64B and 64C of MC Rules on 19th May, 2015 at Hon'ble High Court of Jharkhand. Vide it's judgment 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 ₹1,902.5 million, an amount of ₹1,638.0 million has been paid till FY 15 and balance has been provided for. Interest amount of ₹**3,240.6** million (31.03.2015: ₹3,184.5 million) has been considered as contingent liability.

(f) 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 ₹4,110.8 million has been raised by Deputy Director of Mines, Joda, claiming royalty at

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

32. Contingent Liabilities and Commitments (contd.)

A. CONTINGENT LIABILITIES

sized ore rates on despatches of ore fines. The Company has filed a revision petition on 14th November, 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 13th November, 2014 has stayed the demand of royalty on iron ore for Joda east of ₹3,142.8 million upto the period ending 31st March, 2014. For the demand of ₹968.0 million for April, 2014 to September, 2014, a separate revision application was filed before Mines Tribunal. The matter was heard by Mines Tribunal on 14th July, 2015 and stay was granted on the total demand with directive to Government of Odisha not to take any coercive action for realization of this demanded amount Accordingly, the demand of ₹**4,110.8** million (31.03.2015: ₹4,110.8 million) has been considered as a contingent liability.

(g) In 2008-09, NTT DoCoMo Inc (Docomo) entered into an Agreement with Tata Teleservices Ltd (TTSL) and Tata Sons Limited to acquire 20% of the equity share capital under the primary issue and 6% under the secondary sale from Tata Sons Limited. In terms of the Agreements with Docomo, Tata Sons Limited, inter alia, agreed to provide various indemnities and a Sale Option entitling Docomo to sell its entire shareholding in 2014 at a minimum pre-determined price of ₹58.045 per share if certain performance parameters were not met by TTSL. The minimum pre-determined price represented 50% of the acquisition price of 2008-09. The Agreements are governed by Indian Law.

The Company in 2008-09 had accepted an offer made voluntarily by Tata Sons Limited to all shareholders of TTSL to participate pro-rata in the secondary sale to Docomo together with bearing liabilities, if any, including the Sale Option in proportion of the number of shares sold by the Company to the aggregate Secondary Sale to Docomo. Accordingly, an Inter se Agreement was executed by the Company with Tata Sons and other Selling Shareholders. The Company sold 52,46,590 shares of TTSL to Docomo at ₹116.09 per share, resulting in a profit of ₹497.7 million. The Company is obliged to acquire 2,58,83,846 shares of TTSL in the above proportion in the event the Sale Option is exercised by Docomo.

Docomo has exercised the Sale Option in July 2014 and has called upon Tata Sons Limited to acquire its entire shareholding in TTSL at the pre-determined price of ₹58.045 per share. Tata Sons Limited has in turn informed the Company that they may be called upon to acquire 2,58,83,846 shares, in terms of its original offer to the Company and the inter-se agreement to participate in the Secondary Sale.

Tata Sons have also informed the Company that the Reserve Bank of India have not permitted acquisition of the shares at the pre-determined price and have advised that the acquisition can only be made at Fair Market Value (FMV) prevailing at the time of the acquisition. Docomo reiterated its position that the shares be acquired at minimum pre-determined price of 50% of the acquisition price in 2008-09.

Docomo had initiated Arbitration in the matter before the LCIA, London. The evidentiary hearing was completed on 6th May 2016. The arbitral award is awaited.

The liability, if any, to the extent of the difference between the amount sought by Docomo and the Fair Market Value is dependent upon the outcome of the Arbitration and prevailing FEMA Regulations.

(h) Bills discounted ₹**3,602.8** million (31.03.2015: ₹2,608.3 million).

B. COMMITMENTS

(₹ in million)

	As at 31st March, 2016	As at 31st March, 2015
(a) Capital Commitments		
Estimated amount of contracts remaining to be executed on Capital account and not provided for	54,161.6	64,666.3

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

32. Contingent Liabilities and Commitments (contd.)

(b) Other Commitments			
(i)	Export obligation against import of capital goods under EPCG Scheme	2,37,510.0	2,35,570.0
(ii)	Uncalled liability on partly paid shares and debentures	0.1	0.1

33. The Company has given undertakings to: (a)IDBI not to dispose of its investment in Wellman Incandescent India Ltd., (b) IDBI and ICICI Bank Limited (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 at least 51 % shareholding in Jamshedpur Continuous Annealing & Processing Company Private Limited, (e) Sumitomo Mitsui Banking Corporation not to dispose of the management control in Tata Metaliks DI Pipes Limited (Formerly known as Tata Metaliks Kubota Pipes Limited) held through Tata Metaliks Ltd. so long as the dues to Sumitomo Mitsui Banking Corporation is subsisting.

The Company has furnished a security bond in respect of its immovable property to the extent of ₹200 million 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.

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%.

The Company, as a promoter, has pledged 4,41,55,800 equity shares of Industrial Energy Limited with Infrastructure Development Finance Corporation Limited.

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.

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.

The Company has given guarantees aggregating ₹**1,17,417.1** million (31.03.2015: ₹1,37,614.5 million).

(a) In favour of Timken India Limited for ₹**800.0** million (31.03.2015: ₹800.0 million) against renewal of lease of land pending with State Government and further ₹**10.7** million (31.03.2015: ₹10.7 million) on behalf of Timken India Limited to Commissioner of Customs in respect of goods imported.

(b) In favour of Mizuho Corporate Bank Ltd., Japan for ₹**650.4** million (31.03.2015: ₹788.9 million) against the loan granted to Tata NYK Shipping Pte. Ltd.

(c) In favour of The President of India for ₹**1,771.8** million (31.03.2015: ₹1,771.8 million) against performance of export obligation under the various bonds executed by Jamshedpur Continuous Annealing & Processing Company Private Limited.

(d) In favour of the Note holders against due and punctual repayment of the 100% amounts outstanding as on 31st March, 2016 towards issued Guaranteed Notes by ABJA Investment Co. Pte. Ltd for ₹**99,378.8** million (31.03.2015: ₹1,17,187.5 million) and ₹**14,803.9** million (31.3.2015: ₹17,054.1 million). 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.

(e) In favour of President of India for ₹**1.5** million (31.03.2015: ₹1.5 million) as bank guarantee against advance license.

34. Odisha legislative assembly issued an amendment to Indian Stamp Act on 9th May, 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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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 5th July, 2013. The Hon'ble High Court, Cuttack passed an order on 9th July, 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 ₹**55,790** million. 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 31st March, 2030 in respect of eight mines and up to 31st March, 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 31st March, 2016 as per the existing provisions of the Stamp Act 1899 and the Company has since paid the stamp duty and registration charges totalling ₹3,530.8 million for supplementary deed execution in respect of eight mines out of the above mines.

35. Demand notices have been raised by Deputy Director of Mines, Odisha amounting to ₹**38,280** million 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 ₹**38,280** million and directed the State that no coercive action should be taken for recovery of demand.

Based on the judgment of Hon'ble High court of Jharkhand on 11th December, 2014 in the matter of our writ petition 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 31st December, 2014. Express Order also held that the mining operation carried out between 1st January, 2012 to 31st August, 2014 to be unlawful and computed an amount of ₹35,680 million on account of such alleged unlawful mining. The Mines and Minerals Development and Regulation (MMDR) Amendment Ordinance 2015 promulgated on 12th January, 2015 provides for renewal of the above mines.

Based on the new Ordinance, Jharkhand Government revised the Express Order on 12th February, 2015 for lease renewal up to 31st March, 2030 with following terms and conditions:

- Value of Iron Ore produced by alleged unlawful mining during the period 1.1.12 to 20.04.2014 for ₹29,944.9 million to be decided on the basis of disposal of our writ petition before Hon'ble High Court of Jharkhand.
- Value of Iron Ore produced from 21.4.2014 to 17.7.2014 amounting to ₹4,218.3 million to be paid in maximum 3 installments.
- Value of Iron Ore produced from 18.7.2014 to 31.08.2014 i.e. ₹1,520 million to be paid immediately.

The Company paid ₹**1,520** million under protest. District Mining Officer Chaibasa on 16th March, 2015 has issued demand note for payment of ₹4,218.3 million, payable in three monthly installments. The Company replied on 20th March, 2015, since the lease has been extended till 31st March, 2030, the above demand is not tenable. The Company paid ₹500 million under protest on 27th July, 2015.

A writ petition was filed before Hon'ble High Court of Jharkhand and heard on 9th September, 2015. An interim order has been given by Hon'ble High Court of Jharkhand on 18th September, 2015 wherein court has directed the company to pay outstanding amount of ₹ 3,718.3 million in 3 equal installments, first installment by 15th October, 2015, second installment by 15th November, 2015 and third installment by 15th December, 2015.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

In view of the order of Hon'ble High Court of Jharkhand ₹1,240 million was paid on 28th September, 2015, ₹1,240 million was paid on 12th November, 2015 and ₹1,238.3 million on 14th December, 2015 under protest.

36. In Financial Year 2014-15, the Income Tax department had reopened assessments of earlier years on account of excess mining and raised cumulative demand for ₹**10,860** million. During the current financial year, 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 31st March, 2016 is **Nil** (31.03.2015: ₹10,860 million).

37. Statement of Profit and Loss

(A) VALUE OF DIRECT IMPORTS (C.I.F. VALUE):

(₹ in million)

		Year ended 31st March, 2016	Year ended 31st March, 2015
(i)	Raw materials	44,068.7	75,706.6
(ii)	Semi-finished products	6,852.6	3,987.0
(iii)	Components, stores and spare parts	6,799.3	6,187.5
(iv)	Capital goods	5,982.9	6,962.1
		63,703.5	**92,843.2**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(B) THE VALUE OF CONSUMPTION OF DIRECTLY IMPORTED AND INDIGENOUSLY OBTAINED RAW MATERIALS, STORES AND SPARE PARTS AND THE PERCENTAGE OF EACH TO THE TOTAL CONSUMPTION:

		Year ended 31st March, 2016		Year ended 31st March, 2015	
		(₹ in million)	**%**	**(₹ in million)**	**%**
(i)	Raw materials				
	– Directly imported	71,948.2	56.78%	81,639.7	58.99%
	– Indigenously obtained	54,772.3	43.22%	56,757.3	41.01%
		1,26,720.5	**100.00%**	**1,38,397.0**	**100.00%**
(ii)	Components, stores and spare parts				
	– Directly imported	6,619.4	15.22%	8,171.9	19.45%
	– Indigenously obtained	36,857.8	84.78%	33,848.5	80.55%
		43,477.2	100.00%	42,020.4	100.00%
	Less: Consumption charged to other revenue accounts	17,273.3		16,876.6	
		26,203.9		**25,143.8**	

Additional information:

(1) The consumption figures shown above are after adjusting excess and shortages ascertained on physical count, unserviceable items, etc.

(2) In respect of items which are purchased both from indigenous and imported sources, the identity of individual items consumed cannot be established but segregation of consumption between imported and indigenous sources has been made on a reasonable approximation determined from the Company's records.

(3) Raw materials consumed includes ₹**29,720.4** million (2014-15: ₹21,611.0 million) charged to wages and salaries and other revenue accounts.

(4) Stores and spares consumed (including write-off of obsolete spares, if any) includes ₹**572.1** million (2014-15: ₹ 746.5 million) being cost of stores manufactured departmentally and charged to wages and salaries and other revenue accounts.

(C) EXPENDITURE IN FOREIGN CURRENCY:

(₹ in million)

		Year ended 31st March, 2016	Year ended 31st March, 2015
(i)	Technical know-how and technical consultant's fees (net of taxes) [including ₹1,746.9 million (2014-15: ₹1,332.8 million) on capital account]	2,168.8	2,064.9
(ii)	Interest, commitment and bank charges	1,031.2	2,959.2
(iii)	Commission	141.5	142.0
(iv)	Payable on other accounts [including ₹46.4 million (2014-15: Nil) on capital account]	2,101.0	1,183.3

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(D) REMITTANCE IN FOREIGN CURRENCIES FOR DIVIDEND:

The Company has not remitted any amount in foreign currencies on account of dividend during the year and does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividend have been made by/on behalf of non-resident shareholders. The particulars of dividend payable to non-resident shareholders (including non-resident Indian shareholders) which were declared during the year are as under:

		Year ended 31st March, 2016	Year ended 31st March, 2015
(i)	Number of non-resident shareholders	13,129	11,943
(ii)	Number of Ordinary Shares held by them	16,09,92,882	20,77,84,354
(iii)	Gross amount of dividend	₹1287.9 million	₹2,077.8 million

Gross amount of dividend declared in current and previous year pertain to FY 2014-15 and FY 2013-14 respectively.

(E) EARNINGS IN FOREIGN EXCHANGE:

(₹ in million)

		Year ended 31st March, 2016	Year ended 31st March, 2015
(i)	Export of steel and other materials (F.O.B.) (including value of exports through export houses)	10,013.7	8,837.9
(ii)	Interest received	225.8	303.6
(iii)	Others	656.5	258.2

(F) Revenue expenditure charged to Statement of Profit and Loss in respect of research and development activities undertaken during the year is ₹**1,162.5** million (2014-15: ₹1,078.7 million) including depreciation of ₹**67.5** million (2014-15: ₹48.0 million). Capital expenditure in respect of research and development activities undertaken during the year is ₹**130.6** million (2014-15: ₹259.3 million).

38. The Committee of Directors (Committee) in April 2013 had approved the scheme of amalgamation of Tata Metaliks Ltd. and Tata Metaliks Kubota Pipes Limited (Scheme) with the Company, subject to the approval of the High Courts of Judicature at Bombay and Calcutta. The Bombay High Court vide its Order dated August 21, 2015 (Order) had approved the Scheme subject to similar approval being obtained from the Calcutta High Court. However, on May 17, 2016 the Committee, after careful consideration of various factors, approved the proposal of the Company to file appropriate application before the Hon'ble High Court of Bombay seeking recall of the said Order.

39. The Company has entered into operating lease arrangements for certain facilities. The leases are non-cancellable and for a period of 20 years and may be renewed for a further period of 5 years based on mutual agreement of the parties. Lease payments recognised in the Statement of Profit and Loss Account for the year is ₹**23.2** million (2014-15 : Nil). Future minimum lease payments are as follows:

(₹ in million)

	As at 31st March, 2016	As at 31st March, 2015
Period	Minimum Lease Payments	Minimum Lease Payments
Not later than one year	277.8	–
Later than one year but not later five years	1,111.2	–
Later than five years	6,345.9	–
	7,734.9	**–**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

40. Employee Benefits

(A) The Company has recognised, in the Statement of Profit and Loss for the year ended 31st March, 2016, an amount of ₹**3,036.5** million (2014-15: ₹2,833.4 million) as expenses under the following defined contribution plans.

(₹ in million)

	Year ended 31st March, 2016	Year ended 31st March, 2015
Benefit (Contribution to)		
Provident Fund	2,108.6	2,015.8
Superannuation Fund	250.7	260.2
Employees Pension Scheme/Coal Mines Pension Scheme/ National Pension Scheme	454.4	366.2
TISCO Employees Pension Scheme	222.8	191.2
	3,036.5	**2,833.4**

The Company's Provident Fund is exempted under Section 17 of The Employees' Provident Funds and Miscellaneous Provisions Act, 1952

(B) THE COMPANY OPERATES POST RETIREMENT DEFINED BENEFIT PLANS AS FOLLOWS:

(i) Funded
- Post Retirement Gratuity

(ii) Unfunded
- Post Retirement Medical Benefits
- Pensions to Directors
- Farewell Gifts
- Packing and Transportation Costs on Retirement

(C) DETAILS OF THE POST RETIREMENT GRATUITY PLAN ARE AS FOLLOWS:

(₹ in million)

		Year ended 31st March, 2016	Year ended 31st March, 2015
Description			
(i)	**Reconciliation of opening and closing balances of obligation**		
	Obligation as at beginning of the year	25,729.1	20,031.6
	Current service cost	1,167.1	876.8
	Interest cost	1,876.5	1,753.0
	Actuarial (gain)/loss	662.1	5,228.7
	Benefits paid	(3,032.6)	(2,161.0)
	Obligation as at end of the year	**26,402.2**	**25,729.1**
(ii)	**Reconciliation of opening and closing balances of plan assets**		
	Fair value of plan assets as at beginning of the year	20,115.3	18,889.6
	Expected return on plan assets	1,712.6	1,470.4
	Actuarial gain/(loss)	383.6	774.3
	Contributions	5,616.4	1,142.0
	Benefits paid	(3,032.6)	(2,161.0)
	Fair value of plan assets as at end of the year	**24,795.3**	**20,115.3**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

40. Employee Benefits (contd.)

(C) DETAILS OF THE POST RETIREMENT GRATUITY PLAN ARE AS FOLLOWS:

(₹ in million)

		Year ended 31st March, 2016	Year ended 31st March, 2015
(iii)	**Reconciliation of fair value of assets and obligations**		
	Fair value of plan assets as at end of the year	24,795.3	20,115.3
	Present value of obligation as at end of the year	26,402.2	25,729.1
	Net obligation/(asset) recognised in the balance sheet (included in the line item - Provision for employee benefits)	**1,606.9**	**5,613.8**
(iv)	**Expenses recognised during the year**		
	Current service cost	1,167.1	876.8
	Interest cost	1,876.5	1,753.0
	Expected return on plan assets	(1,712.6)	(1,470.4)
	Actuarial (gain)/loss	278.5	4,454.4
	Expense recognised during the year (included in the line item - Employee benefits expense)*	**1,609.5**	**5,613.8**
(v)	**Investment details**	%	%
	GOI securities	8.76	10.51
	Public sector unit bonds	5.23	7.92
	Central/State Government guaranteed securities	7.21	8.62
	Private sector unit bonds	6.88	9.30
	Deposit with LIC	64.14	55.94
	Others (including bank balances)	7.78	7.71
		100.00	**100.00**
(vi)	**Assumptions**		
	Discount rate (per annum)	7.75%	7.75%
	Expected return on plan assets (per annum)	8.00%	8.00%
	Rate of escalation in salary (per annum)	7.50 to 10.00%	7.50% to 10.00%

* Includes impact of **Nil** (2014-15: ₹2,445.7 million**)** on account of arrear wage settlement, provision for which was included under salaries and wages including bonus

The long-term estimate of the expected rate of return on the plan assets have been arrived at based on the asset allocation and prevailing yield rates on such assets. The major portions of the assets are invested in GOI Securities, PSU bonds and LIC. Assumed rate of return on assets is expected to vary from year to year reflecting the returns on matching Government Bonds.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

40. Employee Benefits (contd.)

The estimate of future salary increases take into account inflation, seniority, promotion and other relevant factors.

(D) DETAILS OF THE UNFUNDED POST RETIREMENT DEFINED BENEFIT OBLIGATION ARE AS FOLLOWS:

(₹ in million)

		Year ended 31st March, 2016		Year ended 31st March, 2015	
Description		**Medical**	**Others**	**Medical**	**Others**
(i)	**Reconciliation of opening and closing balances of obligation**				
	Obligation as at beginning of the year	10,341.8	791.9	7,756.7	636.2
	Current service cost	172.7	54.4	106.7	35.8
	Interest cost	782.4	59.4	697.0	56.5
	Plan amendment cost/(credit)	–	–	–	25.6
	Actuarial (gain)/loss	(165.1)	(9.8)	2,224.2	88.8
	Benefits paid	(492.5)	(52.1)	(442.8)	(51.0)
	Obligation as at end of the year	**10,639.3**	**843.8**	**10,341.8**	**791.9**
(ii)	**Expenses recognised during the year**				
	Current service cost	172.7	54.4	106.7	35.8
	Interest cost	782.4	59.4	697.0	56.5
	Plan amendment cost/(credit)	–	–	–	25.6
	Actuarial (gain)/loss	(165.1)	(9.8)	2,224.2	88.8
	Expense recognised during the year (included in the line item - Employee benefits expense)	**790.0**	**104.0**	**3,027.9**	**206.7**
(iii)	**Assumptions**				
	Discount rate (per annum) as at the beginning of the year	7.75%	7.75%	9.25%	9.25%
	Discount rate (per annum) as at the end of the year	7.75%	7.75%	7.75%	7.75%
	Medical costs inflation rate	8.00%	–	8.00%	–
	Effect of a 1% change in health care cost on				
	Increase	9% p.a		9% p.a	
	– aggregate current service and interest cost	(154.0)		130.4	
	– closing balance of obligation	1,642.9		1,637.4	
	Decrease	7% p.a		7% p.a	
	– aggregate current service and interest cost	(358.3)		(100.4)	
	– closing balance of obligation	(1,372.8)		(1,313.3)	

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

40. Employee Benefits (contd.)

(E) OTHER DISCLOSURES:

(₹ in million)

Benefits	2015-16	2014-15	2013-14	2012-13	2011-12
			Retiring Gratuity		
Present value of defined benefit obligation	26,402.2	25,729.1	20,031.6	18,882.2	16,355.7
Fair value of plan assets	24,795.3	20,115.3	18,889.6	17,004.4	15,546.1
Surplus/(Deficit) in plan assets	(1,606.9)	(5,613.8)	(1,142.0)	(1,877.8)	(809.6)
Experience adjustment on obligation - (gain)/loss	662.2	2,721.7	2,088.7	923.3	780.4
Experience adjustment on plan assets - gain/(loss)	383.6	774.3	72.4	595.7	206.5
Expected contribution (best estimate) to funded plans in subsequent financial year	1,606.9	5,613.8	1,142.0	1,877.8	809.6
			Medical		
Present value of defined benefit obligation	10,639.3	10,341.8	7,756.7	8,322.5	6,958.0
Experience adjustment on obligation - (gain)/loss	(165.1)	369.5	448.9	485.3	1,043.9
			Others		
Present value of defined benefit obligation	843.8	791.9	636.2	625.4	541.3
Experience adjustment on obligation - (gain)/loss	(9.8)	(12.5)	37.9	19.2	53.2

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

41. Segment Reporting

PRIMARY SEGMENT INFORMATION (BUSINESS SEGMENT)

(₹ in million)

Particulars	Steel	Ferro Alloys and Minerals	Others	Unallocable	Eliminations	Total
Segment revenue						
External revenue	**3,48,081.1**	**13,336.3**	**20,686.0**	**–**	**–**	**38,21,034.0**
	3,85,865.9	8,752.9	23,231.2	–	–	4,17,850.0
Inter segment revenue	**14,858.9**	**3,180.3**	**510.2**	**–**	**(18,549.4)**	**–**
	17,572.6	2,796.0	552.7	–	(20,921.3)	–
Total revenue	**3,62,940.0**	**16,516.6**	**21,196.2**	**–**	**(18,549.4)**	**3,82,103.4**
	4,03,438.5	11,548.9	23,783.9	–	(20,921.3)	4,17,850.0
Segment results before finance costs, exceptional items and tax	**55,036.8**	**1,358.0**	**967.2**	**34,331.4**	**–**	**91,693.4**
	87,494.7	1,087.9	486.4	(3,129.1)	–	85,939.9
Less: Finance costs						**14,602.7**
						19,759.5
Profit before exceptional items and tax						**77,090.7**
						66,180.4
Exceptional items						
(a) Profit on sale of non-current investments						**1,042.9**
						8,061.0
(b) Provision for diminution in the value of investment/doubtful advances						**(1,990.3)**
						(1,984.0)
(c) (Provision)/reversal for impairment on non-current assets						**(515.1)**
						1,362.9
(d) Profit on sale of non-current assets						**–**
						11,468.6
(e) Provision for demands and claims						**(8,800.5)**
						–
(f) Employee separation compensation						**(5,562.5)**
						–
Profit before tax						**61,265.2**
						85,088.9
Tax expense						**12,255.7**
						20,697.7
Profit after tax						**49,009.5**
						64,391.2
Segment assets	**6,29,051.6**	**7,196.7**	**3,348.3**	**25,679.0**	**–**	**6,65,275.6**
	5,92,393.7	6,379.1	3,561.9	24,445.7	–	6,26,780.4
Segment liabilities	**1,38,856.2**	**5,182.9**	**3,214.2**	**29,175.3**	**–**	**1,76,428.6**
	1,19,823.0	3,715.9	2,486.8	32,996.9	–	1,59,022.6

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

41. Segment Reporting (contd.)

SECONDARY SEGMENT INFORMATION (GEOGRAPHICAL SEGMENT)

(₹ in million)

Particulars	Steel	Ferro Alloys and Minerals	Others	Unallocable	Eliminations	Total
Capital expenditure	**60,340.0**	**1,024.3**	**10.6**	**–**	**–**	**61,374.9**
	75,817.2	703.0	36.4	–	–	76,556.6
Segment depreciation	**18,965.4**	**293.3**	**72.4**	**–**	**–**	**19,331.1**
	19,438.0	467.3	70.6	–	–	19,975.9
Non-cash expenditure other than depreciation	**332.8**	**–**	**13.9**	**–**	**–**	**346.7**
	922.3	4.0	4.3	–	–	930.6

SECONDARY SEGMENT INFORMATION (GEOGRAPHICAL SEGMENT)

(₹ in million)

	Year ended 31st March, 2016	**Year ended 31st March, 2015**
Segment Revenue		
– Within India	3,71,531.6	4,08,690.9
– Outside India	10,571.8	9,159.1
	3,82,103.4	**4,17,850.0**
Capital Expenditure		
– Within India	61,374.9	76,556.6
– Outside India	–	–
	61,374.9	**76,556.6**
	As at 31st March, 2016	As at 31st March, 2015
Segment Assets		
– Within India	6,65,275.6	6,26,534.8
– Outside India	–	245.6
	6,65,275.6	**6,26,780.4**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

41. Segment Reporting (contd.)

SECONDARY SEGMENT INFORMATION (GEOGRAPHICAL SEGMENT)

Additional information:

(1) The Company has disclosed Business Segment as the primary segment. Segments have been identified taking into account the nature of the products, the differing risks and returns, the organisational structure and internal reporting system. The Company's operations predominantly relate to manufacture of Steel and Ferro Alloys and Minerals business. Other business segments comprise Tubes and Bearings.

(2) Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis. The expenses, which are not directly relatable to the business segment, are shown as unallocated corporate cost. Assets and liabilities that cannot be allocated between the segments are shown as unallocated corporate assets and liabilities respectively.

(3) Unallocable Assets and Liabilities exclude:

		(₹ in million)
	As at 31st March, 2016	**As at 31st March, 2015**
Assets		
Non-current investments	5,23,604.2	5,21,642.4
Current investments	43,201.7	10,000.8
Advance against equity	–	212.8
	5,66,805.9	**5,31,856.0**
Liabilities		
Long-term borrowings	2,34,577.7	2,39,003.7
Short-term borrowings	52,610.2	348.8
Current maturities of long-term borrowings	9,243.7	42,631.9
Hybrid perpetual securities	22,750.0	22,750.0
Provision for employee separation compensation	9,905.8	5,736.4
Deferred tax liabilities (net)	21,798.3	22,504.1
	3,50,885.7	**3,32,974.9**

(4) Transactions between segments are primarily for materials which are transferred at market determined prices and common costs are apportioned on a reasonable basis.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

42. Related Party Transactions

(A) LIST OF RELATED PARTIES AND RELATIONSHIPS

Name of the Party				Country
A.	**Subsidiaries:**			
i)	**ABJA Investment Co. Pte. Ltd.**			Singapore
ii)	**Adityapur Toll Bridge Company Limited**			India
iii)	**Bangla Steel & Mining Co. Ltd.**			Bangladesh
iv)	**Tata Steel Special Economic Zone Limited**			India
v)	**Indian Steel & Wire Products Ltd.**			India
vi)	**Jamshedpur Continuous Annealing & Processing Company Private Limited**			India
vii)	**Jamshedpur Utilities & Services Company Limited**			India
	1.	Haldia Water Management Limited		India
	2.	Naba Diganta Water Management Limited		India
	3.	SEZ Adityapur Limited		India
viii)	**Mohar Export Services Pvt. Ltd.^**			India
ix)	**NatSteel Asia Pte. Ltd.**			Singapore
	1.	TS Asia (Hong Kong) Ltd.		Hong Kong SAR
	2.	Tata Steel Resources Australia Pty. Ltd.*		Australia
x)	**Rujuvalika Investments Limited^**			India
xi)	**T M Mining Company Limited**			India
xii)	**T S Alloys Limited**			India
xiii)	**Tata Incorporated***			USA
xiv)	**Tata Korf Engineering Services Ltd.**			India
xv)	**Tata Metaliks Ltd.**			India
	1.	Tata Metaliks Di Pipes Limited		India
xvi)	**Tata Sponge Iron Limited**			India
	1.	TSIL Energy Limited		India
xvii)	**Tata Steel (KZN) (Pty) Ltd.**			South Africa
xviii)	**T Steel Holdings Pte. Ltd.**			Singapore
	1.	**T S Global Holdings Pte Ltd.**		Singapore
		I.	**Orchid Netherlands (No.1) B.V.**	Netherlands
		II.	**NatSteel Holdings Pte. Ltd.**	Singapore
		1.	Burwill Trading Pte. Ltd.*	Singapore
		2.	Easteel Services (M) Sdn. Bhd.	Malaysia
		3.	Eastern Steel Fabricators Phillipines, Inc.	Phillipines
		4.	Eastern Steel Services Pte. Ltd.*	Singapore
		5.	Eastern Wire Pte. Ltd.*	Singapore
		6.	NatSteel (Xiamen) Ltd.	China
		7.	NatSteel Asia (S) Pte. Ltd.*	Singapore
		8.	NatSteel Equity IV Pte. Ltd.*	Singapore

Name of the Party			Country
	9.	NatSteel Recycling Pte Ltd.	Singapore
	10.	NatSteel Trade International (Shanghai) Company Ltd.	China
	11.	NatSteel Trade International Pte. Ltd.	Singapore
	12.	NatSteel Vina Co. Ltd.	Vietnam
	13.	The Siam Industrial Wire Company Ltd.	Thailand
	14.	TSN Wires Co., Ltd.	Thailand
III.	**Tata Steel Europe Limited**		UK
	1.	Almana Steel Dubai (Jersey) Limited	Jersey
	2.	Apollo Metals Limited	USA
	3.	Ashorne Hill Management College*	UK
	4.	Augusta Grundstucks GmbH	Germany
	5.	Automotive Laser Technologies Limited	UK
	6.	B S Pension Fund Trustee Limited	UK
	7.	Beheermaatschappij Industriele Produkten B.V.	Netherlands
	8.	Belfin Beheermaatschappij B.V.*	Netherlands
	9.	Bell & Harwood Limited	UK
	10.	Blastmega Limited	UK
	11.	Blume Stahlservice GmbH	Germany
	12.	Blume Stahlservice Polska Sp.Z.O.O	Poland
	13.	Bore Samson Group Limited	UK
	14.	Bore Steel Limited	UK
	15.	British Guide Rails Limited	UK
	16.	British Steel Corporation Limited	UK
	17.	British Steel De Mexico S.A. de C.V.*	Mexico
	18.	British Steel Directors (Nominees) Limited	UK
	19.	British Steel Engineering Steels (Exports) Limited	UK
	20.	British Steel Nederland International B.V.	Netherlands
	21.	British Steel Samson Limited	UK
	22.	British Steel Service Centres Limited	UK
	23.	British Tubes Stockholding Limited	UK

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

42. Related Party Transactions (contd.)

(A) LIST OF RELATED PARTIES AND RELATIONSHIPS

Name of the Party		Country
24.	C V Benine	Netherlands
25.	C Walker & Sons Limited	UK
26.	Catnic GmbH	Germany
27.	Catnic Limited	UK
28.	CBS Investissements SAS	France
29.	Cladding & Decking (UK) Limited	UK
30.	Cogent Power Inc.	Canada
31.	Cogent Power SA DE CV	Mexico
32.	Cogent Power Inc.	USA
33.	Cogent Power Limited	UK
34.	Color Steels Limited	UK
35.	Corbeil Les Rives SCI	France
36.	Corby (Northants) & District Water Co.	UK
37.	Cordor (C& B) Limited	UK
38.	Corus Aluminium Verwaltungsgesellschaft Mbh	Germany
39.	Corus Beteiligungs GmbH	Germany
40.	Corus Building Systems Bulgaria AD	Bulgaria
41.	Corus Building Systems SAS	France
42.	Corus CNBV Investments	UK
43	Corus Cold drawn Tubes Limited	UK
44.	Corus Engineering Steels (UK) Limited	UK
45.	Corus Engineering Steels Holdings Limited	UK
46.	Corus Engineering Steels Limited	UK
47.	Corus Engineering Steels Overseas Holdings Limited	UK
48.	Corus Engineering Steels Pension Scheme Trustee Limited	UK
49.	Corus Group Limited	UK
50.	Corus Holdings Limited	UK
51.	Corus International (Overseas Holdings) Limited	UK
52.	Corus International Limited	UK
53.	Corus International Romania SRL.	Romania
54.	Corus Investments Limited	UK
55.	Corus Ireland Limited	Ireland
56.	Corus Large Diameter Pipes Limited	UK

Name of the Party		Country
57.	Corus Liaison Services (India) Limited	UK
58.	Corus Management Limited	UK
59.	Corus Primary Aluminium B.V.	Netherlands
60.	Corus Properties (Germany) Limited	UK
61.	Corus Property	UK
62.	Corus Republic Of Ireland Subsidiaries Pension Scheme Trustee Limited	Ireland
63.	Corus Service Centre Limited	N Ireland
64.	Corus Steel Service STP LLC	Russia
65.	Corus Tubes Poland Spolka Z.O.O	Poland
66.	Corus UK Healthcare Trustee Limited	UK
67.	Corus Ukraine LLC	Ukraine
68.	CPN (85) Limited	UK
69.	Crucible Insurance Company Limited	I of Man
70.	Degels GmbH	Germany
71.	Demka B.V.	Netherlands
72.	DSRM Group Plc.	UK
73.	Eric Olsson & Soner Forvaltnings AB	Sweden
74.	Esmil B.V.	Netherlands
75.	Europressings Limited	UK
76.	Firsteel Group Limited	UK
77.	Firsteel Holdings Limited	UK
78.	Firsteel Strip Mill Products Limited	UK
79.	Fischer Profil GmbH	Germany
80.	Gamble Simms Metals Limited	Ireland
81.	Grant Lyon Eagre Limited	UK
82.	H E Samson Limited	UK
83.	Hadfields Holdings Limited	UK
84.	Halmstad Steel Service Centre AB	Sweden
85.	Hammermega Limited	UK
86.	Harrowmills Properties Limited	UK
87.	Hille & Muller GmbH	Germany
88.	Hille & Muller USA Inc.	USA
89.	Hoogovens (UK) Limited	UK

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

42. Related Party Transactions (contd.)

(A) LIST OF RELATED PARTIES AND RELATIONSHIPS

Name of the Party		Country
90.	Hoogovens Aluminium UK Limited	UK
91.	Hoogovens Finance B.V.	Netherlands
92.	Hoogovens USA Inc.	USA
93.	Huizenbezit "Breesaap" B.V.	Netherlands
94.	Ickles Cottage Trust Limited	UK
95.	Inter Metal Distribution SAS	France
96.	Kalzip Asia Pte Limited	Singapore
97.	Kalzip FZE	UAE
98.	Kalzip GmbH	Germany
99.	Kalzip GmbH	Austria
100.	Kalzip Guangzhou Limited	China
101.	Kalzip Inc	USA
102.	Kalzip India Private Limited	India
103.	Kalzip Italy SRL	Italy
104.	Kalzip Limited	UK
105.	Kalzip Spain S.L.U.	Spain
106.	Layde Steel S.L.	Spain
107.	Lister Tubes Limited	Ireland
108.	London Works Steel Company Limited	UK
109.	Longs Steel UK Limited	UK
110.	Midland Steel Supplies Limited	UK
111.	Mistbury Investments Limited	UK
112.	Montana Bausysteme AG	Switzerland
113.	Myriad Nederland B.V.*	Netherlands
114.	Naantali Steel Service Centre OY	Finland
115.	Namascor B.V.*	Netherlands
116.	Nationwide Steelstock Limited	UK
117.	Norsk Stal Tynnplater AS	Norway
118.	Orb Electrical Steels Limited	UK
119.	Ore Carriers Limited	UK
120.	Oremco Inc.	USA
121.	Plated Strip (International) Limited	UK
122.	Precoat International Limited	UK
123.	Precoat Limited	UK
124.	Rafferty-Brown Steel Co Inc Of Conn.	USA
125.	Round Oak Steelworks Limited	UK

Name of the Party		Country
126.	Runblast Limited	UK
127.	Runmega Limited	UK
128.	S A B Profiel B.V.	Netherlands
129.	S A B Profil GmbH	Germany
130.	Seamless Tubes Limited	UK
131.	Service Center Gelsenkirchen GmbH	Germany
132.	Service Centre Maastricht B.V.	Netherlands
133.	Skruv Erik AB	Sweden
134.	Societe Europeenne De Galvanisation (Segal) Sa	Belgium
135.	Staalverwerking en Handel B.V.	Netherlands
136.	Stainless Velsen-Noord BV	Netherlands
137.	Steel StockHoldings Limited	UK
138	Steelstock Limited	UK
139.	Stewarts & Lloyds Of Ireland Limited	Ireland
140.	Stewarts And Lloyds (Overseas) Limited	UK
141.	Stocksbridge Works Cottage Trust Limited	UK
142.	Surahammar Bruks AB	Sweden
143.	Swinden Housing Association Limited	UK
144.	Tata Steel Belgium Packaging Steels N.V.	Belgium
145.	Tata Steel Belgium Services N.V.	Belgium
146.	Tata Steel Denmark Byggsystemer A/S	Denmark
147.	Tata Steel Europe Distribution BV	Netherlands
148.	Tata Steel Europe Metals Trading BV	Netherlands
149.	Tata Steel France Batiment et Systemes SAS	France
150.	Tata Steel France Holdings SAS	France
151.	Tata Steel France Rail SAS	France
152.	Tata Steel Germany GmbH	Germany
153.	Tata Steel IJmuiden BV	Netherlands
154.	Tata Steel International (Americas) Holdings Inc	USA
155.	Tata Steel International (Americas) Inc	USA

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

42. Related Party Transactions (contd.)

(A) LIST OF RELATED PARTIES AND RELATIONSHIPS

Name of the Party		Country
156.	Tata Steel International (Benelux) BV	Netherlands
157.	Tata Steel International (Canada) Holdings Inc	Canada
158.	Tata Steel International (Czech Republic) S.R.O	Czech Republic
159.	Tata Steel International (Denmark) A/S	Denmark
160.	Tata Steel International (Finland) OY	Finland
161.	Tata Steel International (France) SAS	France
162.	Tata Steel International (Germany) GmbH	Germany
163.	Tata Steel International (South America) Representações LTDA	Brazil
164.	Tata Steel International Hellas SA	Greece
165.	Tata Steel International (Italia) SRL	Italy
166.	Tata Steel International (Middle East) FZE	UAE
167.	Tata Steel International (Nigeria) Ltd.	Nigeria
168.	Tata Steel International (Poland) sp Zoo	Poland
169.	Tata Steel International (Schweiz) AG	Switzerland
170.	Tata Steel International (Sweden) AB	Sweden
171.	Tata Steel International (India) Limited	India
172.	Tata Steel International Iberica SA	Spain
173.	Tata Steel Istanbul Metal Sanayi ve Ticaret AS	Turkey
174.	Tata Steel Latvia Building Systems SIA	Latvia
175.	Tata Steel Logistics and Shipping BV*	Netherlands
176.	Tata Steel Maubeuge SAS	France
177.	Tata Steel Nederland BV	Netherlands
178.	Tata Steel Nederland Consulting & Technical Services BV	Netherlands
179.	Tata Steel Nederland Services BV	Netherlands
180.	Tata Steel Nederland Star-Frame BV	Netherlands

Name of the Party		Country
181.	Tata Steel Nederland Technology BV	Netherlands
182.	Tata Steel Nederland Tubes BV	Netherlands
183.	Tata Steel Netherlands Holdings B.V.	Netherlands
184.	Tata Steel Norway Byggsystemer A/S	Norway
185.	Tata Steel Speciality Service Centre Suzhou Co. Limited	China
186.	Tata Steel Sweden Byggsystem AB	Sweden
187.	Tata Steel Speciality Service Centre Xian Co. Limited	China
188.	Tata Steel UK Consulting Limited	UK
189.	Tata Steel UK Holdings Limited	UK
190.	Tata Steel UK Limited	UK
191.	Tata Steel UK Rail Consultancy Limited	UK
192.	Tata Steel USA Inc.	USA
193.	The Newport And South Wales Tube Company Limited	UK
194.	The Stanton Housing Company Limited	UK
195.	The Steel Company of Ireland Limited	Ireland
196.	The Templeborough Rolling Mills Limited	UK
197.	Thomas Processing Company	USA
198.	Thomas Steel Strip Corp.	USA
199.	Toronto Industrial Fabrications Limited	UK
200.	Trierer Walzwerk GmbH	Germany
201.	TS South Africa Sales Office Proprietary Limited*^ ■	South Africa
202.	Tulip UK Holdings (No.2) Limited	UK
203.	Tulip UK Holdings (No.3) Limited	UK
204.	Tuscaloosa Steel Corporation	USA
205.	U.E.S. Bright Bar Limited	UK
206.	UK Steel Enterprise Limited	UK
207.	Ukse Fund Managers (General Partner) Limited*	UK
208.	UKSE Fund Managers Limited	UK
209.	Unitol SAS	France
210.	Walker Manufacturing And Investments Limited	UK

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

42. Related Party Transactions (contd.)

(A) LIST OF RELATED PARTIES AND RELATIONSHIPS

Name of the Party			Country
		211. Walkersteelstock Ireland Limited	Ireland
		212. Walkersteelstock Limited	UK
		213. Westwood Steel Services Limited	UK
		214. Whitehead (Narrow Strip) Limited	UK
	IV.	**T S Global Minerals Holdings Pte Ltd.**	Singapore
		1. Al Rimal Mining LLC	Oman
		2. Black Ginger 461 (Proprietary) Ltd.	South Africa
		3. Howse Minerals Ltd.	Canada
		4. Kalimati Coal Company Pty. Ltd.	Australia
		5. Sedibeng Iron Ore Pty. Ltd.	South Africa
		6. Tata Steel Cote D' Ivoire S.A	Ivory Coast
		7. Tata Steel Minerals UK Limited	UK
		8. Tata Steel Minerals Canada Limited	Canada
		9. T S Canada Capital Ltd.	Canada
	V.	**Tata Steel International (Singapore) Holdings Pte. Ltd.**	Singapore
		1. TSIA Holdings (Thailand) Limited	Thailand
		2. Tata Steel International (Shanghai) Ltd.	China
		3. Tata Steel International (Thailand) Limited	Thailand
		4. Tata Steel International (Singapore) Pte. Ltd.	Singapore
		5. Tata Steel International (Asia) Limited	Hong Kong S.A.R
	VI.	**Tata Steel (Thailand) Public Company Ltd.**	Thailand
		1. N.T.S Steel Group Plc.	Thailand
		2. The Siam Construction Steel Co. Ltd.	Thailand
		3. The Siam Iron And Steel (2001) Co. Ltd.	Thailand
	VII.	**T S Global Procurement Company Pte. Ltd.**	Singapore
		1. ProCo Issuer Pte. Ltd.	Singapore
xix)	**Tata Steel Odisha Limited**		India
xx)	**Tata Steel Processing and Distribution Limited**		India
xxi)	**Tayo Rolls Limited**		India
xxii)	**TM International Logistics Limited**		India

Name of the Party				Country
	1.	International Shipping and Logistics FZE		UAE
	2.	TKM Global China Ltd.		China
	3.	TKM Global GmbH		Germany
	4.	TKM Global Logistics Limited		India
	5.	TM Harbour Services Private Limited		India
xxiii)	**Tata Pigments Limited**			India
xxiv)	**The Tinplate Company of India Ltd.**			India
B.	**Joint Ventures of:**			
i)	**Tata Steel Ltd.**			
	1.	Bhubaneshwar Power Private Limited		India
	2.	Himalaya Steel Mill Services Private Limited		India
	3.	mjunction services limited		India
	4.	S & T Mining Company Private Limited		India
	5.	Tata BlueScope Steel Limited		India
	6.	Tata NYK Shipping Pte Ltd.		Singapore
ii)	**T Steel Holdings Pte. Ltd.**			
	a)	**T S Global Holdings Pte Ltd.**		
		I.	**NatSteel Holdings Pte. Ltd.**	
			1. TVSC Construction Steel Solutions Limited	Hong Kong S.A.R
		II.	**Tata Steel Europe Limited**	
			1. Afon Tinplate Company Limited	UK
			2. Air Products Llanwern Limited	UK
			3. BSR Pipeline Services Limited	UK
			4. Caparo Merchant Bar Plc	UK
			5. Corus Kalpinis Simos Cladding Industry SA	Greece
			6. Danieli Corus Technical Services B.V.*	Netherlands
			7. Fabsec Limited	UK
			8. Industrial Rail Services IJmond B.V.	Netherlands
			9. Laura Metaal Holding B.V.	Netherlands
			10. Norsk Stal AS*	Norway
			11. Ravenscraig Limited	UK
			12. Redcar Bulk Terminal Limited	UK
			13. Tata Elastron Steel Service Center SA	Greece
			14. Tata Steel Ticaret AS	Turkey
			15. Texturing Technology Limited	UK
		III.	**T S Global Minerals Holdings Pte. Ltd.**	
			1. Minas De Benga (Mauritius) Limited	Mauritius

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

42. Related Party Transactions (contd.)

(A) LIST OF RELATED PARTIES AND RELATIONSHIPS

Name of the Party	Country
C. Associate of:	
i) Tata Steel Limited	
1. Industrial Energy Limited	India
2. Jamipol Limited	India
3. Kalinga Aquatics Ltd.	India
4. Kumardhubi Fireclay & Silica Works Ltd.	India
5. Kumardhubi Metal Casting and Engineering Limited	India
6. Nicco Jubilee Park Limited	India
7. Rujuvalika Investments Limited*^	India
8. Strategic Energy Technology Systems Private Limited	India
9. Tata Construction & Projects Ltd.	India
10. TRL Krosaki Refractories Limited	India
11. TRF Limited	India
12. Malusha Travels Pvt Ltd.	India
13. Mohar Export Services Pvt. Ltd*^	India
ii) T Steel Holdings Pte. Ltd.	
a) T S Global Holdings Pte Ltd.	
I. Tata Steel International (Singapore) Holdings Pte. Ltd.	
1. European Profiles (M) Sdn. Bhd.	Malaysia
II. Tata Steel Europe Limited	
1. Albi Profils SRL	France
2. Appleby Frodingham Cottage Trust Limited	UK
3. GietWalsOnderhoudCombinatie B.V.	Netherlands
4. Hoogovens Court Roll Service Technologies VOF	Netherlands
5. Hoogovens Gan Multimedia S.A. De C.V.	Mexico
6. ISSB Limited	UK
7. Wupperman Staal Nederland B.V.	Netherlands
III. T S Global Minerals Holdings Pte Ltd.	
1. New Millennium Iron Corp.	Canada
iii) Indian Steel & Wire Products Ltd.	
1. Metal Corporation of India Limited	India
D. Promoters holding together with its subsidiary is more than 20%	
Tata Sons Limited	
E. Key Managerial Personnel	
Mr. Koushik Chatterjee – Group Executive Director (Finance & Corporate)	
Mr. T. V. Narendran – Managing Director (India & South East Asia)	

* Part of the year

^ Became subsidiary during the year

■ Incorporated during the year

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

42. Related Party Transactions (contd.)

(B) RELATED PARTY TRANSACTIONS

(₹ in million)

Transactions	Subsidiaries	Associates and JVs#	Key Management Personnel	Relatives of Key Management Personnel	Promoter	Grand Total
Purchase of Goods						
T S Global Procurement Company Pte. Ltd.	**35,701.5**	**–**	**–**	**–**	**–**	**35,701.5**
	64,215.8	–	–	–	–	64,215.8
Others	**5,415.8**	**3,631.1**	**–**	**–**	**–**	**9,046.9**
	3,584.6	4,779.4	–	–	–	8,364.0
	41,117.3	**3,631.1**	**–**	**–**	**–**	**44,748.4**
	67,800.4	4,779.4	–	–	–	72,579.8
Sale of Goods						
Tata Steel Processing and Distribution Limited	**15,954.9**	**–**	**–**	**–**	**–**	**15,954.9**
	18,102.7	–	–	–	–	18,102.7
Tata BlueScope Steel Limited	**–**	**7,079.2**	**–**	**–**	**–**	**7,079.2**
	–	8,230.9	–	–	–	8,230.9
T S Asia (Hong Kong) Ltd	**4,691.1**	**–**	**–**	**–**	**–**	**4,691.1**
	2,858.1	–	–	–	–	2,858.1
Others	**6,760.8**	**2,438.4**	**–**	**–**	**–**	**9,199.2**
	6,105.0	2,622.5				8,727.5
	27,406.8	**9,517.6**				**36,924.4**
	27,065.8	10,853.4				37,919.2
Receiving of Services						
Jamshedpur Utilities & Services Company Limited	**4,635.0**					**4,635.0**
	4,603.8	–	–	–	–	4,603.8
The Tinplate Company of India Ltd.	**6,026.4**					**6,026.4**
	5,705.5	–	–	–	–	5,705.5
Industrial Energy Limited	–	**4,581.8**	**–**	**–**	**–**	**4,581.8**
	–	5,163.7	–	–	–	5,163.7
Others	**8,750.8**	**1,132.3**	**–**	**–**	**48.1**	**9,931.2**
	7,980.3	1,376.9	–	–	13.9	9,371.1
	19,412.2	**5,714.1**	**–**	**–**	**48.1**	**25,174.4**
	18,289.6	6,540.6	–	–	13.9	24,844.1
Rendering of Services						
Jamshedpur Utilities & Services Company Limited	**1,901.2**	**–**	**–**	**–**	**–**	**1,901.2**
	1,101.9	–	–	–	–	1,101.9
The Tinplate Company of India Ltd.	**981.0**	**–**	**–**	**–**	**–**	**981.0**
	670.9	–	–	–	–	670.9
ABJA Investment Co. Pte. Ltd.	**551.0**	**–**	**–**	**–**	**–**	**551.0**
	230.7	–	–	–	–	230.7
Tata BlueScope Steel Limited	**–**	**545.5**	**–**	**–**	**–**	**545.5**
	–	186.3	–	–	–	186.3
Others	**1,200.8**	**113.8**	**–**	**–**	**1.4**	**1,316.0**
	939.2	85.1	–	–	0.8	1,025.1
	4,634.0	**659.3**	**–**	**–**	**1.4**	**5,294.7**
	2,942.7	271.4	–	–	0.8	3,214.9
Sale of Fixed Assets						
Tata Sponge Iron Limited	**–**	**–**	**–**	**–**	**–**	**–**
	1.3	–	–	–	–	1.3
	–	**–**	**–**	**–**	**–**	**–**
	1.3	–	–	–	–	1.3

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

42. Related Party Transactions (contd.)

(B) RELATED PARTY TRANSACTIONS

(₹ in million)

Transactions	Subsidiaries	Associates and JVs#	Key Management Personnel	Relatives of Key Management Personnel	Promoter	Grand Total
Dividend Paid						
Tata Sons Limited	**–**	**–**	**–**	**–**	**2,311.2**	**2,311.2**
	–	–	–	–	2,889.0	2,889.0
Others	**9.3**	**–**	*	***	**–**	**9.3**
	–	11.7	**	****	–	11.7
	9.3	**–**	*	***	**2,311.2**	**2,320.5**
	–	11.7	**	****	2,889.0	2,900.7
Dividend Income						
Industrial Energy Limited	**–**	**163.5**	**–**	**–**	**–**	**163.5**
	–	173.2	–	–	–	173.2
Tata Sons Limited	**–**	**–**	**–**	**–**	**297.0**	**297.0**
	–	–	–	–	99.0	99.0
The Tinplate Company of India Ltd.	**164.9**	**–**	**–**	**–**	**–**	**164.9**
	206.0	–	–	–	–	206.0
Others	**270.7**	**42.3**	**–**	**–**	**–**	**313.0**
	144.3	89.1	–	–	–	233.4
	435.6	**205.8**			**297.0**	**938.4**
	350.3	262.3	–	–	99.0	711.6
Interest Income						
Tata Steel (KZN) (Pty) ltd.	**134.7**	**–**	**–**	**–**	**–**	**134.7**
	256.9	–	–	–	–	256.9
Others	**46.9**	**17.9**	**–**	**–**	**–**	**64.8**
	27.0	192.4	–	–	–	219.4
	181.6	**17.9**	**–**	**–**	**–**	**199.5**
	283.9	192.4	–	–	–	476.3
Management contracts						
Tata Sons Limited	**–**	**–**	**–**	**–**	**750.0**	**750.0**
	–	–	–	–	750.0	750.0
	–	**–**	**–**	**–**	**750.0**	**750.0**
	–	–	–	–	750.0	750.0
Finance Provided						
Tayo Rolls Limited	**596.3**	**–**	**–**	**–**	**–**	**596.3**
	630.0	–	–	–	–	630.0
Tata Steel Special Economic Zone Limited	**596.7**	**–**	**–**	**–**	**–**	**596.7**
	84.4	–	–	–	–	84.4
Jamshedpur Continuous Annealing & Processing Company Private Limited	**295.8**	**–**	**–**	**–**	**–**	**295.8**
	–	–	–	–	–	–
Others	**72.9**	**181.1**	**–**	**–**	**–**	**254.0**
	119.9	1,906.9	–	–	–	2,026.8
	1,561.7	**181.1**	**–**	**–**	**–**	**1,742.8**
	834.3	1,906.9	–	–	–	2,741.2

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

42. Related Party Transactions (contd.)

(B) RELATED PARTY TRANSACTIONS

(₹ in million)

Transactions	Subsidiaries	Associates and JVs#	Key Management Personnel	Relatives of Key Management Personnel	Promoter	Grand Total
Purchase of Investment						
TRF Limited	**–**	**81.5**	**–**	**–**	**–**	**81.5**
	–	–	–	–	–	–
The Tinplate Company of India Ltd.	**81.5**	**–**	**–**	**–**	**–**	**81.5**
	–	–	–	–	–	–
	81.5	**81.5**	**–**	**–**	**–**	**163.0**
	–	–	–	–	–	–
Remuneration						
Mr. Koushik Chatterjee	**–**	**–**	**89.4**	**–**	**–**	**89.4**
	–	–	56.2	–	–	56.2
Mr. T.V. Narendran	**–**	**–**	**83.0**	**–**	**–**	**83.0**
	–	–	64.7	–	–	64.7
	–	–	**172.4**	–	–	**172.4**
	–	–	120.9	–	–	120.9
Provision for receivables made during the year						
Tayo Rolls Limited	**690.5**	**–**	**–**	**–**	**–**	**690.5**
	–	–	–	–	–	–
Tata Steel (KZN) (Pty) Ltd.	**172.2**	**–**	**–**	**–**	**–**	**172.2**
	225.8	–	–	–	–	225.8
Others	**25.2**	**0.3**	**–**	**–**	**–**	**25.5**
	179.3	–	–	–	–	179.3
	887.9	**0.3**				**888.2**
	405.1	–	–	–	–	405.1
Guarantees and collaterals given						
ABJA Investment Co. Pte. Ltd.	**–**	**–**	**–**	**–**	**–**	**–**
	1,15,800.0	–	–	–	–	1,15,800.0
	–	**–**	**–**	**–**	**–**	**–**
	1,15,800.0	**–**	**–**	**–**	**–**	**1,15,800.0**
Guarantees outstanding						
ABJA Investment Co. Pte. Ltd.	**1,14,182.7**	**–**	**–**	**–**	**–**	**1,14,182.7**
	1,34,241.6	–	–	–	–	1,34,241.6
Others	**1,771.8**	**650.4**	**–**	**–**	**–**	**2,422.2**
	1,771.8	788.9	–	–	–	2,560.7
	1,15,954.5	**650.4**	**–**	**–**	**–**	**1,16,604.9**
	1,36,013.4	788.9	–	–	–	1,36,802.3
Outstanding Receivables						
Tata Steel (KZN) (Pty) Ltd.	**7,071.2**	**–**	**–**	**–**	**–**	**7,071.2**
	6,899.0	–	–	–	–	6,899.0
Others	**3,394.4**	**232.7**			**12.5**	**3,639.6**
	2,524.3	1,064.9	–	–	12.5	3,601.7
	10,465.6	**232.7**	**–**	**–**	**12.5**	**10,710.8**
	9,423.3	1,064.9	–	–	12.5	10,500.7

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

42. Related Party Transactions (contd.)

(B) RELATED PARTY TRANSACTIONS

(₹ in million)

Transactions	Subsidiaries	Associates and JVs#	Key Management Personnel	Relatives of Key Management Personnel	Promoter	Grand Total
Provision for outstanding receivables						
Tata Steel (KZN) (Pty) Ltd.	**7,071.2**	**–**	**–**	**–**	**–**	**7,071.2**
	6,899.0	–	–	–	–	6,899.0
Others	**895.0**	**0.3**	**–**	**–**	**–**	**895.3**
	179.3	–	–	–	–	179.3
	7,966.2	**0.3**	**–**	**–**	**–**	**7,966.5**
	7,078.3	–	–	–	–	7,078.3
Outstanding Payables						
T S Global Procurement Company Pte. Ltd.	**15,174.0**	**–**	**–**	**–**	**–**	**15,174.0**
	14,103.8	–	–	–	–	14,103.8
Others	**4,471.6**	**1,360.7**	**–**	**–**	**735.1**	**6,567.4**
	2,785.1	1,384.6	–	–	734.3	4,904.0
	19,645.6	**1,360.7**	**–**	**–**	**735.1**	**21,741.4**
	16,888.9	1,384.6	–	–	734.3	19,007.8
Safe of Investment						
Tata Sons Ltd.	**–**	**–**	**–**	**–**	**25,920.1**	**25,920.1**
	–	–	–	–	–	–
	–	**–**	**–**	**–**	**25,920.1**	**25,920.1**
	–	–	–	–	–	–

\# Transaction with Joint Ventures have been disclosed at full value.

*	₹21,936.00
**	₹27,420.00
***	₹2,648.00
****	₹3,310.00

43. The Company has the following Joint Ventures as on 31st March, 2016 and its proportionate share in the Assets, Liabilities, Income and Expenditure of the Joint Ventures is given below:

			As at 31st March, 2016				2015-16	
Name of the Joint Ventures	**Country of Incorporation**	**Percentage of Holding**	**Assets**	**Liabilities**	**Contingent Liabilities**	**Capital Commitment**	**Income**	**Expenditure**
mjunction services limited	India	50%	**1,553.5**	**613.3**	**20.8**	**11.3**	**913.1**	**600.5**
			1,379.2	580.6	–	14.9	695.5	484.2
Tata BlueScope Steel Limited	India	50%	**7,774.2**	**6,174.6**	**287.9**	**0.7**	**7,872.3**	**7,671.3**
			7,918.6	6,510.6	343.5	0.2	7,742.2	7,981.0
Tata NYK Shipping Pte Ltd.	Singapore	50%	**7,705.2**	**7,396.5**	**–**	**–**	**7,040.6**	**7,366.6**
			8,153.8	7,690.0	–	–	7,120.2	7,499.9
Bhubaneshwar Power Private Limited	India	14.23%	**1,439.2**	**1,118.2**	**30.9**	**–**	**3.0**	**6.0**
			1,134.0	889.2	3.9	87.7	18.5	21.1
S & T Mining Company Private Limited	India	50%	**38.6**	**18.4**	**–**	**–**	**1.9**	**22.6**
			49.1	8.1	–	0.7	1.6	22.9
Himalaya Steel Mill Services Private Limited	India	26%	**54.2**	**32.8**	**–**	**–**	**39.4**	**43.3**
			63.2	39.2	–	–	40.4	46.4

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

44. Derivative instruments

(a) The Company has entered into the following derivative instruments. All the swaps and forward contracts are accounted for as per Accounting Policies stated in Note 1 annexed to Balance Sheet and Statement of Profit and Loss.

(i) The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations. The use of foreign currency forward contracts is governed by the Company's strategy approved by the Board of Directors, which provides principles on the use of such forward contracts consistent with the Company's Risk Management Policy. The Company does not use forward contracts for speculative purposes.

Outstanding short-term forward exchange contracts and option contracts entered into by the Company on account of payables including forecast payables:

	As at 31st March, 2016	**As at 31st March, 2015**
No. of contracts	226	125
US Dollar equivalent (million)	442.32	547.00
INR equivalent (million)	29,304.6	34,187.5

Outstanding short-term forward exchange contracts and option contracts entered into by the Company on account of receivables including forecast receivables:

	As at 31st March, 2016	**As at 31st March, 2015**
No. of contracts	12	12
US Dollar equivalent (million)	10.50	12.00
INR equivalent (million)	695.5	749.9

Outstanding long-term forward exchange contracts entered into by the Company:

	As at 31st March, 2016	**As at 31st March, 2015**
No. of contracts	11	10
	14*	16*
US Dollar equivalent (million)	104.00	385.00
INR equivalent (million)	6,890.3	24,062.5

* Represents outstanding long-term forward exchange contracts used to hedge currency risk of Euro and GBP against USD. The corresponding USD exposure has been disclosed under unhedged loans payable. (Long-term forward exchange contracts outstanding as on 31st March, 2016 have been used to hedge the foreign currency risk on repayment of External Commercial Borrowings of the Company).

(ii) The Company also uses derivative contracts other than forward contracts to hedge the interest rate and currency risk on its capital account. Such transactions are governed by the strategy approved by the Board of Directors which provides principles on the use of these instruments, consistent with the Company's Risk Management Policy. The Company does not use these contracts for speculative purposes.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

44. Derivative instruments (contd.)

Outstanding Interest Rate Swaps to hedge against fluctuations in interest rate changes:

	As at 31st March, 2016	As at 31st March, 2015
No. of contracts	8	8*
US Dollar equivalent (million)	301.9	335.0
INR equivalent (million)	20,000.0	20,937.5

* The above interest rate swap is part of full currency swap and the number of contract is also reflected in the outstanding long-term forward exchange contract as part of hedging the exchange risk.

(b) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

	As at 31st March, 2016		As at 31st March, 2015	
	US Dollar equivalent (million)	INR equivalent (₹ million)	US Dollar equivalent (million)	INR equivalent (₹ million)
Amounts receivable in foreign currency on account of the following:				
(i) Loans receivable	81.6	5,405.1	84.9	5,305.7
(ii) Interest receivable	25.2	1,666.0	25.5	1,593.3
(iii) Debtors outstanding	13.0	861.3	7.8	488.2
Amounts payable in foreign currency on account of the following:				
(i) Import of goods and services	128.1	8,484.0	157.2	9,822.1
(ii) Capital imports	72.3	4,789.3	82.9	5,183.0
(iii) Interest and commitment charges payable	3.7	246.6	7.9	494.6
(iv) Loans payable	325.4	21,554.9	562.6	35,162.8

45. The Board recommended dividend of ₹**8.00** per Ordinary Share (2014-15: ₹8.00 per Ordinary Share) of ₹10 each for the year ended 31st March, 2016. The dividend is subject to the approvals of the shareholders at the Annual General Meeting. The total dividend payout (including tax on dividend) works out to ₹**9,262.7** million (2014-15: ₹9,299.9 million) for the Company.

46. Previous year's figures have been recast/restated where necessary.

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 ₹601.6 million (purchase cost ₹3.4 million) 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 ₹18.7 million (purchase price ₹0.3 million) which has not been executed.

iii. title deeds to freehold land fair value at deemed cost amounting to ₹1,176.8 million (purchase cost ₹67.4 million) were not readily available.

iv. title deeds to buildings with gross carrying amount and net carrying amount of ₹6.1 million and ₹5.7 million 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 ₹213.7 million 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 ₹5,397.3 million representing due from a subsidiary company and interest amounting to ₹131.1 million 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		Period to which the Amount Relates	Due Date	Date of subsequent payment
		(US$ million)	(₹ in million)			
MMDR	Contribution to District Mineral Foundation and interest thereon	45.6	2,958.1	Jan'15-Sep'16	Sept'16	Outstanding
JVAT	JVAT	0.3	21.8	2015-2017	Sept'16	Outstanding
Sales Tax Act	Sales Tax	0.3	20.7	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) (₹ in million)		Amounts paid under Protest (₹ in million)	
			(US$ million)	(₹ in million)	(US$ million)	(₹ in million)
Income Tax	CIT(A)/ITAT	2004-05, 2006-07 to 2009-10	56.9	3,688.1	161.6	10,477.2
	Income Tax Officer	2010-11	0.1	6.7	-	-
Customs Act	High Court	2002-03	0	0.3	0	0.7
	Commissioner	1993-94 & 2006-2008	12.9	835.9	7.7	500.0
Central Excise Act	Supreme Court	2004-05	36.3	2,354.8	-	-
	High Court	1988-90, 2000-01 & 2003-06	2.2	145.4	0	1.0
	Tribunal	1990-91, 1992-94, 1996-97 & 1998-99 to 2015-16	155.6	10,087.0	6.7	433.6
	Commissioner	1988-90, 1994-2017	8.6	557.5	0.6	42.0
	Deputy Commissioner	1985-87 & 1998-99	0	1.8	0	-
	Assistant Commissioner	1982-2006, 2013-14	0.1	8.7	0	0.0
Sales Tax	High Court	1973-74, 1977-79, 1983-84, 1991-97, 2000-02, 2003-04, 2007-09, 2012-2017	43.2	2,800.4	2.5	161.3
	Tribunal	1980-81, 1983-85, 1987-99, 2001-2011 & 2012-2014	11.2	724.8	1	63.2
	Commissioner	1988-90, 1991- 92, 1993-94, 2000-01 to 2014-15 & 2016-2017	74.6	4,834.4	0.9	58.6
	Deputy Commissioner	1975-76, 1977-78, 1983-88 & 1993-94 to 2011-12 & 2013-14	5	322.7	0.5	30.1
	Assistant Commissioner	1973-74, 1980-81, 1983-84 to 1996-97, 2000-01 to 2005-06, 2008-09, 2013-2014, 2014-15 & 2016-2017	1.8	115.5	0	

(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

	Note	As at March 31, 2017 (US$ million)	As at March 31, 2017 (₹ in million)	As at March 31, 2016 (₹ in million)	As at April 1, 2015 (₹ in million)
ASSETS					
I Non-current assets					
(a) Property, plant and equipment	03	11,069.3	7,17,789.7	4,95,610.5	5,08,824.8
(b) Capital work-in-progress		944.6	61,253.5	2,81,740.1	2,41,537.8
(c) Intangible assets	05	121.5	7,881.8	5,273.4	1,771.4
(d) Intangible assets under development		6.0	386.1	318.7	164.6
(e) Investments in subsidiaries, associates and joint ventures	06	524	33,975.7	33,409.7	31,488.9
(f) Financial assets					
(i) Investments	07	764.6	49,583.3	41,194.5	1,08,531.3
(ii) Loans	08	32.7	2,119.7	2,059.6	1,418.3
(iii) Derivative assets		0	1.2	8.0	409.1
(iv) Other financial assets	09	12.3	794.9	369.2	607.0
(g) Income tax assets (net)		133.8	8,677.5	8,376.6	7,235.7
(h) Other assets	11	481.4	31,216.4	33,251.8	28,458.7
Total non-current assets		**14,090.2**	**9,13,679.8**	**9,01,612.1**	**9,30,447.6**
II Current assets					
(a) Inventories	12	1578.7	1,02,368.5	71,373.8	80,233.5
(b) Financial assets					
(i) Investments	07	818.9	53,098.1	43,250.0	10,011.5
(ii) Trade receivables	13	309.4	20,065.2	11,331.7	10,570.2
(iii) Cash and cash equivalents	14	139.6	9,052.1	9,746.8	4,951.6
(iv) Other balances with bank	15	10	651.0	614.5	566.6
(v) Loans	08	4.2	271.4	187.5	820.4
(vi) Derivative assets		1.0	62.6	62.0	6,141.0
(vii) Other financial assets	09	48.5	3,150.6	2,077.5	2,340.1
(c) Other assets	11	189.0	12,254.8	10,888.7	10,250.9
Total current assets		**3,099.3**	**2,00,974.3**	**1,49,532.5**	**1,25,885.8**
TOTAL ASSETS		**17,189.5**	**11,14,654.1**	**10,51,144.6**	**10,56,333.4**
EQUITY AND LIABILITIES					
III Equity					
(a) Equity Share Capital	16	149.8	9,714.1	9,714.1	9,714.1
(b) Hybrid Perpetual Securities	17	350.8	22,750.0	22,750.0	22,750.0
(c) Other equity	18	7,508.3	4,86,876.0	4,56,659.7	4,92,179.0
Total equity		**8,008.9**	**5,19,340.1**	**4,89,123.8**	**5,24,643.1**
IV Non-current liabilities					
(a) Financial liabilities					
(i) Borrowings	19	3,808.2	2,46,943.7	2,39,267.6	2,43,161.0
(ii) Derivative liabilities		27.7	1,793.3	1,160.1	1,719.7
(iii) Other financial liabilities	20	2.8	182.2	3,965.1	8,418.9
(b) Provisions	21	312.2	20,247.4	18,620.5	13,209.9
(c) Retirement benefit obligations	22	228.9	14,842.1	12,524.5	16,232.3
(d) Deferred income	23	290.7	18,851.9	22,284.8	21,305.8
(e) Deferred tax liabilities (net)	10	942.4	61,112.7	56,107.0	62,315.5
(f) Other liabilities	24	12.0	777.4	767.9	196.7
Total non-current liabilities		**5,624.9**	**3,64,750.7**	**3,54,697.5**	**3,66,559.8**
V Current liabilities					
(a) Financial liabilities					
(i) Borrowings	19	499.5	32,396.7	58,880.0	8,197.4
(ii) Trade payables	25	1,652.8	1,07,174.4	61,968.8	49,359.6
(iii) Derivative liabilities		41.7	2,701.7	782.3	1,291.7
(iv) Other financial liabilities	20	626.6	40,623.5	46,333.5	77,389.0
(b) Provisions	21	108.1	7,006.0	2,806.4	1,829.9
(c) Retirement benefit obligations	22	8.7	565.8	566.7	515.3
(d) Income tax liabilities (net)		71.8	4,657.2	7,325.8	5,057.5
(e) Other liabilities	24	546.5	35,438.0	28,659.8	21,490.1
Total current liabilities		**3,555.7**	**2,30,563.3**	**2,07,323.3**	**1,65,130.5**
TOTAL EQUITY AND LIABILITIES		**17,189.5**	**11,14,654.1**	**10,51,144.6**	**10,56,333.4**
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	1-43				

STATEMENT OF PROFIT AND LOSS FOR THE YEARS ENDED MARCH 31, 2017 AND 2016

		Note	As at March 31, 2017 (US$ million)	As at March 31, 2017 (₹ in million)	As at March 31, 2016 (₹ in million)
I	Revenue from operations	26	8,213.5	5,32,609.6	4,26,974.4
II	Other income	27	63.8	4,144.6	3,911.6
III	**Total income**		**8,277.3**	**5,36,754.2**	**4,30,886.0**
IV	**Expenses:**				
	(a) Raw materials consumed		1,927.2	1,24,967.8	97,000.1
	(b) Purchases of finished, semi-finished and other products		135.9	8,811.8	9,915.4
	(c) Changes in stock of finished goods, work-in-progress and stock-in-trade	28	(205.0)	(13,296.5)	707.5
	(d) Employee benefits expenses	29	710.2	46,051.3	43,198.9
	(e) Finance costs	30	414.6	26,885.5	18,480.5
	(f) Depreciation and amortisation expense	31	546.1	35,415.5	29,622.8
	(g) Other expenses	32	3,847.4	2,49,490.9	2,06,023.5
			7,376.4	**4,78,326.3**	**4,04,948.7**
	Less: Expenditure (other than interest) transferred to capital and other accounts		33.5	2,175.2	5,988.9
	Total expenses		**7,342.9**	**4,76,151.1**	**3,98,959.8**
V	**Profit before exceptional items and tax (III-IV)**		**934.4**	**60,603.1**	**31,926.2**
VI	**Exceptional items:**	33			
	(a) Profit/(Loss) on sale of non-current investments		-	-	(8.5)
	(b) Profit on sale of non current assets		-	-	
	(b) Provision for impairment of investments/doubtful advances		(26.4)	(1,708.7)	(1,606.2)
	(c) Provision for impairment of non-current assets		-	-	(515.1)
	(d) Provision for demands and claims		(33.7)	(2,182.5)	(8,800.5)
	(e) Employee separation compensation		(27.6)	(1,786.8)	(5,562.5)
	(f) Restructuring and other provisions		(20.9)	(1,355.8)	-
	Total exceptional items		**(108.6)**	**(7,033.8)**	**(16,492.8)**
VII	**Profit before tax (V+VI)**		**825.8**	**53,569.3**	**15,433.4**
VIII	**Tax expense:**				
	(a) Current Tax		216.0	14,005.4	11,932.8
	(b) Deferred Tax		78.9	5,118.4	(6,055.9)
	Total tax expense		**294.9**	**19,123.8**	**5,876.9**
IX	**Profit for the year (VII-VIII)**		**530.9**	**34,445.5**	**9,556.5**
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		(33.6)	(21,77.9)	(50.1)
	(b) Fair value changes of investments in equity shares		126.3	8,190.1	(31,635.2)
	(ii) **Income tax on items that will not be reclassified subsequently to the statement of profit and loss**		11.6	753.7	(2,397.8)
	B (i) **Items that will be reclassified subsequently to the statement of profit and loss**				
	(a) Fair value changes of cash flow hedges		(0.2)	(12.2)	18.0
	(ii) **Income tax on items that will be reclassified subsequently to the statement of profit and loss**		0.1	4.2	(6.2)
	Total other comprehensive income/(loss)		**104.2**	**6,757.9**	**(34,071.3)**
XI	**Total comprehensive income/(loss) for the year (IX+X)**		**635.1**	**41,203.4**	**(24,514.8)**
XII	**Earnings per share**	34			
	Basic and Diluted (₹)		0.52	33.67	8.05
XIII	**Notes forming part of the financial statements**	1-43			

STATEMENT OF
CHANGES IN EQUITY FOR THE YEARS ENDED MARCH 31, 2017 AND 2016

A. EQUITY SHARE CAPITAL

		As at March 31, 2017	
Balance as at April 1, 2016	**Changes during the year**	**(₹ in million)**	**(US$ million)**
9,714.1	-	9,714.1	149.8
Balance as at April 1, 2015	**Changes during the year**	**Balance as at March 31, 2016 (₹ in million)**	
9,714.1	-	9,714.1	

B. HYBRID PERPETUAL SECURITIES

		As at March 31, 2017	
Balance as at April 1, 2016	**Changes during the year**	**(₹ in million)**	**(US$ million)**
22,750.0	-	22,750.0	350.8
Balance as at April 1, 2015	**Changes during the year**	**Balance as at March 31, 2016 (₹ in million)**	
22,750.0	-	22,750.0	

STATEMENT OF CHANGES IN EQUITY (CONTD.) FOR THE YEARS ENDED MARCH 31, 2017 AND 2016

C. OTHER EQUITY

	Retained Earnings	Other Comprehensive Income reserves	Other reserves	Share application money pending allotment	Total Equity	
					(₹ in million)	(US$ million)
Balance as at April 1, 2016	**1,00,757.5**	**29,363.7**	**3,26,538.5**	**-**	**4,56,659.7**	**7,042.3**
Profit for the year	34,445.5	-	-	-	34,445.5	531.2
Other comprehensive income	(1,424.2)	8,182.1	-	-	6,757.9	104.2
Total comprehensive income	**33,021.3**	**8,182.1**	**-**	**-**	**41,203.4**	**635.4**
Dividend	(7,769.7)	-	-	-	(7,769.7)	(119.8)
Tax on dividend	(1,477.4)				(1,477.4)	(22.8)
Distribution on Hybrid Perpetual Securities	(2,661.0)	-	-	-	(2,661.0)	(41.0)
Tax on distribution on Hybrid Perpetual Securities	920.9	-	-	-	9,20.9	14.2
Transfers within equity	17.5	(17.5)	-	-	-	-
Application money received	-	-	-	0.1	0.1	-
Balance as at March 31, 2017	**1,22,809.1**	**37,528.3**	**3,26,538.5**	**0.1**	**4,86,876.0**	**7,508.3**

(₹ in million)

	Retained Earnings	Other Comprehensive Income reserves	Other reserves	Share application money pending allotment	Total Equity
Balance as at April 1, 2015	**68,525.6**	**97,113.7**	**3,26,539.7**	**-**	**4,92,179.0**
Profit for the year	9,556.5	-	-	-	9,556.5
Other comprehensive income	(32.8)	(34,038.5)	-	-	(34,071.3)
Total comprehensive income	**9,523.7**	**(34,038.5)**	**-**	**-**	**(24,514.8)**
Dividend	(7,769.7)	-	-	-	(7,769.7)
Tax on dividend	(1,493.0)				(1,493.0)
Distribution on Hybrid Perpetual Securities	(2,661.7)	-	-	-	(2,661.7)
Tax on distribution on Hybrid Perpetual Securities	921.1	-	-	-	921.1
Transfers within equity	33,711.5	(33,711.5)	-	-	-
Transfer to statement of profit and loss	-	-	(1.2)	-	(1.2)
Balance as at March 31, 2016	**1,00,757.5**	**29,363.7**	**3,26,538.5**	**-**	**4,56,659.7**

STATEMENT OF CASH FLOWS FOR THE YEARS ENDED MARCH 31, 2017 AND 2016

		Year ended March 31, 2017			Year ended March 31, 2016	
		(US$ million)	(₹ in million)		(₹ in million)	
(A)	**CASH FLOWS FROM OPERATING ACTIVITIES:**					
	Profit before taxes	826.1		**53,569.3**		**15,433.4**
	Adjustments for:					
	Depreciation and amortisation expense	546.2	35,415.5		29,622.8	
	(Profit)/loss on sale of non-current investments	(0.1)	(9.7)		-	
	Income from non-current investments	(14.8)	(960.1)		(1,070.8)	
	(Profit)/loss on assets sold/discarded/written off	1.1	69.1		(21.2)	
	Exceptional (income)/expenses	108.5	7,033.8		16,492.8	
	(Gain)/loss on cancellation of forwards, swaps and options	10.3	669.5		12.1	
	Interest and income from current investments and guarantees	(60.0)	(3,893.6)		(2,702.6)	
	Finance costs	414.6	26,885.5		18,480.5	
	Exchange (gain)/loss on revaluation of foreign currency loans and swaps	2.4	154.7		(28.2)	
	Other non cash items	(51.3)	(3,327.2)		(0.1)	
		956.9		62,037.5		60,785.3
	Operating profit before working capital changes	**1,783.0**		**1,15,606.8**		**76,218.7**
	Adjustments for:					
	Non-Current/Current financial and other assets	(1,65.3)	(10,719.2)		(6,786.9)	
	Inventories	(477.0)	(30,930.5)		8,874.8	
	Non-Current/Current financial and other liabilities/provisions	8,13.7	52,764.2		7,852.4	
		171.4		11,114.5		9,940.3
	Cash generated from operations	1,954.2		1,26,721.3		86,159.0
	Direct taxes paid	(237.6)		(15,408.7)		(12,441.0)
	Net cash from/(used in) operating activities	**1,716.6**		**1,11,312.6**		**73,718.0**
(B)	**CASH FLOWS FROM INVESTING ACTIVITIES:**					
	Purchase of fixed assets	(489.3)	(31,728.7)		(47,779.1)	
	Sale of fixed assets	1.0	68.0		321.3	
	Purchase of investments in subsidiaries	(15.4)	(1,001.2)		(1,712.8)	
	Sale of investments in subsidiaries	-	-		0.6	
	Purchase of other non-current investments	(27.4)	(1,777.3)		(4,233.8)	
	Sale of other non-current investments	0.6	39.0		39,803.5	
	(Purchase)/sale of current investments (net)	(103.0)	(6,681.9)		(31,396.9)	
	Loans given	(4.8)	(313.7)		(446.9)	
	Repayment of loans given	3.2	204.3		629.2	
	Fixed deposits with banks (placed)/realised	(1.0)	(67.2)		(19.8)	
	Interest and guarantee commission received	18.1	1,173.4		246.7	
	Dividend received from subsidiaries	5.9	381.4		412.7	
	Dividend received from associates and joint ventures	6.3	408.9		228.7	
	Dividend received from others	1.3	84.8		429.4	
	Net cash from/(used in) investing activities	**(604.5)**		**(39,210.2)**		**(43,517.2)**

STATEMENT OF CASH FLOWS (CONTD.) FOR THE YEARS ENDED MARCH 31, 2017 AND 2016

		Year ended March 31, 2017		Year ended March 31, 2016	
		(US$ million)	(₹ in million)		(₹ in million)	
(C)	**CASH FLOWS FROM FINANCING ACTIVITIES:**					
	Proceeds from issue of equity shares	-	0.1		-	
	Proceeds from borrowings	448.2	29,061.8		88,933.5	
	Repayment of borrowings	(950.3)	(61,620.7)		(79,124.4)	
	Repayment of finance lease obligations	(17.2)	(1,116.3)		(828.2)	
	Amount received/(paid) on utilisation/cancellation of derivatives	(15.0)	(972.2)		6,252.9	
	Distribution on Hybrid Perpetual Securities	(41.0)	(2,657.6)		(2,664.9)	
	Interest paid	(404.7)	(26,245.1)		(28,710.6)	
	Dividend paid	(119.8)	(7,769.7)		(7,769.7)	
	Tax on dividend paid	(22.8)	(1,477.4)		(1,493.0)	
	Net cash from/(used in) financing activities	(1122.6)		**(72,797.1)**		**(25,404.4)**
	Net increase/(decrease) in cash and cash equivalents	(10.5)		**(694.7)**		**4,796.4**
	Opening cash and cash equivalents	150.3		**9,746.8**		**4,951.6**
	Effect of exchange rate on translation of foreign currency cash and cash equivalents	-		**-**		**(1.2)**
	Closing cash and cash equivalents	139.8		**9,052.1**		**9,746.8**

(i) The Company has acquired property, plant and equipment of ₹ **7,300.0** million (US$ **112.6** million) (2015-16: Nil) on finance lease.

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

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

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

(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

	Land including roads	Buildings	Plant and Machinery	Furniture, fixtures and office equipments	Vehicles	Railway Sidings	Total	
							(₹ in million)	(US$ million)
Cost/Deemed cost as at April 1, 2016	1,37,771.7	49,209.1	3,47,170.9	2,382.9	3,090.0	4,147.2	5,43,771.8	8,385.7
Additions	2,815.7	8,019.1	2,37,448.6	1,140.0	221.2	6,092.8	2,55,737.4	3,943.8
Disposals	-	(0.5)	(36.9)	(1.1)	(69.7)	-	(108.2)	(1.7)
Cost /Deemed cost as at March 31, 2017	**1,40,587.4**	**57,227.7**	**5,84,582.6**	**3,521.8**	**3,241.5**	**10,240.0**	**7,99,401.0**	**12,327.8**
Impairment as at April 1, 2016	1.3	13.2	0.9	-	-	-	15.4	0.2
Other re-classifications	0.2	-	-	-	-	-	0.2	-
Accumulated impairment as at March 31, 2017	**1.5**	**13.2**	**0.9**	**-**	**-**	**-**	**15.6**	**0.2**
Accumulated depreciation as at April 1, 2016	2,852.8	2,397.5	39,256.7	1,989.3	1,366.2	283.4	48,145.9	742.5
Charge for the period	1,051.4	2,216.8	29,197.1	476.2	281.0	292.4	33,514.9	516.8
Disposals	-	-	(8.2)	(0.9)	(55.8)	-	(64.9)	(1.0)
Other re-classifications	(0.2)	-	-	-	-	-	(0.2)	-
Accumulated depreciation as at March 31, 2017	**3,904.0**	**4,614.3**	**68,445.6**	**2,464.6**	**1,591.4**	**575.8**	**81,595.7**	**1,258.3**
Total accumulated depreciation and impairment as at March 31, 2017	**3,905.5**	**4,627.5**	**68,446.5**	**2,464.6**	**1,591.4**	**575.8**	**81,611.3**	**1,258.5**
Net carrying value as at April 1, 2016	1,34,917.6	46,798.4	3,07,913.3	393.6	1,723.8	3,863.8	4,95,610.5	7,643.0
Net carrying value as at March 31, 2017	**1,36,681.9**	**52,600.2**	**5,16,136.1**	**1,057.2**	**1,650.1**	**9,664.2**	**7,17,789.7**	**11,069.3**

(₹ in million)

	Land including roads	Buildings	Plant and Machinery	Furniture, fixtures and office equipments	Vehicles	Railway Sidings	Total
Cost/Deemed cost as at April 1, 2015	1,36,140.2	45,826.9	3,37,106.6	2,159.1	2,849.3	4,133.8	5,28,215.9
Additions	1,636.0	3,423.7	10,100.6	225.3	316.7	13.4	15,715.7
Disposals	(4.5)	(41.5)	(36.3)	(1.5)	(76.0)	-	(159.8)
Cost /Deemed cost as at March 31, 2016	**1,37,771.7**	**49,209.1**	**3,47,170.9**	**2,382.9**	**3,090.0**	**4,147.2**	**5,43,771.8**
Accumulated impairment as at April 1, 2015	-	12.5	-	-	-	-	12.5
Charge for the period	1.3	1.1	0.9	-	-	-	3.3
Other re-classifications	-	(0.4)	-	-	-	-	(0.4)
Accumulated impairment as at March 31, 2016	**1.3**	**13.2**	**0.9**	**-**	**-**	**-**	**15.4**
Accumulated depreciation as at April 1, 2015	2,340.8	5.9	14,094.2	1,769.0	1,168.7	-	19,378.6
Charge for the period	512.0	2,393.7	25,165.8	221.4	259.8	283.4	28,836.1
Disposals	-	(2.5)	(3.3)	(1.1)	(62.3)	-	(69.2)
Other re-classifications	-	0.4	-	-	-	-	0.4
Accumulated depreciation as at March 31, 2016	**2,852.8**	**2,397.5**	**39,256.7**	**1,989.3**	**1,366.2**	**283.4**	**48,145.9**
Total accumulated depreciation and impairment as at March 31, 2016	**2,854.1**	**2,410.7**	**39,257.6**	**1,989.3**	**1,366.2**	**283.4**	**48,161.3**
Net carrying value as at April 1, 2015	1,33,799.4	45,808.5	3,23,012.4	390.1	1,680.6	4,133.8	5,08,824.8
Net carrying value as at March 31, 2016	**1,34,917.6**	**46,798.4**	**3,07,913.3**	**393.6**	**1,723.8**	**3,863.8**	**4,95,610.5**

(i) Buildings include ₹**23.2** million (US$**0.4** million) (March 31, 2016: ₹23.2 million; April 1, 2015: ₹23.2 million) 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.)

(ii) The net carrying value of plant and machinery comprises of:

	As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
	(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
Assets held under finance leases				
Cost/ Deemed cost	543.2	35,220.9	27,920.9	27,920.9
Accumulated depreciation and impairment losses	229.3	14,866.9	13,937.4	13,251.3
	313.9	**20,354.0**	**13,983.5**	**14,669.6**
Owned assets	**7,645.6**	**4,95,782.1**	**2,93,929.8**	**3,08,342.8**
	7,959.5	**5,16,136.1**	**3,07,913.3**	**3,23,012.4**

(iii) The net carrying value of furniture, fixtures and office equipments comprises of:

	As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
	(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
Furniture and fixtures:				
Cost/Deemed cost	13.0	840.2	595.1	525.6
Accumulated depreciation and impairment losses	11.0	714.7	529.7	489.4
	2.0	**125.5**	**65.4**	**36.2**
Office equipments:				
Cost/Deemed cost	41.4	2,681.6	1,787.8	1,633.5
Accumulated depreciation and impairment losses	27.0	1,749.9	1,459.6	1,279.6
	14.4	**931.7**	**328.2**	**353.9**
	16.4	**1,057.2**	**393.6**	**390.1**

(iv) ₹**2,212.5** million (US$**34.1** million) (2015-16: ₹10,695.8 million) 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 ₹**1,371.1** million (US$**21.1** million) (2015-16: ₹1,078.4 million) arising out of realignment of the value of long-term foreign currency loans and liabilities for procurement of property, plant and equipment. This increase has been adjusted against the carrying cost of assets and has been depreciated over their remaining useful life. The depreciation for the current year is higher by ₹**31.6** million (US$**0.5** million) (2015-16: ₹64.8 million) 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 ₹**6,534.4** million (US$**100.8** million).

(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 ₹104.3 million which primarily relates to expenses incurred on a project which the Company has decided to discontinue.

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

3. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

	Buildings	Plant and Machinery	Furniture, fixtures & office equipments	Vehicles	Total	
					(₹ in million)	(US$ million)
Cost/ Deemed cost as at April 1, 2016	**2.6**	**600.0**	**50.1**	**0.9**	**653.6**	**10.1**
	0.8	*412.1*	*46.2*	*0.9*	*460.0*	
Additions	**57.8**	**65.6**	**10.7**	**-**	**134.1**	**2.1**
	1.8	*187.9*	*3.8*	*-*	*193.5*	
Cost as at March 31, 2017	**60.4**	**665.6**	**60.8**	**0.9**	**787.7**	**12.1**
	2.6	*600.0*	*50.0*	*0.9*	*653.5*	
Capital work-in-progress					**47.4**	**0.7**
					58.9	

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.

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:

	As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
	(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
Not later than one year	21.6	1,399.8	1,660.3	1,356.1
Later than one year but not later than five years	58.0	3,757.9	4,117.4	3,412.9
Later than five years	196.4	12,738.5	9,523.8	2,244.6
	276.0	**17,896.2**	**15,301.5**	**7,013.6**

During the year ended March 31, 2017, total operating lease rental recognised in the statement of profit and loss was ₹**2,552.7** million (US$**39.4** million), (2015-16: ₹2,313.0 million) including contingent rent of ₹**370.7** million (US$**5.7** million) (2015-16: ₹372.4 million).

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:

(₹ in million)

	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
	(US$ million)	(₹ in million)	(US$ million)	(₹ in million)				
Not later than one year	67.5	4,375.5	17.4	1,126.9	3,520.8	999.8	3,589.2	942.5
Later than one year but not later than five years	235.2	15,252.5	63.2	4,098.1	10,911.5	2,593.9	11,474.2	2,786.5
Later than five years	654.9	42,469.2	266.6	17,287.2	32,831.7	12,734.8	35,476.3	13,427.7
Total future minimum lease commitments	**957.6**	**62,097.2**	**347.2**	**22,512.2**	**47,264.0**	**16,328.5**	**50,539.7**	**17,156.7**
Less: future finance charges	610.4	39,585.0			30,935.5		33,383.0	
Present value of minimum lease payments	**347.2**	**22,512.2**			**16,328.5**		**17,156.7**	
Disclosed as:								
Non-current borrowings	329.8	21,385.3			15,328.7		16,214.2	
Other financial liabilities - Current	17.4	1,126.9			999.8		942.5	
	347.2	**22,512.2**			**16,328.5**		**17,156.7**	

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

5. INTANGIBLE ASSETS

	Software costs	Mining assets	Total (₹ in million)	Total (US$ million)
Cost/Deemed cost as at April 1, 2016	1,477.6	12,834.9	14,312.5	220.7
Additions	509.6	4,010.7	4,520.3	69.7
Cost/Deemed cost as at March 31, 2017	**1,987.2**	**16,845.6**	**18,832.8**	**290.4**
Accumulated impairment as at April 1, 2016	-	359.2	359.2	5.5
Charge for the period	-	11.3	11.3	0.2
Accumulated impairment as at March 31, 2017	**-**	**370.5**	**370.5**	**5.7**
Accumulated amortisation as at April 1, 2016	1,227.2	7,452.7	8,679.9	133.9
Charge for the period	236.3	1,664.3	1,900.6	29.3
Accumulated amortisation as at March 31, 2017	**1,463.5**	**9,117.0**	**10,580.5**	**163.2**
Total accumulated amortisation and impairment as at March 31, 2017	**1,463.5**	**9,487.5**	**10,951.0**	**168.9**
Net carrying value as at April 1, 2016	**250.4**	**5,023.0**	**5,273.4**	**81.3**
Net carrying value as at March 31, 2017	**523.7**	**7,358.1**	**7,881.8**	**121.5**

(₹ in million)

	Software costs	Mining assets	Total
Cost/Deemed cost as at April 1, 2015	1,424.0	8,266.0	9,690.0
Additions	53.6	4,623.6	4,677.2
Disposals	-	(54.7)	(54.7)
Cost/Deemed cost as at March 31, 2016	**1,477.6**	**12,834.9**	**14,312.5**
Accumulated impairment as at April 1, 2015	-	-	-
Charge for the period	-	359.2	359.2
Accumulated impairment as at March 31, 2016	**-**	**359.2**	**359.2**
Accumulated amortisation as at April 1, 2015	1,080.1	6,838.5	7,918.6
Charge for the period	147.1	639.6	786.7
Disposals	-	(25.4)	(25.4)
Accumulated amortisation as at March 31, 2016	**1,227.2**	**7,452.7**	**8,679.9**
Total accumulated amortisation and impairment as at March 31, 2016	**1,227.2**	**7,811.9**	**9,039.1**
Net carrying value as at April 1, 2015	**343.9**	**1,427.5**	**1,771.4**
Net carrying value as at March 31, 2016	**250.4**	**5,023.0**	**5,273.4**

(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 ₹**11.3** million (US$**0.2** million) (2015-16: ₹359.2 million) 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 ₹**2.7** million (US$**0** million) (March 31, 2016: ₹2.7 million; April 1, 2015: ₹2.7 million).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

6. INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

	No. of shares of face value of ₹10 each fully paid-up unless otherwise specified	As at March 31, 2017 (US$ million)	As at March 31, 2017 (₹ in million)	As at March 31, 2016 (₹ in million)	As at April 1, 2015 (₹ in million)
A. Investments carried at cost					
(a) Equity Investments in Subsidiary Companies					
(i) Quoted					
(1) Tata Metaliks Ltd.	1,26,67,590	4.1	263.0	263 .0	263.0
(2) Tayo Rolls Limited	55,87,372	0	-	-	-
(3) Tata Sponge Iron Limited	83,93,554	13.3	865.4	865.4	865.4
(4) The Tinplate Company of India Ltd.	7,84,57,640	61.0	3,950.2	3,950.2	3,950.2
		78.4	**5,078.6**	**5,078.6**	**5,078.6**
(ii) Unquoted					
(1) ABJA Investment Co. Pte. Ltd. (Face value of USD 1 each)	2,00,000	0.2	10.8	10.8	10.8
(2) Adityapur Toll Bridge Company Limited (2,64,00,000 shares acquired during the current year)	4,14,00,000	4.1	264.0	-	-
(3) Bangla Steel & Mining Co. Ltd. (liquidated during the current year)	-	-	-	-	-
(4) Indian Steel & Wire Products Ltd.	56,92,651	0.5	30.8	30.8	30.8
(5) Jamshedpur Utilities & Services Company Limited	2,03,50,000	3.1	203.5	203.5	203.5
(6) Mohar Exports Services Pvt. Ltd.	3,352	0	-	-	-
(7) NatSteel Asia Pte. Ltd. (Face value of SGD 1 each)	28,14,37,128	119.3	7,738.6	7,738.6	7,738.6
(8) Rujuvalika Investments Limited	13,28,800	9.3	604.0	604.0	-
(9) Tata Steel Special Economic Zone Limited (3,36,50,000 shares acquired during the current year)	12,57,42,631	15.5	1,008.2	671.7	75.0
(10) Tata Incorporated	-	-	-	-	16.4
(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	42.3	2,744.5	2,744.5	2,744.5
(15) Tata Steel Odisha Limited (17,000 shares acquired during the current year)	25,67,000	0.4	25.7	25.5	25.5
(16) Tata Pigments Limited (Face value of ₹100 each)	75,000	0.1	7.0	7.0	7.0
(17) TS Alloys Limited	6,57,07,544	12.1	786.4	786.4	724.1
(18) Tata Steel Foundation (wholly owned subsidiary incorporated during the current year)	10,00,000	0.2	10.0	-	-
		207.1	**13,433.5**	**12,822.8**	**11,576.2**
Aggregate provision for impairment in value of investments		(2.3)	(154.3)	-	-
		204.8	**13,279.2**	**12,822.8**	**11,576.2**
		283.2	**18,357.8**	**17,901.4**	**16,654.8**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

6. INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (CONTD.)

	No. of shares of face value of ₹10 each fully paid-up unless otherwise specified	As at March 31, 2017 (US$ million)	As at March 31, 2017 (₹ in million)	As at March 31, 2016 (₹ in million)	As at April 1, 2015 (₹ in million)
(b) Investments in Associate Companies					
(i) Quoted					
(1) TRF Limited	37,53,275	0.9	57.9	57.9	58.2
		0.9	**57.9**	**57.9**	**58.2**
(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	-		-	-	6.0
(6) Strategic Energy Technology Systems Private Limited	2,56,14,500	0.1	9.1	9.1	-
(7) Tata Construction and Projects Ltd.*	11,97,699	-	-	-	-
(8) TRL Krosaki Refractories Limited	55,63,864	6.5	423.8	423.8	423.8
(9) Others ₹**33,520** (March 31, 2016 : ₹33,520; April 1, 2015 : ₹67,040)			-	-	0.1
		6.6	**432.9**	**432.9**	**429.9**
Aggregate provision for impairment in value of investments		0.1	9.1	9.1	-
		6.5	**423.8**	**423.8**	**429.9**
		7.4	**481.7**	**481.7**	**488.1**
(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	6.7	437.2	327.6	252.3
(2) Himalaya Steel Mills Services Private Limited	36,19,945	0.6	36.1	36.1	36.1
(3) mjunction services limited	40,00,000	0.6	40.0	40.0	40.0
(4) S & T Mining Company Private Limited	1,29,41,400	2	129.4	129.4	129.4
(5) Tata BlueScope Steel Limited	43,30,00,000	66.8	4,330.0	4,330.0	4,330.0
(6) Tata NYK Shipping Pte Ltd. (Face value of USD 1 each)	6,51,67,500	54	3,501.4	3,501.4	3,288.6
(7) T M Mining Company Limited	1,62,800	0	1.6	1.6	1.6
(8) T M International Logistics Limited	91,80,000	1.4	91.8	91.8	91.8
(9) Jamshedpur Continuous Annealing and Processing Company Private Limited	47,53,20,000	73.3	4,753.2	4,753.2	4,457.4
(10) Industrial Energy Limited	17,31,60,000	26.7	1,731.6	1,731.6	1,634.9
(11) Jamipol Limited	36,75,000	1.3	83.9	83.9	83.9
		233.4	**15,136.2**	**15,026.6**	**14,346.0**
Total investment in subsidiaries, associates and joint ventures		**524.0**	**33,975.7**	**33,409.7**	**31,488.9**

* 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.)

(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:

		As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
		(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
(a)	**Subsidiaries:**				
	Aggregate carrying value of quoted investments	78.3	5,078.6	5,078.6	5,078.6
	Aggregate market value of quoted investments	303.4	19,677.0	10,574.9	12,194.8
	Aggregate carrying value of unquoted investments	204.8	13,279.2	12,822.8	11,576.2
(b)	**Associates:**	0			
	Aggregate carrying value of quoted investments	0.9	57.9	57.9	58.2
	Aggregate market value of quoted investments	13.2	853.5	1,108.7	1,232.6
	Aggregate carrying value of unquoted investments	6.5	423.8	423.8	429.9
(c)	**Joint ventures:**	0			
	Aggregate carrying value of unquoted investments	233.4	15,136.2	15,026.6	14,346.0

(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
			(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
(a)	Malusha Travels Pvt. Ltd.	3,352	5,169.2	3,35,200.0	3,35,200.0	3,35,200.0
(b)	Mohar Exports Services Pvt. Limited	-	0	-	-	3,35,200.0
			5,169.2	**3,35,200.0**	**3,35,200.0**	**6,70,400.0**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

7. INVESTMENTS

A. NON-CURRENT

	No. of shares of face value of ₹10 each fully paid-up unless otherwise specified	As at March 31, 2017 (US$ million)	As at March 31, 2017 (₹ in million)	As at March 31, 2016 (₹ in million)	As at April 1, 2015 (₹ in million)
(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	7.7	497.4	339.5	-
		7.7	**497.4**	**339.5**	**-**
(II) Investments carried at fair value through other comprehensive income:					
Investments in Equity shares					
(i) Quoted					
(1) Credit Analysis & Research Limited	3,54,000	9.2	599.2	331.6	523.8
(2) Housing Development Finance Corporation Ltd.	7,900	0.2	11.9	8.7	10.4
(Face value of ₹2 each)		-			
(3) Tata Consultancy Services Limited (Face Value of ₹1 each)	24,400	1.0	59.3	61.5	62.3
(4) Tata Motors Ltd. (Face value of ₹2 each)	8,36,37,697	600.9	38,962.6	32,334.3	83,458.5
(5) The Tata Power Company Ltd. (Face value of ₹1 each)	3,91,22,725	54.5	3,534.8	2,529.3	3,016.4
(6) Tata Investment Corporation Limited	2,46,018	2.4	156.4	116.2	140.9
(7) Titan Company Limited (Face value of ₹1 each)	-	-	-	-	15,184.6
(8) Steel Strips Wheels Limited (68,884 shares disposed during the current year)	10,86,972	13.8	897.5	392.7	351.8
(9) Timken India Ltd. - ₹**645.05** (March 31, 2016: ₹436.95; April 1, 2015: ₹611.10)	1	-	-	-	-
		682.0	**44,221.7**	**35,774.3**	**1,02,748.7**
(ii) Unquoted					

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

7. INVESTMENTS (CONTD.)

	No. of shares of face value of ₹10 each fully paid-up unless otherwise specified	As at March 31, 2017 (US$ million)	As at March 31, 2017 (₹ in million)	As at March 31, 2016 (₹ in million)	As at April 1, 2015 (₹ in million)
(1) IFCI Venture Capital Funds Ltd.	1,00,000	-	1.0	1.0	1.0
(2) Medica TS Hospital Pvt Ltd.	2,60,000	-	2.6	2.6	2.6
(3) Panatone Finvest Ltd.	45,000	-	0.5	0.5	0.5
(4) Steelscape Consultancy Pvt. Ltd.	50,000	-	-	-	-
(5) Tarapur Environment Protection Society	82,776	0.1	8.9	8.9	3.1
(6) Tata Industries Ltd. (Face value of ₹100 each)	99,80,436	31.2	2,021.9	2,021.9	2,021.9
(7) Tata International Ltd. (Face value of ₹1,000 each)	28,616	4.8	311.9	311.9	311.9
(8) Tata Projects Ltd.	-	-	-	-	323.6
(9) Tata Services Ltd. (Face value of ₹1,000 each)	1,621	-	1.6	1.6	1.6
(10) Tata Teleservices Ltd.	6,46,92,310	11.7	758.2	1,002.7	1,386.8
(11) Tata Sons Limited (Face value of ₹1,000 each)	12,375	10.6	687.5	687.5	687.5
(12) Taj Air Limited	42,00,000	-	-	42.0	42.0
(13) Subarnarekha Port Private Limited (1,72,517 shares acquired during the current year)	1,72,517	1.1	70.0	-	-
(14) Others ₹**1,20,225** (March 31, 2016: ₹1,20,225; April 1, 2015: ₹1,20,225)		-	0.1	0.1	0.1
		59.5	**3,864.2**	**4,080.7**	**4,782.6**
		741.4	**48,085.9**	**39,855.0**	**1,07,531.3**
(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	15.4	1,000.0	1,000.0	1,000.0
(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	-	-	-	-
		15.4	**1,000.0**	**1,000.0**	**1,000.0**
		764.6	**49,583.3**	**41,194.5**	**1,08,531.3**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

7. INVESTMENTS (CONTD.)

B. CURRENT

	As at March 31, 2017 (US$ million)	As at March 31, 2017 (₹ in million)	As at March 31, 2016 (₹ in million)	As at April 1, 2015 (₹ in million)
Investments carried at fair value through the statement of profit and loss:				
Investments in Mutual funds – Unquoted				
(a) Axis Liquid Fund - Growth	88.1	5,711.1	3,803.0	-
(b) DSP BlackRock Liquidity Fund - IP - Growth	19.3	1,250.3	-	-
(c) Goldman Sachs Mutual Fund - Liquid Bees	-	0.8	0.8	0.7
(d) HDFC Liquid Fund - Growth	77.2	5,003.3	5,007.0	-
(e) ICICI Prudential Money Market Fund - Reg - Growth	93.2	6,040.5	7,007.6	-
(f) ICICI Prudential Liquid - Reg - Growth	-	-	-	1,000.5
(g) IDFC Cash Fund - Reg - Growth	35.7	2,313.4	-	-
(h) Invesco India Liquid Fund - Growth	54.5	3,536.0	-	-
(i) JM High Liquidity - Growth	3.9	250.8	-	-
(j) Kotak Liquid Scheme - Plan A - Growth	-	-	3,003.2	-
(k) Kotak Liquid Scheme - Reg - Growth	52.4	3,396.1	-	-
(l) Reliance Liquidity Fund - Growth	155.2	10,067.4	6,306.7	1,000.6
(m) Religare Invesco Liquid Fund - Growth	-	-	1,000.7	-
(n) SBI Premier Liquid Fund - Reg - Growth	46.3	3,002.5	3,504.6	500.7
(o) Tata Money Market Fund - Plan A - Growth	-	-	-	7,509.0
(p) Tata Money Market Fund - Reg - Growth	101.7	6,595.9	9,010.1	-
(q) UTI Liquid Fund - Cash Plan - IP - Growth	91.4	5,930.0	4,606.3	-
	818.9	**53,098.1**	**43,250.0**	**10,011.5**

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

	As at March 31, 2017 (US$ million)	As at March 31, 2017 (₹ in million)	As at March 31, 2016 (₹ in million)	As at April 1, 2015 (₹ in million)
(a) Quoted				
Carrying value	682.0	44,221.7	35,774.3	1,02,748.7
Market value	682.0	44,221.7	35,774.3	1,02,748.7
(b) Unquoted#				
Carrying value	901.5	58,459.7	48,670.2	15,794.1

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.)

(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
			(US$ million)	(₹)	(₹)	(₹)
(a)	Barajamda Iron Ore Mine Workers' Central Co-operative Stores Ltd. (Face value of ₹25 each)	200	77.1	5,000.00	5,000.00	5,000.00
(b)	Bokaro and Ramgarh Ltd.	100	2,50.2	16,225.00	16,225.00	16,225.00
(c)	Eastern Synpacks Limited (Face value of ₹25 each)	1,50,000	0	1.00	1.00	1.00
(d)	Ferro Manganese Plant Employees' Consumer Co-operative Society Ltd. (Face value of ₹25 each)	100	38.6	2,500.00	2,500.00	2,500.00
(e)	Investech Advisory Services (India) Limited (Face value of ₹100 each)	1,680	0	1.00	1.00	1.00
(f)	Jamshedpur Co-operative House Building Society Ltd. (Face value of ₹100 each)	10	15.4	1,000.00	1,000.00	1,000.00
(g)	Jamshedpur Co-operative Stores Ltd. (Face value of ₹5 each)	50	3.9	250.00	250.00	250.00
(h)	Jamshedpur Educational and Culture Co-operative Society Ltd. (Face value of ₹100 each)	50	77.1	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	38.6	2,500.00	2,500.00	2,500.00
(j)	Namtech Electronic Devices Limited	48,026	0	1.00	1.00	1.00
(k)	Reliance Firebrick and Pottery Company Ltd. (Partly paid-up)	16,800	0	1.00	1.00	1.00
(l)	Reliance Firebrick and Pottery Company Ltd.	2,400	0	1.00	1.00	1.00
(m)	Sanderson Industries Ltd.	3,33,876	0	2.00	2.00	2.00
(n)	Standard Chrome Ltd.	11,16,000	0	2.00	2.00	2.00
(o)	Sijua (Jherriah) Electric Supply Co. Ltd.	4,144	620.9	40,260.00	40,260.00	40,260.00
(p)	TBW Publishing and Media Pvt. Limited	100	0	1.00	1.00	1.00
(q)	Wellman Incandescent India Ltd.	15,21,234	0	2.00	2.00	2.00
(r)	Woodland Multispeciality Hospital Ltd.	1,25,000	0	1.00	1.00	1.00
(s)	Unit Trust of India - Mastershares	2,229	732.2	47,477.00	47,477.00	47,477.00
			1,854.0	**1,20,225.00**	**1,20,225.00**	**1,20,225.00**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

8. LOANS

A. NON-CURRENT

		As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
		(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
(a)	**Security deposits**				
	Unsecured, considered good	29.3	1,900.4	1,811.7	1,141.0
	Unsecured, considered doubtful	0.2	12.6	14.0	17.2
	Less: Allowance for credit losses	0.2	12.6	14.0	17.2
		29.3	**1,900.4**	**1,811.7**	**1,141.0**
(b)	**Loans to related parties**				
	Unsecured, considered doubtful	83.2	5,397.3	5,405.1	5,305.7
	Less: Allowance for credit losses	83.2	5,397.3	540.51	5,305.7
		-	-	-	-
(c)	**Other loans**				
	Unsecured, considered good	3.4	219.3	247.9	277.3
	Unsecured, considered doubtful	0.1	6.2	4.2	4.3
	Less: Allowance for credit losses	0.1	6.2	4.2	4.3
		3.4	**219.3**	**247.9**	**277.3**
		32.7	**2,119.7**	**2,059.6**	**1,418.3**

B. CURRENT

		As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
		(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
(a)	**Loans to related parties**				
	Unsecured, considered good	3.3	215.1	115.0	737.9
	Unsecured, considered doubtful	9.3	606.3	596.9	150.0
	Less: Allowance for credit losses	9.3	606.3	596.9	150.0
		3.3	**215.1**	**115.0**	**737.9**
(b)	**Other loans**				
	Unsecured, considered good	0.9	56.3	72.5	82.5
	Unsecured, considered doubtful	0.3	20.0	20.0	20.0
	Less: Allowance for credit losses	0.3	20.0	20.0	20.0
		0.9	**56.3**	**72.5**	**82.5**
		4.2	**271.4**	**187.5**	**820.4**

(i) Security deposits include deposit with a subsidiary ₹**140.0** million (US$**2.2** million) (March 31, 2016: ₹140.0 million; April 1, 2015: ₹140.0 million) and Tata Sons ₹**12.5** million (US$**0.2** million) (March 31, 2016: ₹12.5 million; April 1, 2015: ₹12.5 million).

(ii) Non-current loans to related parties represent loans given to subsidiaries ₹**5,397.3** million (US$**83.2** million) (March 31, 2016: ₹5,405.1 million; April 1, 2015: ₹5,305.7million).

(iii) Current loans to related parties represent inter-corporate deposits given to subsidiaries ₹**821.4** million (US$**12.7** million) (March 31, 2016: ₹711.9 million; April 1, 2015: ₹265.0 million) and joint venture **Nil** (March 31, 2016: Nil; April 1, 2015: ₹622.9 million).

(iv) Current other loans include inter-corporate deposits ₹**20.0** (US$**0.3** million) million (March 31, 2016: ₹20.0 million; April 1, 2015: ₹20.0 million) and loans given to employees.

(v) Disclosure as per Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

8. LOANS (CONTD.)

Name of the Company	Relationship	As at March 31, 2017 (US$ million)	As at March 31, 2017 (₹ in million)	Maximum balance outstanding during the year (₹ in million)	Investment by the loanee in shares of parent Company No. of Shares
Tata Steel Special Economic Zone Limited	Subsidiary	**1.5**	**100.0**	**100.0**	**-**
		-	*-*	*-*	*-*
		-	*-*	*-*	*-*
Tayo Rolls Limited	Subsidiary	**9.3**	**600.0**	**650.0**	**-**
			436.3	*436.3*	*-*
		-	*-*	*-*	*-*
Industrial Energy Limited	Joint venture	**-**	**-**	**-**	*-*
		-	*-*	*622.9*	*-*
			622.9	*1,392.0*	*-*
Tata Steel (KZN) (Pty) Ltd.	Subsidiary	**83.2**	**5,397.3**	**5,617.7**	**-**
			5,405.1	*5,416.6*	*-*
			5,305.7	*5,418.6*	*-*
Jamshedpur Utilities & Services Company Limited	Subsidiary	**1.8**	**115.0**	**115.0**	**-**
			115.0	*115.0*	*-*
			115.0	*115.0*	*-*
Adityapur Toll Bridge Company Limited	Subsidiary	**-**	**-**	**154.3**	**-**
			154.3	*154.3*	*-*
			150.0	*150.0*	*-*

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

A. NON-CURRENT

		As at March 31, 2017 (US$ million)	As at March 31, 2017 (₹ in million)	As at March 31, 2016 (₹ in million)	As at April 1, 2015
(a)	**Interest accrued on deposits and loans**				
	Unsecured, considered good	**0.4**	**22.7**	**19.1**	**16.2**
(b)	**Earmarked bank balances**	**5.8**	**377.4**	**350.1**	**378.1**
(c)	**Other financial assets**				
	Unsecured, considered good	6.1	394.8	-	212.7
	Unsecured, considered doubtful	18.5	1,197.2	-	-
	Less: Allowance for credit losses	18.5	1,197.2	-	-
		6.1	**394.8**	**-**	**212.7**
		12.3	**794.9**	**369.2**	**607.0**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

9. OTHER FINANCIAL ASSETS (CONTD.)

B. CURRENT

		As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
		(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
(a)	**Interest accrued on deposits and loans**				
	Unsecured, considered good	1.5	99.8	118.4	66.3
	Unsecured, considered doubtful	1.2	78.1	1,724.3	1,622.6
	Less: Allowance for credit losses	1.2	78.1	1,724.3	1,622.6
		1.5	**99.8**	**118.4**	**66.3**
(b)	**Other financial assets**	**47.0**	**3,050.8**	**1,959.1**	**2,273.8**
		48.5	**3,150.6**	**2,077.5**	**2,340.1**

(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 ₹**123.0** million (US$**1.9** million) (March 31, 2016: Nil; April 1, 2015: ₹212.7 million)

(b) advance for repurchase of equity shares in Tata Teleservices Limited (TTSL) from NTT Docomo Inc, ₹**1,440.7** million (US$**22.2** million) (March 31, 2016: Nil; April 1, 2015: Nil).

(iii) Current other financial assets include amount receivable from post-employment benefit fund ₹**2,470.4** million (US$**38.1**million) (March 31, 2016: ₹976.1 million; April 1, 2015: ₹1,543.4 million) on account of retirement benefit obligations paid by the Company directly.

10. INCOME TAX

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.)

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

	Year ended March 31, 2017		Year ended March 31, 2016
	(US$ million)	(₹ in million)	(₹ in million)
Profit/(loss)before tax	**826.1**	**53,569.3**	**15,433.4**
Expected income tax expense at statutory income tax rate	285.9	18,539.3	5,341.2
(i) Income exempt from tax/Items not deductible	29.0	1,880.6	1,338.6
(ii) Tax on income at different rates	-	-	(135.4)
(iii) Additional tax benefit for capital investment including research and development expenditures	(20.0)	(1,296.1)	(667.5)
Tax expense as reported	**294.9**	**19,123.8**	**5,876.9**

B. DEFERRED TAX ASSETS/(LIABILITIES)

(i) Components of deferred tax assets and liabilities as at March 31, 2017 is as below:

	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	
					(₹ in million)	(US$ million)
Deferred tax assets:						
Tax-loss carry forwards	-	1,074.3	-	-	1,074.3	16.6
Investments	30,115.6	-	-	-	30,115.6	464.4
Retirement benefit assets	1,842.1	-	-	-	1,842.1	28.4
Provisions	15,008.9	3,205.7	-	-	18,214.6	280.9
MAT credit entitlement	2,693.8	12,439.2	-	-	15,133.0	233.4
Others	1,923.2	(1,162.2)	4.2	-	765.2	11.8
	51,583.6	**15,557.0**	**4.2**	**-**	**67,144.8**	**1,035.5**
Deferred tax liabilities:						
Property, plant and equipment and intangible assets	1,06,956.6	20,967.7	-	(108.5)	1,27,815.8	1,971.1
Others	734.0	(292.3)	-	-	441.7	6.8
	1,07,690.6	**20,675.4**	**-**	**(108.5)**	**1,28,257.5**	**1,977.9**
Net deferred tax assets/(liabilities)	**(56,107.0)**	**(5,118.4)**	**4.2**	**108.5**	**(61,112.7)**	**(942.4)**
Disclosed as:						
Deferred tax assets	-				-	-
Deferred tax liabilities	**(56,107.0)**				**(61,112.7)**	**(942.4)**
	(56,107.0)				**(61,112.7)**	**(942.4)**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

10. INCOME TAX (CONTD.)

Components of deferred tax assets and liabilities as at March 31, 2016 is as below:

(₹ in million)

	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	30,115.6	-	-	-	30,115.6
Retirement benefit assets	1,842.1	-	-	-	1,842.1
Provisions	11,229.3	3,779.6	-	-	15,008.9
MAT credit entitlement	1,172.1	1,521.7	-	-	2,693.8
Others	2,063.2	(133.8)	(6.2)	-	1,923.2
	46,422.3	**5,167.5**	**(6.2)**	**-**	**51,583.6**
Deferred tax liabilities:					
Property, plant and equipment and intangible assets	1,07,919.0	(803.6)	-	(158.8)	1,06,956.6
Others	818.8	(84.8)	-	-	734.0
	1,08,737.8	**(888.4)**	**-**	**(158.8)**	**1,07,690.6**
Net deferred tax assets/(liabilities)	**(62,315.5)**	**6055.9**	**(6.2)**	**158.8**	**(56,107.0)**
Disclosed as:					
Deferred tax assets	-				-
Deferred tax liabilities	**(62,315.5)**				**(56,107.0)**
	(62,315.5)				**(56,107.0)**

(ii) The Company has not recognised deferred tax assets amounting to ₹**80,342.3** million (US$**1,239** million) as on March 31, 2017 (March 31, 2016: ₹80,342.3 million; April 1, 2015: ₹80,342.3 million) 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

A. NON-CURRENT

		As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
		(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
(a)	**Capital advances**				
	Unsecured, considered good	55.5	3,596.2	5,981.7	7,812.9
	Unsecured, considered doubtful	13.3	861.5	734.3	-
	Less: Provision for doubtful advances	13.3	861.5	734.3	-
		55.5	**3,596.2**	**5,981.7**	**7,812.9**
(b)	**Advance with public bodies**				
	Unsecured, considered good	272.3	17,658.5	18,518.3	13,320.5
	Unsecured, considered doubtful	2.0	127.6	127.3	133.0
	Less: Provision for doubtful advances	2.0	127.6	127.3	133.0
		272.3	**17,658.5**	**18,518.3**	**13,320.5**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

11. OTHER ASSETS (CONTD.)

		As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
		(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
(c)	**Prepaid lease payments**	**137.3**	**8,901.5**	**8,215.0**	**6,819.5**
(d)	**Capital advances to related parties**	**14.7**	**954.6**	**352.0**	**475.3**
(e)	**Other assets**				
	Unsecured, considered good	1.6	105.6	184.8	30.5
	Unsecured, considered doubtful	-	-	-	29.9
	Less: Provision for doubtful advances	-	-	-	29.9
		1.6	**105.6**	**184.8**	**30.5**
		481.4	**31,216.4**	**33,251.8**	**28,458.7**

B. CURRENT

		As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
		(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
(a)	**Advance with public bodies**				
	Unsecured, considered good	157.9	10,239.7	9,171.3	8,075.6
	Unsecured, considered doubtful	0.4	24.3	26.9	18.5
	Less: Provision for doubtful advances	0.4	24.3	26.9	18.5
		157.9	**10,239.7**	**9,171.3**	**8,075.6**
(b)	**Advances to related parties**				
	Unsecured, considered good	4.3	280.2	394.1	661.4
	Unsecured, considered doubtful	0	-	239.7	-
	Less: Provision for doubtful advances	0	-	239.7	-
		4.3	**280.2**	**394.1**	**661.4**
(c)	**Other assets**				
	Unsecured, considered good	26.8	1,734.9	1,323.3	1,513.9
	Unsecured, considered doubtful	9.3	604.6	397.4	342.2
	Less: Provision for doubtful advances	9.3	604.6	397.4	342.2
		26.8	**1,734.9**	**1,323.3**	**1,513.9**
		189.0	**12,254.8**	**10,888.7**	**10,250.9**

(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

		As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
		(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
(a)	Raw materials	601.3	38,989.9	23,686.1	32,651.9
(b)	Work-in-progress	1.0	58.8	183.0	443.2
(c)	Finished and semi-finished goods	631.7	40,965.6	27,926.9	28,698.2
(d)	Stock-in-trade	16.6	1,079.5	697.5	373.5
(e)	Stores and spares	328.1	21,274.7	18,880.3	18,066.7
		1,578.7	**1,02,368.5**	**71,373.8**	**80,233.5**
Included above, goods-in-transit:					
(i)	Raw materials	99.4	6,443.8	3,824.2	5,986.3
(ii)	Finished and semi-finished goods	-	-	0.4	196.2
(iii)	Stock-in-trade	15.0	970.9	653.1	238.5
(iv)	Stores and spares	21.0	1,363.0	1,607.0	1,607.7
		135.4	**8,777.7**	**6,084.7**	**8,028.7**

(i) The value of inventories above is stated after impairment of ₹**608.1** million (US$**9.4** million) (March 31, 2016: ₹689.9 million; April 1, 2015: ₹480.8 million) 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 ₹**3,87,047.8** million (US$**5,968.8** million) (2015-16: ₹ 3,27,965.5 million).

13. TRADE RECEIVABLES

		As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
		(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
(a)	Unsecured, considered good	309.4	20,065.2	11,331.7	10,570.2
(b)	Unsecured, considered doubtful	2.8	181.0	139.6	166.7
		312.2	**20,246.2**	**11,471.3**	**10,736.9**
Less: Allowance for credit losses		2.8	181.0	139.6	166.7
		309.4	**20,065.2**	**11,331.7**	**10,570.2**

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:

	As at March 31, 2017		As at March 31, 2016
	(US$ million)	(₹ in million)	(₹ in million)
Balance at the beginning of the year	2.2	139.6	166.7
Charge in statement of profit and loss	1.2	76.4	52.9
Release to statement of profit and loss	(0.3)	(20.3)	(39.7)
Utilised during the year	(0.2)	(14.7)	(40.3)
Balance at the end of the year	**2.9**	**181.0**	**139.6**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

13. TRADE RECEIVABLES (CONTD.)

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

	As at March 31, 2017		Net credit risk	
	Gross credit risk	Allowance for credit losses	(₹ in million)	(US$ million)
Amounts not yet due	18,689.3	5.0	18,684.3	288.1
One month overdue	486.7	3.1	483.6	7.5
Two months overdue	129.5	3.3	126.2	1.9
Three months overdue	92.5	3.0	89.5	1.4
Between three to six months overdue	186.3	10.9	175.4	2.7
Greater than six months overdue	661.9	155.7	506.2	7.8
	20,246.2	**181.0**	**20,065.2**	**309.4**

(₹ in million)

	As at March 31, 2016		
	Gross credit risk	Allowance for credit losses	Net credit risk
Amounts not yet due	9,991.6	15.5	9,976.1
One month overdue	449.5	02.7	446.8
Two months overdue	183.0	0.6	182.4
Three months overdue	86.9	0.6	86.3
Between three to six months overdue	515.9	0.6	515.3
Greater than six months overdue	244.4	119.6	124.8
	11,471.3	**139.6**	**11,331.7**

(₹ in million)

	As at April 1, 2015		
	Gross credit risk	Allowance for credit losses	Net credit risk
Amounts not yet due	9,741.6	0.2	9,741.4
One month overdue	523.9	0.5	523.4
Two months overdue	98.1	0.9	97.2
Three months overdue	56.9	-	56.9
Between three to six months overdue	73.6	4.4	69.2
Greater than six months overdue	242.8	160.7	82.1
	10,736.9	**166.7**	**10,570.2**

(iii) The Company considers its maximum exposure to credit risk with respect to customers as at March 31, 2017 to be ₹**20,065.2** million (US$**309.4** million) (March 31, 2016: ₹11,331.7 million; April 1, 2015: ₹10,570.2 million), 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

		As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
		(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
(a)	Cash in hand	0.1	4.4	4.1	4.6
(b)	Cheques, drafts on hand	2.9	191.9	245.3	422.1
(c)	Remittances-in-transit	8.1	525.5	2.7	1.3
(d)	Unrestricted balances with banks	128.5	8,330.3	9,494.7	4,523.6
		139.6	**9,052.1**	**9,746.8**	**4,951.6**

(i) The cash and bank balances are denominated and held in Indian rupees.

15. OTHER BALANCES WITH BANK

		As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
		(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
(a)	Earmarked balances with banks	**10**	**651.0**	**614.5**	**566.6**

(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

		As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
		(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
Authorised:					
1,75,00,00,000	Ordinary Shares of ₹10 each (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)	269.9	17,500.0	17,500.0	17,500.0
35,00,00,000	"A" Ordinary Shares of ₹10 each (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)	54	3,500.0	3,500.0	3,500.0
2,50,00,000	Cumulative Redeemable Preference Shares of ₹100 each (March 31, 2016: 2,50,00,000 Shares of ₹100 each) (April 1, 2015: 2,50,00,000 Shares of ₹100 each)	38.6	2,500.0	2,500.0	2,500.0
60,00,00,000	Cumulative Convertible Preference Shares of ₹100 each (March 31, 2016: 60,00,00,000 Shares of ₹100 each) (April 1, 2015: 60,00,00,000 Shares of ₹100 each)	925.3	60,000.0	60,000.0	60,000.0
		1,287.8	**83,500.0**	**83,500.0**	**83,500.0**
Issued:					
97,21,26,020	Ordinary Shares of ₹10 each (March 31, 2016: 97,21,26,020 Ordinary Shares of ₹10 each) (April 1, 2015: 97,21,26,020 Ordinary Shares of ₹10 each)	**149.9**	**9,721.3**	**9,721.3**	**9,721.3**
Subscribed and Paid up:					
97,12,15,439	Ordinary Shares of ₹10 each fully paid up (March 31, 2016: 97,12,15,439 Ordinary Shares of ₹10 each) (April 1, 2015: 97,12,15,439 Ordinary Shares of ₹10 each)	149.8	9,712.1	9,712.1	9,712.1
	Amount paid up on 3,89,516 Ordinary Shares forfeited (March 31, 2016: 3,89,516 Shares of ₹10 each) (April 1, 2015: 3,89,516 Shares of ₹10 each)	0	2.0	2.0	2.0
		149.8	**9,714.1**	**9,714.1**	**9,714.1**

(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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

16. EQUITY SHARE CAPITAL (CONTD.)

(ii) 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	(US$ million)	(₹ in million)	No. of shares	(₹ in million)
Ordinary shares of ₹10 each					
Balance at the beginning of the year	97,12,15,439	149.8	9,712.1	97,12,15,439	9,712.1
Balance at the end of the year	**97,12,15,439**	**149.8**	**9,712.1**	**97,12,15,439**	**9,712.1**

(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:

	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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(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.)

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

The detail of movement in Hybrid Perpetual Securities is as below:

	As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
	(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
Balance at the beginning of the year	350.8	22,750.0	22,750.0	22,750.0
Balance at the end of the year	**350.8**	**22,750.0**	**22,750.0**	**22,750.0**

The Company had issued Hybrid Perpetual Securities of ₹7,750.0 million and ₹15,000.0 million 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

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:

	As at March 31, 2017		As at March 31, 2016
	(US$ million)	(₹ in million)	(₹ in million)
Balance at the beginning of the year	(0.1)	(5.5)	(17.3)
Other comprehensive income recognised during the year	(0.1)	(8.0)	11.8
Transfers within equity	-	-	-
Balance at the end of the year	**(0.2)**	**(13.5)**	**(5.5)**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

18. OTHER EQUITY (CONTD.)

The detail of Other Comprehensive income recognised is as below:

	As at March 31, 2017		As at March 31, 2016
	(US$ million)	(₹ in million)	(₹ in million)
Fair value changes recognised during the year	(1.2)	(76.3)	(48.7)
Fair value changes reclassified to the statement of profit and loss/cost of underlying items	1.0	64.1	66.7
Tax impact on above (net)	0.1	4.2	(6.2)
	(0.1)	**(8.0)**	**11.8**

During the year, ineffective portion of cash flow hedges recognised in the statement of profit and loss amounted to **Nil** (2015-16: ₹0.5 million)

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:

	As at March 31, 2017		As at March 31, 2016
	(US$ million)	(₹ in million)	(₹ in million)
Balance at the beginning of the year	452.9	29,369.2	97,131.0
Other comprehensive income recognised during the year	126.3	8,190.1	(34,050.3)
Transfers within equity	(0.3)	(17.5)	(33,711.5)
Balance at the end of the year	**578.9**	**37,541.8**	**(29,369.2)**

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.

	As at March 31, 2017		As at March 31, 2016
	(US$ million)	(₹ in million)	(₹ in million)
Balance at the beginning of the year	2,910.6	1,88,736.8	1,88,736.8
Balance at the end of the year	**2,910.6**	**1,88,736.8**	**1,88,736.8**

(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.)

There is no movement in debenture redemption reserve during the current and previous year.

	As at March 31, 2017		As at March 31, 2016
	(US$ million)	(₹ in million)	(₹ in million)
Balance at the beginning of the year	315.5	20,460.0	20,460.0
Balance at the end of the year	**315.5**	**20,460.0**	**20,460.0**

(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.

	As at March 31, 2017		As at March 31, 2016
	(US$ million)	(₹ in million)	(₹ in million)
Balance at the beginning of the year	1,788.3	1,15,963.5	1,15,963.5
Balance at the end of the year	**1,788.3**	**1,15,963.5**	**1,15,963.5**

(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.

	As at March 31, 2017		As at March 31,2016
	(US$ million)	(₹ in million)	(₹ in million)
Balance at the beginning of the year	3.2	207.8	207.8
Balance at the end of the year	**3.2**	**207.8**	**207.8**

(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:

	As at March 31, 2017		As at March 31, 2016
	(US$ million)	(₹ in million)	(₹ in million)
Balance at the beginning of the year	18.0	1,170.4	1,171.6
Release to the statement of profit and loss	-	-	(1.2)
Balance at the end of the year	**18.0**	**1,170.4**	**1,170.4**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

19. BORROWINGS

A. NON-CURRENT

		As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
		(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
(a)	**Secured**				
	(i) Loans from Joint Plant Committee - Steel Development Fund	373.3	24,206.5	23,389.1	22,323.6
(b)	**Unsecured**				
	(i) Non-convertible debentures	1,569.2	1,01,757.0	90,230.3	92,980.9
	(ii) Term loans from banks and financial institutions	1,535.9	99,594.9	1,10,319.5	1,11,642.3
	(iii) Finance lease obligations	329.8	21,385.3	15,328.7	16,214.2
		3,808.2	**2,46,943.7**	**2,39,267.6**	**2,43,161.0**

B. CURRENT

		As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
		(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
(a)	**Secured**				
	(i) Repayable on demand from banks and financial institutions	20.2	1,311.2	214.6	735.1
(b)	**Unsecured**				
	(i) Loans from banks and financial institutions	128.6	8,341.9	26,316.9	7,462.3
	(ii) Commercial papers	350.7	22,743.6	32,348.5	-
		499.5	**32,396.7**	**58,880.0**	**8,197.4**

(i) As at March 31, 2017, ₹**25,517.7** million (US$**393.5** million) (March 31, 2016: ₹23,603.7 million, April 1, 2015: ₹23,058.7 million) 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 ₹**7,813.2** million (US$**120.5** million) (March 31, 2016: ₹6,995.8 million and April 1, 2015: ₹5,930.3 million).

It includes ₹**16,393.3** million (US$**252.8** million) (March 31, 2016: ₹16,393.3 million; April 1, 2015: ₹16,393.3 million) 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.)

(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 ₹**44,500.0** million (US$**686.3** million) (March 31, 2016: ₹70,000.0 million; April 1, 2015: ₹70,000.0 million) is repayable in 17 quarterly installments. The next instalment is due on March 31, 2021.

(ii) USD **7.86** million equivalent to ₹**509.8** million (March 31, 2016: 7.86 million equivalent to ₹520.8 million) (April 1, 2015: Nil) is repayable on March1, 2021.

(iii) USD **200.00** million equivalent to ₹**12,971.0** million (March 31, 2016: USD 200.00 million equivalent to ₹13,250.5 million; April 1, 2015: USD 200.00 million equivalent to ₹12,500.0 million) loan is repayable in 3 equal annual installments commencing from February 18, 2020.

(iv) Indian rupee loan amounting ₹**20,000.0** million (US$**308.4** million) (March 31, 2016: ₹20,000.0 million; April 1, 2015: Nil) is repayable in 10 semi-annual installments commencing from 30th April, 2019.

(v) Indian rupee loan amounting ₹**6,500.0** million (US$**100.2** million) (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 ₹**1,871.8** million (March 31, 2016: Euro 32.42 million equivalent to ₹2,446.9 million; April 1, 2015: Euro 37.83 million equivalent to ₹2,541.7 million) 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 ₹**650.2** million (March 31, 2016: Euro 14.08 million equivalent to ₹1,062.5 million; April 1, 2015: Euro 18.77 million equivalent to ₹1,261.3 million) loan is repayable in 4 equal semi-annual installments; the next instalment is due on July 3, 2017.

(viii) Indian rupee loan amounting ₹**8,500.0** million (US$**131.1** million) (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 ₹**67.2** million (March 31, 2016: Euro 1.94 million equivalent to ₹146.4 million; April 1, 2015: Euro 2.91 million equivalent to ₹195.5 million) 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 ₹**7,279.8** million (March 31, 2016: Euro 124.19 million equivalent to ₹9,372.2 million; April 1, 2015: Euro 143.29 million equivalent to ₹9,628.4 million) 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.)

(iii) The currency and interest exposure of borrowings at the end of the reporting period are as below:

(₹ in million)

	As at March 31, 2017				As at March 31, 2016			As at April 1, 2015		
	Fixed rate	Floating rate	Total	(US$ million)	Fixed rate	Floating rate	Total	Fixed rate	Floating rate	Total
INR	1,55,354.8	1,03,449.2	2,58,804.0	3,991.1	1,49,391.9	1,32,947.1	2,82,339.0	1,27,965.1	1,10,731.3	2,38,696.4
EURO	5,889.9	3,754.0	9,643.9	148.7	7,528.4	5,119.7	12,648.1	7,710.1	5,470.5	13,180.6
USD	-	14,398.4	14,398.4	222.0	-	13,448.0	13,448.0	-	33,235.8	33,235.8
Others	-	-	-	-	-	-	-	509.2	9,240.5	9,749.7
Total	**1,61,244.7**	**1,21,601.6**	**2,82,846.3**	**4,361.8**	**1,56,920.3**	**1,51,514.8**	**3,08,435.1**	**1,36,184.4**	**1,58,678.1**	**2,94,862.5**

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: ₹**9,728.3** million (US$**150** million) (March 31, 2016: ₹20,000.0 million; April 1, 2015: ₹20,937.5 million) 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:

	As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
	(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
Not later than one year or on demand	603.9	39,162.4	71,644.5	54,418.5
Later than one year but not two years	176.1	11,421.2	8,623.1	20,915.2
Later than two years but not three years	554.6	35,962.9	13,450.9	15,930.6
Later than three years but not four years	326.8	21,192.0	41,449.4	17,433.1
Later than four years but not five years	375.3	24,333.5	27,531.9	43,553.6
More than five years	3068	1,98,944.8	1,87,265.6	1,88,121.7
	5104.7	**3,31,016.8**	**3,49,965.4**	**3,40,372.7**
Less: Future finance charges on finance leases	610.5	39,585.0	30,935.5	33,383.0
Less: Capitalisation of transaction costs	132.4	8,585.5	10,594.8	12,127.2
	4,361.8	**2,82,846.3**	**3,08,435.1**	**2,94,862.5**

(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

A. NON-CURRENT

		As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
		(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
(a)	Creditors for other liabilities	**2.8**	**182.2**	**3,965.1**	**8,418.9**

B. CURRENT

		As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
		(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
(a)	Current maturities of long-term borrowings	36.7	2,379.0	9,287.7	4,2561.6
(b)	Current maturities of finance lease obligations	17.4	1,126.9	999.8	942.5
(c)	Interest accrued but not due	84.1	5,450.5	4,593.2	5,878.6
(d)	Unclaimed dividends	8.0	517.6	516.4	514.9
(e)	Creditors for other liabilities	480.4	31,149.5	30,936.4	27,491.4
		626.6	**40,623.5**	**46,333.5**	**77,389.0**

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

(a) Creditors for capital supplies and services amounting to ₹**20,568.0** million (US$**317.2** million) (March 31, 2016: ₹25,923.2 million; April 1, 2015: ₹27,129.4 million).

(b) Liability for employee family benefit scheme ₹**1,156.0** million (US$**17.8** million) (March 31, 2016: ₹1,083.9 million; April 1, 2015: ₹957.2 million).

21. PROVISIONS

A. NON-CURRENT

		As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
		(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
(a)	Employee benefits	269.8	17,494.4	16,357.4	12,526.9
(b)	Others	42.4	2,753.0	2,263.1	683.0
		312.2	**20,247.4**	**18,620.5**	**13,209.9**

B. CURRENT

		As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
		(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
(a)	Employee benefits	48.0	3,111.9	2,806.4	1,829.9
(b)	Others	60.1	3,894.1	-	-
		108.1	**7,006.0**	**2,806.4**	**1,829.9**

(i) Non-current and current provision for employee benefits include leave salaries ₹**10,169.5** million (US$**156.8** million) (March 31, 2016: ₹9,188.1 million; April 1, 2015: ₹8,543.7 million) and provision for early separation scheme ₹**10,368.9** million (US$**159.9** million) (March 31, 2016 ₹9,905.9 million; April 1, 2015: ₹5,736.4 million).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

21. PROVISIONS (CONTD.)

(ii) Others include:

(a) provision for compensatory afforestation, mine closure and rehabilitation obligations ₹**5,291.3** million (US$**81.6** million) (March 31, 2016: ₹2,263.1 million; April 1, 2015: ₹683.0 million). 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 ₹**1,355.8** (US$**20.9** million) million (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:

	As at March 31, 2017		As at March 31, 2016
	(US$ million)	(₹ in million)	(₹ in million)
Balance at the beginning of the year	34.9	2,263.1	683.0
Charged to the statement of profit and loss	20.9	1,355.8	-
Additions during the year	46.7	3,028.2	1,580.1
Balance at the end of the year	**102.5**	**6,647.1**	**2,263.1**

22. RETIREMENT BENEFIT OBLIGATIONS

A. NON-CURRENT

		As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
		(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
(a)	Retiring gratuities	33.5	2,170.3	1,608.1	5,613.8
(b)	Post retirement medical benefits	180.5	11,705.1	10,126.9	9,881.1
(c)	Other defined benefit obligations	14.9	966.7	789.5	737.4
		228.9	**14,842.1**	**12,524.5**	**16,232.3**

B. CURRENT

		As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
		(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
(a)	Post retirement medical benefits	7.8	506.7	512.4	460.7
(b)	Other defined benefit obligations	0.9	59.1	54.3	54.6
		8.7	**565.8**	**566.7**	**515.3**

(i) Detailed disclosure in respect post retirement defined benefit schemes is provided in Note 35.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

23. DEFERRED INCOME

		As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
		(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
(a)	Grants relating to property, plant and equipment	**290.7**	**18,851.9**	**22,284.8**	**2,1305.8**

(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 ₹**3,429.0** million (US$**52.9** million) (2015-2016: ₹Nil) was released to statement of profit and loss on fulfillment of export obligations.

24. OTHER LIABILITIES

A. NON-CURRENT

		As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
		(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
(a)	Statutory dues	8.5	553.1	640.6	-
(b)	Other credit balances	3.5	224.3	127.3	196.7
		12.0	**777.4**	**767.9**	**196.7**

B. CURRENT

		As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
		(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
(a)	Advances received from customers	58.6	3,800.1	2,650.1	2,291.0
(b)	Employee recoveries and employer contributions	6.1	393.9	417.3	403.1
(c)	Statutory dues	481.8	31,244.0	25,592.4	18,796.0
		546.5	**35,438.0**	**28,659.8**	**21,490.1**

(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

		As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
		(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
(a)	Creditors for supplies and services	1440.8	93,428.3	51,256.1	40,186.3
(b)	Creditors for accrued wages and salaries	212.0	13,746.1	10,712.7	9,173.3
		1,652.8	**1,07,174.4**	**61,968.8**	**49,359.6**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

25. TRADE PAYABLES (CONTD.)

(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:

		Year ended March 31, 2017		Year ended March 31, 2016	Year ended April 1, 2015
		(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
(i)	The principal amount remaining unpaid to supplier as at the end of the year	2.2	142.8	149.0	165.1
(ii)	The interest due thereon remaining unpaid to supplier as at the end of the year	0.1	9.5	7.2	5.6
(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	0.8	48.8	43.6	43.3
(iv)	The amount of interest accrued during the year and remaining unpaid at the end of the year	0.9	58.4	50.8	48.9

26. REVENUE FROM OPERATIONS

		As at March 31, 2017		As at March 31, 2016
		(US$ million)	(₹ in million)	(₹ in million)
(a)	Sale of products	7,866.5	5,10,105.3	4,06,892.2
(b)	Sale of power and water	218.7	14,184.3	14,683.7
(c)	Income from town, medical and other services	21.0	1,359.7	1,330.5
(d)	Other operating income	107.3	6,960.3	4,068.0
		8,213.5	**5,32,609.6**	**4,26,974.4**

27. OTHER INCOME

		Year ended March 31, 2017		Year ended March 31, 2016
		(US$ million)	(₹ in million)	(₹ in million)
(a)	Dividend income	13.5	875.1	1,070.8
(b)	Finance income	5.5	358.9	427.6
(c)	Net gain/(loss) on sale of non-current investments	0.1	9.7	-
(d)	Net gain/(loss) on investments carried at fair value through statement of profit and loss	48.8	3,166.3	1,841.6
(e)	Gain/(loss) on sale of capital assets (net of loss on assets sold/scrapped/written off)	(1.1)	(69.1)	21.2
(f)	Gain/(loss) on cancellation of forwards, swaps and options	(10.3)	(669.5)	(12.1)
(g)	Other miscellaneous income	7.3	473.2	562.5
		63.8	**4,144.6**	**3,911.6**

(i) Finance income includes:

(a) income on financial assets carried at amortised cost ₹**273.9** million (US$**4.2** million) (2015-2016: ₹427.6 million).

(b) income on financial assets carried at fair value through profit and loss ₹**85.0** million (US$**1.3** million) (2015-2016: Nil).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

28. CHANGES IN STOCK OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	Year ended March 31, 2017		Year ended March 31, 2016
	(US$ million)	(₹ in million)	(₹ in million)
Inventories at the end of the year			
(a) Work-in-progress	1.0	58.8	183.0
(b) Finished and semi-finished goods	631.7	40,965.6	27,926.9
(c) Stock-in-trade	16.6	1,079.5	697.5
	649.3	**42,103.9**	**28,807.4**
Inventories at the beginning of the year			
(a) Work-in-progress	2.8	183.0	443.2
(b) Finished and semi-finished goods	430.7	27,926.9	28,698.2
(c) Stock-in-trade	10.8	697.5	373.5
	444.3	**28,807.4**	**29,514.9**
	205.0	**13,296.5**	**(707.5)**

29. EMPLOYEE BENEFIT EXPENSES

	Year ended March 31, 2017		Year ended March 31, 2016
	(US$ million)	(₹ in million)	(₹ in million)
(a) Salaries and wages	606.8	39,345.8	36,082.8
(b) Contribution to provident and other funds	67.0	4,343.0	4,421.3
(c) Staff welfare expenses	36.4	2,362.5	2,694.8
	710.2	**46,051.3**	**43,198.9**

During the year, the Company recognised an amount of ₹**181.3** million (US$**2.8** million) (2015-16: ₹179.4 million) as remuneration to key managerial personnel. The details of such remuneration is as below:

	Year ended March 31, 2017		Year ended March 31, 2016
	(US$ million)	(₹ in million)	(₹ in million)
(a) Short term employee benefits	2.6	171.3	172.4
(b) Post employment benefits	0.1	7.1	4.2
(c) Other long term employee benefits	0	2.9	2.8
	2.7	**181.3**	**179.4**

30. FINANCE COSTS

	Year ended March 31, 2017		Year ended March 31, 2016
	(US$ million)	(₹ in million)	(₹ in million)
Interest expense on:			
(a) Bonds, debentures, bank borrowings and others	400.5	25,970.4	26,654.5
(b) Finance leases	48.2	3,127.6	2,521.8
	448.7	**29,098.0**	**29,176.3**
Less: Interest capitalised	34.1	2,212.5	10,695.8
	414.6	**26,885.5**	**18,480.5**

(i) Other interest expense include interest on income tax ₹**162.2** million (US$**2.5** million) (2015-16: Nil).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

31. DEPRECIATION AND AMORTISATION EXPENSE

		Year ended March 31, 2017		Year ended March 31, 2016
		(US$ million)	(₹ in million)	(₹ in million)
(a)	Depreciation on tangible assets	516.8	33,514.9	28,836.1
(b)	Amortisation of intangible assets	29.3	1,900.6	786.7
		546.1	**35,415.5**	**29,622.8**

32. OTHER EXPENSES

		Year ended March 31, 2017		Year ended March 31, 2016
		(US$ million)	(₹ in million)	(₹ in million)
(a)	Consumption of stores and spares	424.4	27,518.1	24,457.7
(b)	Repairs to buildings	10.9	708.0	574.1
(c)	Repairs to machinery	351.9	22,818.2	20,253.0
(d)	Relining expenses	8.5	554.4	431.0
(e)	Fuel oil consumed	17.1	1,111.7	1,380.7
(f)	Purchase of power	427.1	27,697.5	24,077.5
(g)	Conversion charges	416.5	27,010.3	22,044.3
(h)	Freight and handling charges	583.5	37,835.6	29,948.8
(i)	Rent	11.7	756.0	735.3
(j)	Royalty	176.7	11,455.1	9,386.2
(k)	Rates and taxes	200.2	12,984.1	7,528.3
(l)	Insurance charges	12.3	796.1	568.2
(m)	Commission, discounts and rebates	31.9	2071.4	1,827.8
(n)	Allowance for credit losses/provision for advances	2.5	160.9	224.9
(o)	Excise duty (including recovered on sales)	812.4	52,679.4	44,287.7
(p)	Others	359.8	23,334.1	18,298.0
		3,847.4	**2,49,490.9**	**2,06,023.5**

(i) Others include foreign exchange (gain)/loss of ₹**21.6** million (US$**0.3** million) (2015-16: ₹597.3 million)

(ii) Details of auditors' remuneration and out-of-pocket expenses are as below:

			Year ended March 31, 2017		Year ended March 31, 2016
			(US$ million)	(₹ in million)	(₹ in million)
(a)	Auditors remuneration and out-of-pocket expenses				
	(i)	As auditors	1	63.0	65.3
	(ii)	For taxation matters	0.1	4.6	4.7
	(iii)	For other services	0.1	3.3	26.4
	(iv)	Out-of-pocket expenses	0	1.8	1.7
(b)	Cost audit fees [Including expenses ₹**25,084** (2015-16: ₹22,388), (2014-15: ₹25,064)]		0	1.2	1.2

(iii) (a) Amount required to be spent by the Company on Corporate Social Responsibility (CSR) activities during the year was ₹**1,158.0** million (US$**17.9** million) (2015-16 : ₹1,503.6 million).

(b) Revenue expenditure charged to statement of profit and loss in respect of Corporate Social Responsibility (CSR) activities undertaken during the year is ₹**1,912.1** million (US$**29.5** million) [₹1,902.9 million has been paid in cash and ₹9.3 million is yet to be paid] as compared to ₹1,956.4 million for the year ended March 31, 2016 [₹1,923.9 million was paid in cash and ₹32.5 million was unpaid].

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

32. OTHER EXPENSES (CONTD.)

Capital expenditure incurred during the year in construction of capital assets under CSR projects is ₹**24.0** million (US$**0.40** million) [₹16.6 million paid in cash and ₹7.4 million is yet to be paid] as compared to ₹88.2 million for the year ended March 31, 2016 [₹84.9 million was paid in cash and ₹3.3 million was unpaid].

(iv) Revenue expenditure charged to Statement of Profit and Loss in respect of research and development activities undertaken during the year is ₹**1,322.6** million (US$**20.4** million) (2015-16: ₹1,162.5 million) including depreciation of ₹**78.7** million (US$**1.2** million) (2015-16: ₹67.5 million). Capital expenditure in respect of research and development activities undertaken during the year is ₹123.2 million (2015-16: ₹130.6 million).

33. EXCEPTIONAL ITEMS

(a) Loss (net) on sale of investment in a subsidiary and an associate **Nil** (2015-16: ₹8.5 million).

(b) Provision for dimunition in value of investments held in subsidiaries ₹**454.2** million (US$**7.0** million) (2015-16: ₹876.3 million), in respect of advances paid for repurchase of equity shares in Tata Teleservices Limited from NTT Docomo Inc ₹**1,254.5** million (US$**19.4** million) (2015-16: Nil). During 2015-16, the Company has recognised provision of ₹729.9 million 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: ₹515.1 million).

(d) Provision of ₹**2,182.5** million (US$**33.7** million) (2015-16: ₹8,800.5 million) in respect of certain statutory demands and claims.

(e) Provision of ₹**1,786.8** million (US$**27.6** million) (2015-16: ₹5,562.5 million) on account of employee seperation scheme.

(f) Provision towards legal and constructive commitments provided by the Company in respect of a loss making subsidiary ₹**1,355.8** million (US$**20.9** million) (2015-16: Nil).

34. EARNINGS PER SHARE

The following table reflects the profit and shares data used in the computation of basic and diluted earnings per share.

		Year ended March 31, 2017		Year ended March 31, 2016
		(US$ million)	(₹ in million)	(₹ in million)
(a)	Profit after tax	531.2	34,445.5	9,556.5
	Less: Distribution on Hybrid Perpetual Securities (net of tax)	26.8	1,740.1	1,740.6
	Profit attributable to ordinary shareholders - for Basic and Diluted EPS	504.4	32,705.4	7,815.9
		Nos.	Nos.	Nos.
(b)	Weighted average number of Ordinary Shares for Basic EPS	97,12,15,439	97,12,15,439	97,12,15,439
	Weighted average number of Ordinary Shares for Diluted - EPS	97,12,15,493	97,12,15,493	97,12,15,439
(c)	Nominal value of Ordinary Shares (₹)	0.2	10.00	10.00
(d)	Basic and Diluted Earnings per Ordinary Share (₹)	0.5	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 ₹**3,100.9** million (US$**47.8** million) (2016: ₹3,036.5 million).

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:

	Year ended March 31, 2017		Year ended March 31, 2016
	(US$ million)	(₹ in million)	(₹ in million)
Change in defined benefit obligations:			
Obligation at the beginning of the year	407.2	26,402.2	25,729.1
Current service costs	18.2	1,180.0	1,167.1
Interest costs	29.7	1,924.4	1,876.5
Remeasurement (gains)/losses	22.1	1,434.4	662.1
Benefits paid	(48.4)	(3,141.5)	(3,032.6)
Obligation at the end of the year	**428.8**	**27,799.5**	**26,402.2**

	Year ended March 31, 2017		Year ended March 31, 2016
	(US$ million)	(₹ in million)	(₹ in million)
Change in plan assets:			
Fair value of plan assets at the beginning of the year	382.4	24,795.3	20,115.3
Interest income	28.7	1,862.3	1,659.1
Remeasurement gains/(losses)	7.8	503.1	437.1
Employers' contributions	24.8	1,610.0	5,616.4
Benefits paid	(48.4)	(3,141.5)	(3,032.6)
Fair value of plan assets at the end of the year	**395.3**	**25,629.2**	**24,795.3**

Amounts recognised in the balance sheet consists of:

	As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
	(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
Fair value of plan assets at beginning/end of the year	395.2	25,629.2	24,795.3	20,115.3
Present value of obligation at the beginning/end of the year	(428.7)	(27,799.5)	(26,402.2)	(25,729.1)
	(33.5)	**(2,170.3)**	**(1,606.9)**	**(5,613.8)**
Recognised as:				
Retirement benefit liability - Non-current	(33.5)	(2,170.3)	(1,606.9)	**(5,613.8)**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

35. EMPLOYEE BENEFITS (CONTD.)

Expenses recognised in the statement of profit and loss consists of:

	Year ended March 31, 2017		Year ended March 31, 2016
	(US$ million)	**(₹ in million)**	**(₹ in million)**
Employee benefits expenses:			
Current service costs	18.2	1,180.0	1,167.1
Net interest expenses	1.0	62.1	217.4
	19.2	**1,242.1**	**1,384.5**
Other comprehensive income:			
(Gain)/loss on plan assets	(7.8)	(503.1)	(437.1)
Actuarial (gain)/loss arising from changes in financial assumption	23.0	1,492.6	-
Actuarial (gain)/loss arising from changes in experience adjustments	(0.9)	(58.2)	662.1
	14.3	**931.3**	**225.0**
Expenses recognised in the statement of profit and loss	**33.5**	**2,173.4**	**1,609.5**

(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
	(US$ million)	**(₹ in million)**	**(₹ in million)**	**(₹ in million)**
Assets category (%)				
Equity instruments (quoted)	0	2.1	-	-
Debt instruments (quoted)	4.5	289.1	307.3	391.0
Insurance products (unquoted)	10.9	708.8	692.7	609.0
	15.4	**1,000.0**	**1,000.0**	**1,000.0**

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 ₹**2,170.3** million (US$**33.5** million) to the plan during financial year 2017-18.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

35. EMPLOYEE BENEFITS (CONTD.)

(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 ₹1,955.5 million, increase by ₹2,265.8 million
Salary rate	Increase by 1%, decrease by 1%	Increase by ₹2,215.1 million, decrease by ₹1,951.4 million

As at March 31, 2016

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹1,797.3 million, increase by ₹1,929.1million
Salary rate	Increase by 1%, decrease by 1%	Increase by ₹1,972.7 million, decrease by ₹1,745.8 million

As at April 1, 2015

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹1,726.8 million, increase by ₹1,985.4 million
Salary rate	Increase by 1%, decrease by 1%	Increase by ₹1,957.6 million, decrease by ₹1,735.9 million

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.

	April- March 2017				April- March 2016	
	Medical		Others		Medical	Others
	(US$ million)	(₹ in million)	(US$ million)	(₹ in million)	(₹ in million)	
Change in defined benefit obligation:						
Obligation as at the beginning of the year	164.1	10,639.3	13.0	843.8	10,341.8	792.0
Current service cost	2.9	190.4	0.9	57.7	172.7	54.4
Interest cost	12.4	803.4	1.0	63.0	782.4	59.3
Remeasurement (gains)/losses						
(i) Actuarial gains and losses arising from changes in financial assumptions	19.5	1,261.7	1.2	78.4	-	-
(ii) Actuarial gains and losses arising from changes in experience adjustments	(2.1)	(136.9)	0.7	43.4	(165.1)	(9.8)
Benefits paid	(8.4)	(546.1)	(0.9)	(60.5)	(492.5)	(52.1)
Obligation as at the end of the year	**188.4**	**12,211.8**	**15.9**	**1,025.8**	**10,639.3**	**843.8**

Amount recognised in balance sheet consists of:

	As at March 31, 2017				As at March 31, 2016		As at April 1, 2015	
	Medical		Others		Medical	Others	Medical	Others
	(US$ million)	(₹ in million)	(US$ million)	(₹ in million)	(₹ in million)		(₹ in million)	
Present value of obligation as at the beginning/end of the year	(188.3)	(12,211.8)	(15.8)	(1,025.8)	(10,639.3)	(843.8)	(10,341.8)	(792.0)
Recognised as:								
Retirement benefit liability - Current	(7.8)	(506.7)	(0.9)	(59.1)	(512.4)	(54.3)	(460.7)	(54.6)
Retirement benefit liability - Non-current	(180.5)	(11,705.1)	(14.9)	(966.7)	(10,126.9)	(789.5)	(9,881.1)	(737.4)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

35. EMPLOYEE BENEFITS (CONTD.)

Expenses recognised in the statement of profit and loss consists of:

	April- March 2017				April- March 2016	
	Medical		Others		Medical	Others
	(US$ million)	(₹ in million)	(US$ million)	(₹ in million)	(₹ in million)	
Employee benefits expenses:						
Current service costs	2.9	190.4	0.9	57.7	172.7	54.4
Net interest expenses	12.4	803.4	1.0	63.0	782.4	59.4
	15.3	**993.8**	**1.9**	**120.7**	**955.1**	**113.8**
Other comprehensive income:						
Actuarial (gain)/loss arising from changes in financial assumption	19.5	1,261.7	1.2	78.4	-	-
Actuarial (gain)/loss arising from changes in experience adjustments	(2.1)	(136.9)	0.7	43.4	(165.1)	(09.8)
	17.4	**1,124.8**	**1.9**	**121.8**	**(165.1)**	**(09.8)**
	32.7	**2,118.6**	**3.7**	**242.5**	**790.0**	**104.0**

(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 ₹1,634.2 million, increase by ₹2,099.4 million
Medical cost inflation rate	Increase by 1%, decrease by 1%	Increase by ₹2,003.7 million, decrease by ₹1,595.6 million

As at March 31, 2016

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹1,364.5 million, increase by ₹1,664.9 million
Medical cost inflation rate	Increase by 1%, decrease by 1%	Increase by ₹1,642.9 million, decrease by ₹1,372.8 million

As at April 1, 2015

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹1,326.3 million, increase by ₹1,618.4 million
Medical cost inflation rate	Increase by 1%, decrease by 1%	Increase by ₹1,597.0 million, decrease by ₹1,334.4 million

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

35. EMPLOYEE BENEFITS (CONTD.)

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 ₹102.3 million, increase by ₹123.2 million
Rate of escalation in salary	Increase by 1%, decrease by 1%	Increase by ₹65.0 million, decrease by ₹56.6 million
Inflation rate	Increase by 1%, decrease by 1%	Increase by ₹50.0 million, decrease by ₹44.2 million

As at March 31, 2016

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹79.3 million, increase by ₹91.4 million
Rate of escalation in salary	Increase by 1%, decrease by 1%	Increase by ₹47.5 million, decrease by ₹41.4 million
Inflation rate	Increase by 1%, decrease by 1%	Increase by ₹40.0 million, decrease by ₹35.5 million

As at April 1, 2015

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹71.3 million, increase by ₹81.6 million
Rate of escalation in salary	Increase by 1%, decrease by 1%	Increase by ₹47.1 million, decrease by ₹41.2 million
Inflation rate	Increase by 1%, decrease by 1%	Increase by ₹48.0 million, decrease by ₹41.0 million

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 ₹**14,175.4** million (US$**218.6** million) (March 31, 2016: ₹13,126.3 million; April 1, 2015: ₹10,161.2 million).

The details of demands for more than ₹1,000 million 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 ₹**12,177.9** million (US$**187.8** million) (inclusive of interest) (March 31, 2016: ₹11,244.8 million; April 1, 2015: ₹8,703.6 million). The Company has deposited ₹**5,150.0** million (US$**79.4** million) (March 31, 2016: ₹4,150.0 million; April 1, 2015: ₹3,400.0 million) 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 ₹**4,827.2** million (US$**74.4** million) (March 31, 2016: ₹4,838.6 million; April 1, 2015: ₹4,650.4 million).

Sales Tax /VAT

The total sales tax demands that are being contested by the Company amounted to ₹**3,495.8** million (US$**53.9** million) (March 31, 2016: ₹5,678.8 million; April 1, 2015: ₹4,323.3 million).

Other Taxes, Dues and Claims

Other amounts for which the Company may contingently be liable aggregate to ₹**85,710.0** million (US$**1,321.8** million) (March 31, 2016: ₹69,794.8 million; April 1, 2015: ₹61,433.1 million).

The details of demands for more than ₹1000 million are as below:

(a) Claim by a party arising out of conversion arrangement- ₹**1,958.2** million (US$**30.2** million) (March 31, 2016: ₹1,958.2 million; April 1, 2015: ₹1,958.2 million). The Company has not acknowledged this claim and has instead filed a claim of ₹**1,396.5** million (US$**21.5** million) (March 31, 2016: ₹1,396.5 million; April 1, 2015: ₹1,396.5 million) 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 ₹**58,808.3** million (US$**906.9** million) (March 31, 2016: ₹55,019.8 million; April 1, 2015: ₹48,051.8 million).

(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 ₹1,902.5 million, an amount of ₹1,638.0 million 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 ₹**10,437.9** million (US$**161** million) (March 31, 2016: ₹3,240.6 million; April 1, 2015: ₹3,184.5 million) 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. ₹129.2 million, 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 ₹4,110.8 million 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 ₹3,142.8 million upto the period ending March 31, 2014. For the demand of ₹968.0 million 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: ₹**8,479.6** million (US$**130.8** million) (March 31, 2016: ₹4,110.8 million: April 1, 2015: ₹4,110.8 million.

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 ₹**38,258.5** million (US$**590** million), (2016: ₹54,161.6 million, 2015: ₹64,666.3 million).

Other commitments as at March 31, 2017 amounts to ₹**0.1** million (US$**0** million) (March 31, 2016: ₹0.1 million, March 15: ₹0.1 million).

(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 ₹200 million 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 ₹**1,13,444.7** million (US$**1,749.5** million) (2016: ₹1,17,417.1 million, 2015: ₹1,37,614.5 million) details of which are as below:

(i) in favour of Timken India Limited for **Nil,** (March 31, 2016: ₹800.0 million; April 1, 2015: ₹800.0 million) against renewal of lease of land pending with State Government and ₹**10.7** million (US$**0.2** million) (March 31, 2016: ₹10.7 million; April 1, 2015: ₹10.7 million) 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 ₹**453.8** million (US$**7** million) (March 31, 2016: ₹650.4 million; April 1, 2015: ₹788.9 million) 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 ₹**1,771.8** million (US$**27.3** million) (March 31, 2016: ₹1,771.8 million; April 1, 2015: ₹1,771.8 million) 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 ₹**97,282.5** million (US$**1,500.2** million) (March 31, 2016: ₹99,378.8 million; April 1, 2015: ₹1,17,187.5 million) and ₹**13,924.4** million (US$**214.7** million) (March 31, 2016: ₹14,803.9 million; April 1, 2015: ₹17,054.1 million). 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 (₹**1.5** million (US$**0** million) March 31, 2016: ₹1.5 million; April 1, 2015: ₹1.5 million) 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 ₹**55,790** million (US$**860.4** million). 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 ₹4,137.2 million 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 ₹**38,280** million (US$**590.3** million) 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 ₹38,280 million 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 ₹35,680 million 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 ₹29,944.9 million 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 ₹4,218.3 million to be paid in maximum 3 installments.
- value of iron ore produced from July 18, 2014 to August 31, 2014 i.e. ₹1,520 million to be paid immediately.

The Company paid ₹1,520 million under protest. District Mining Officer Chaibasa on March 16, 2015 has issued demand notice for payment of ₹4,218.3 million, 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 ₹500 million 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 ₹3,718.3 million 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 ₹1,240 million was paid on September 28, 2015, ₹1,240 million was paid on November 12, 2015 and ₹1,238.3 million 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 ₹10,860 million. 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: ₹10,860 million).

(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 ₹ **1,520** million to Tata Sons and recognised a provision of ₹1,254.4 million 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.

	As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
	(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
Equity share capital	149.8	9,714.1	9,714.1	9,714.1
Hybrid Perpetual Securities	350.8	22,750.0	22,750.0	22,750.0
Other equity	7,508.3	4,86,876.0	4,56,659.7	4,92,179.0
Total Equity (A)	**8,008.9**	**5,19,340.1**	**4,89,123.8**	**5,24,643.1**
Non-current borrowings	3,808.2	2,46,943.7	2,39,267.6	2,43,161.0
Short term borrowings	499.6	32,396.7	58,880.0	8,197.4
Current maturities of long term borrowings and finance lease obligations	54.1	3,505.9	10,287.5	43,504.1
Gross Debt (B)	**4,361.9**	**2,82,846.3**	**3,08,435.1**	**2,94,862.5**
Total Capital (A+B)	**12,370.8**	**8,02,186.4**	**7,97,558.9**	**8,19,505.6**
Gross Debt as above	4,361.9	2,82,846.3	3,08,435.1	2,94,862.5
Less: Current investments	(818.8)	(53,098.1)	(43,250.0)	(10,011.5)
Less: Cash and cash equivalents	(139.6)	(9,052.1)	(9,746.8)	(4,951.6)
Less: Other balances with bank (including non-current earmarked balances)	(15.9)	(1,028.4)	(964.6)	(944.7)
Net Debt (C)	**3,387.6**	**2,19,667.7**	**2,54,473.7**	**2,78,954.7**
Net debt to equity	**0.44**	**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), 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

	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	
							(₹ in million)	(US$ million)
Financial assets:								
Cash and bank balances	10,080.5	-	-	-	-	10,080.5	10,080.5	155.5
Trade receivables	20,065.2	-	-	-	-	20,065.2	20,065.2	309.4
Investments	497.4	48,085.9	-	-	54,098.1	1,02,681.4	1,02,681.4	1,583.5
Derivatives	-	-	01.6	62.2	-	63.8	63.8	1
Loans	2,391.1	-	-	-	-	2,391.1	2,391.1	36.9
Other financial assets	3,568.1	-	-	-	-	3,568.1	3,568.1	55
	36,602.3	**48,085.9**	**01.6**	**62.2**	**54,098.1**	**1,38,850.1**	**1,38,850.1**	**2,141.3**
Financial liabilities:								
Trade and other payables	1,07,174.4	-	-	-	-	1,07,174.4	1,07,174.4	1,652.8
Borrowings	2,82,846.3	-	-	-	-	2,82,846.3	2,95,388.9	4,555.3
Derivatives	-	-	25.7	4,469.3	-	4,495.0	4,495.0	69.3
Other financial liabilities	37,299.8	-	-	-	-	37,299.8	37,299.8	575.2
	4,27,320.5	**-**	**25.7**	**4,469.3**	**-**	**4,31,815.5**	**4,44,358.1**	**6,852.6**

As at March 31, 2016

(₹ in million)

	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	10,711.4	-	-	-	-	10,711.4	10,711.4
Trade receivables	11,331.7	-	-	-	-	11,331.7	11,331.7
Investments	339.5	39,855.0	-	-	44,250.0	84,444.5	84,444.5
Derivatives	-	-	-	70.0	-	70.0	70.0
Loans	2,247.1	-	-	-	-	2,247.1	2,247.1
Other financial assets	2,096.6	-	-	-	-	2,096.6	2,096.6
	26,726.3	**39,855.0**	**-**	**70.0**	**44,250.0**	**1,10,901.3**	**1,10,901.3**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

39. DISCLOSURES ON FINANCIAL INSTRUMENTS (CONTD.)

As at March 31, 2016

(₹ in million)

	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	61,968.8	-	-	-	-	61,968.8	61,968.8
Borrowings	3,08,435.1	-	-	-	-	3,08,435.1	3,16,406.4
Derivatives	-	-	08.5	1,933.9	-	1,942.4	1,942.4
Other financial liabilities	40,011.1	-	-	-	-	40,011.1	40,011.1
	4,10,415.0	**-**	**08.5**	**1,933.9**	**-**	**4,12,357.4**	**4,20,328.7**

As at April 1, 2015

(₹ in million)

	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	5,896.3	-	-	-	-	5,896.3	5,896.3
Trade receivables	10,570.2	-	-	-	-	10,570.2	10,570.2
Investments	-	1,07,531.3	-	-	11,011.5	1,18,542.8	1,18,542.8
Derivatives	-	-	2.0	6,548.1	-	6,550.1	6,550.1
Loans	2,238.7	-	-	-	-	2,238.7	2,238.7
Other financial assets	2,569.0	-	-	-	-	2,569.0	2,569.0
	21,274.2	**1,07,531.3**	**2.0**	**6,548.1**	**11,011.5**	**1,46,367.1**	**1,46,367.1**
Financial liabilities:							
Trade and other payables	49,359.6	-	-	-	-	49,359.6	49,359.6
Borrowings	2,94,862.5	-	-	-	-	2,94,862.5	3,02,217.1
Derivatives	-	-	29.9	2,981.5	-	3,011.4	3,011.4
Other financial liabilities	42,303.8	-	-	-	-	42,303.8	42,303.8
	3,86,525.9	**-**	**29.9**	**2,981.5**	**-**	**3,89,537.3**	**3,96,891.9**

(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.

	As at March 31, 2017				
	Level 1	Level 2	Level 3	Total	
				(₹ in million)	(US$ million)
Financial assets:					
Investment in mutual funds	53,098.1	-	-	53,098.1	818.8
Investment in equity shares	44,221.7	-	3,864.2	48,085.9	741.6
Investment in preference shares	-	1,000.0	-	1,000.0	15.4
Derivative financial assets	-	63.8	-	63.8	1
	97,319.8	**1,063.8**	**3,864.2**	**1,02,247.8**	**1576.8**
Financial liabilities:					
Derivative financial liabilities	-	4,495.0	-	4,495.0	69.3
	-	**4,495.0**	**-**	**4,495.0**	**69.3**

(₹ in million)

	As at March 31, 2016			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Investment in mutual funds	43,250.0	-	-	43,250.0
Investment in equity shares	35,774.3	-	4,080.7	39,855.0
Investment in preference shares	-	1,000.0	-	1,000.0
Derivative financial assets	-	70.0	-	70.0
	79,024.3	**1,070.0**	**4,080.7**	**84,175.0**
Financial liabilities:				
Derivative financial liabilities	-	1,942.4	-	1,942.4
	-	**1,942.4**	**-**	**1,942.4**

(₹ in million)

	As at April 1, 2015			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Investment in mutual funds	10,011.5	-	-	10,011.5
Investment in equity shares	1,02,748.7	-	4,782.6	1,07,531.3
Investment in preference shares	-	1,000.0	-	1,000.0
Derivative financial assets	-	6,550.1	-	6,550.1
	1,12,760.2	**7,550.1**	**4,782.6**	**1,25,092.9**
Financial liabilities:				
Derivative financial liabilities	-	3,011.4	-	3,011.4
	-	**3,011.4**	**-**	**3,011.4**

(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.

	As at March 31, 2017				As at March 31, 2016		As at April 1, 2015	
	Assets		Liabilities		Assets	Liabilities	Assets	Liabilities
	(US$ million)	(₹ in million)	(US$ million)	(₹ in million)	(₹ in million)		(₹ in million)	
(i) Foreign currency forwards, swaps and options	1.0	62.3	**68.9**	4,469.3	69.5	1,941.5	6,550.1	3,011.4
(ii) Interest rate swaps and collars	0	1.5	0.4	25.7	0.5	0.9	-	-
	1.0	**63.8**	**69.3**	**4,495.0**	**70.0**	**1,942.4**	**6,550.1**	**3,011.4**
Classified as:								
Non-current	0	1.2	27.7	1,793.3	8.0	1,160.1	409.1	1,719.7
Current	1.0	62.6	41.6	2,701.7	62.0	782.3	6,141.0	1,291.7

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:

	As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
	(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
(i) Foreign currency forwards, swaps and options	206.3	13,376.9	7,354.6	12,787.4
(ii) Interest rate swaps and collars	23.1	1,500.0	3,018.7	3,350.0
	229.4	**14,876.9**	**10,373.3**	**16,137.4**

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:

			As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	(US$ million)	(US$ million)	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	**100.4**	**100.4**	**6,513.6**	**6,513.6**	5,128.7	5,128.7	5,514.7	5,514.7

(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 ₹**94.6** million (US$**1.5** million) for the year ended March 31, 2017 (March 31, 2016: ₹244.5 million) and increase/decrease in carrying value of property, plant and equipment (before considering depreciation) by approximately ₹**1,854.9** million (US$**28.6** million) as at March 31, 2017 (March 31, 2016: ₹2,155.5 million; April 1, 2015: ₹2,558.2 million).

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

39. DISCLOSURES ON FINANCIAL INSTRUMENTS (CONTD.)

reference rates could have an impact on the Company's cash flows as well as costs.

The Company is subject to variable interest rates on some of its interest bearing liabilities. The Company's interest rate exposure is mainly related to debt obligations.

Based on the composition of debt as at March 31, 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 ₹**1,223.4** million (US$**18.9** million) for the year ended March 31, 2017 (2015-16: ₹1,526.4 million).

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 ₹**44,221.7** million (US$**682.0** million) and ₹35,774.3 million and ₹1,02,748.7 million 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 ₹**4,422.2** million (US$**68.2** million), ₹3,577.4 million and ₹10,274.9 million 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 ₹**89,139.4** million (US$**1,374.7** million), ₹69,702.7 million, ₹37,618.5 million, 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.

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.

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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.

(₹ in million)

	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	2,82,846.3	4,43,331.5	48,169.8	1,59,216.4	2,35,945.3
Trade payables	1,07,174.4	1,07,174.4	1,07,174.4	-	-
Other financial liabilities	37,299.8	37,299.8	37,117.6	52.6	129.6
	4,27,320.5	**5,87,805.7**	**1,92,461.8**	**1,59,269.0**	**2,36,074.9**
(US$ million)	**6,589.9**	**9,064.8**	**2,968.0**	**2,456.1**	**3,640.6**
Derivative financial liabilities	**4,495.0**	**4,495.0**	**2,701.7**	**9,61.1**	**832.2**
(US$ million)	**69.3**	**69.3**	**41.7**	**14.8**	**12.8**

(₹ in million)

	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	3,08,435.1	4,72,252.9	82,653.9	1,61,984.6	2,27,614.4
Trade payables	61,968.8	61,968.8	61,968.8	-	-
Other financial liabilities	40,011.1	40,011.1	36,046.0	3,890.9	74.2
	4,10,415.0	**5,74,232.8**	**1,80,668.7**	**1,65,875.5**	**2,27,688.6**
Derivative financial liabilities	**1,942.4**	**1,942.4**	**782.3**	**872.8**	**287.3**

(₹ in million)

	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	2,94,862.5	4,81,918.1	67,322.8	1,76,593.8	2,38,001.5
Trade payables	49,359.6	49,359.6	49,359.6	-	-
Other financial liabilities	42,303.8	42,303.8	33,884.9	8,418.9	-
	3,86,525.9	**5,73,581.5**	**1,50,567.3**	**1,85,012.7**	**2,38,001.5**
Derivative financial liabilities	**3,011.4**	**3,011.4**	**1,291.7**	**1,148.9**	**570.8**

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:

	Subsidiaries	Associates	Joint Ventures	Tata Sons and its subsidiaries and joint ventures	Total (₹ in million)	Total (US$ million)
Purchase of goods	**83,828.1**	**2,545.6**	**1,412.2**	**1,709.1**	**89,495.0**	**1,380.1**
	41,112.8	*2,462.9*	*1,172.7*	*1,311.5*	*46,059.9*	
Sale of goods	**42,338.4**	**272.3**	**15,224.9**	**1,148.9**	**58,984.5**	**909.6**
	26,274.0	*267.0*	*10,383.4*	*113.8*	*37,038.2*	
Services received	**16,013.0**	**77.3**	**13,055.9**	**888.8**	**30,035.0**	**463.2**
	16,291.7	*242.5*	*8,592.1*	*1,131.3*	*26,257.6*	
Services rendered	**3,355.3**	**49.4**	**963.9**	**8.5**	**4,377.1**	**67.5**
	4,138.3	*74.2*	*1,080.7*	*2.3*	*5,295.6*	
Interest income recognised	**97.0**	**-**	**-**	**-**	**97.0**	**1.5**
	181.6	*-*	*17.9*	*-*	*199.5*	
Interest expenses recognised	**-**	**-**	**-**	**161.6**	**161.6**	**2.5**
	-	*-*	*-*	*192.3*	*192.3*	
Dividend paid	**9.3**	**-**	**-**	**2,364.8**	**2,374.1**	**36.6**
	9.3	*-*	*-*	*2,366.1*	*2,375.4*	
Dividend received	**466.4**	**11.1**	**397.8**	**5.4**	**880.7**	**13.6**
	412.7	*5.6*	*223.2*	*409.4*	*1,050.8*	
Provision for receivables recognised during the year	**49.8**	**-**	**-**	**-**	**49.8**	**0.8**
	907.7	*0.3*	*-*	*-*	*908.0*	
Management contracts	**-**	**-**	**-**	**1,000.0**	**1,000.0**	**15.4**
	-	*-*	*-*	*750.0*	*750.0*	
Purchase of investments	**109.6**	**-**	**-**	**-**	**109.6**	**1.7**
	81.5	*81.5*	*-*	*-*	*163.0*	
Sale of investments	**-**	**-**	**-**	**-**	**-**	
	-	*-*	*-*	*25,920.1*	*25,920.1*	-
Finance provided during the year	**4,707.8**	**-**	**-**	**-**	**4,707.8**	**72.6**
	1,265.9	*9.1*	*467.8*	*-*	*1,742.8*	

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

41. RELATED PARTY TRANSACTIONS (CONTD.)

	Subsidiaries	Associates	Joint Ventures	Tata Sons and its subsidiaries and joint ventures	Total (₹ in million)	Total (US$ million)
Outstanding loans and receivables	**11,383.0**	**266.8**	**463.8**	**803.8**	**12,917.4**	**199.2**
	10,376.9	*94.6*	*226.8*	*360.3*	*11,058.6*	
	9,337.5	*205.1*	*945.6*	*326.5*	*10,814.7*	
Provision for outstanding loans and receivables	**6,369.8**	**0.3**	**-**	**-**	**6,370.1**	**98.2**
	7,966.2	*0.3*	*-*	*-*	*7,966.5*	
	7,078.3	*-*	*-*	*-*	*7,078.3*	
Outstanding payables	**55,206.6**	**284.4**	**3,883.9**	**1,628.8**	**61,003.7**	**940.8**
	18,973.6	*374.1*	*1,658.6*	*1,340.8*	*22,347.1*	
	16,371.1	*483.2*	*1,419.2*	*1,302.9*	*19,576.4*	
Guarantees provided outstanding	**1,11,206.9**	**-**	**2,225.6**	**-**	**1,13,432.5**	**1749.3**
	1,14,182.7	*-*	*2,422.2*	*-*	*1,16,604.9*	
	1,34,241.6	*-*	*2,560.7*	*-*	*1,36,802.3*	

Figures in italics represents comparative figures of previous years.

(i) The details of remuneration paid to key managerial personnel is provided in Note 29.

In addition, during the year the Company has paid dividend of ₹**21,936.00** (US$**338.3** million) (2015-16: ₹21,936.0) to key managerial personnel and ₹**2,648.00** (US$**40.8** million) (2015-16: ₹2,648.0) to relatives of key managerial personnel.

(ii) During the year, the Company has contributed ₹**4,710.9** million (US$**72.6** million) (2015-16: ₹8,653.0 million) 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 ₹ 4,75,807.8 million with an aggregate adjustment of ₹2,43,452.4 million 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 ₹4,78,753.3 million 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.

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42. ADOPTION OF INDIAN ACCOUNTING STANDARDS (IND AS) (CONTD.)

(1) Reconciliation of total equity

(₹ in million)

	Note	As at March 31, 2016	As at April 1, 2015
Equity as per Previous GAAP		**7,04,767.2**	**6,66,638.9**
Re-measurements on transition to Ind AS			
(1) Property, plant and equipment	(ii)	2,32,931.7	2,42,606.3
(2) Financial Instruments	(i)	39,296.2	1,07,911.4
(3) Re-classification of Hybrid Perpetual Securities	(v)	22,750.0	22,750.0
(4) Reversal of proposed dividend and tax thereon	(vii)	9,351.5	9,351.5
(5) Leases	(iii)	(2,230.7)	(2,376.2)
(6) Government grants	(vi)	(2,315.4)	(2,315.4)
(7) Fair valuation as deemed cost for investments in subsidiaries	(iv)	(4,78,753.3)	(4,78,753.3)
(8) Others	(x)	329.1	(186.6)
(9) Tax impact on above adjustments	(ix)	(37,002.5)	(40,983.5)
Equity as per Ind AS		**4,89,123.8**	**5,24,643.1**

(2) Reconciliation of total comprehensive income

(₹ in million)

	Note	Year Ended March 31, 2016
Net Profit as per Previous GAAP		**49,009.5**
Re-measurements on transition to Ind AS		
(1) Leases	(iii)	145.5
(2) Employee benefits	(viii)	50.1
(3) Property, plant and equipment	(ii)	(9,674.6)
(4) Financial instruments	(i)	(36,980.0)
(5) Others	(x)	627.2
(6) Tax impact on above adjustments	(ix)	6,378.8
Net Profit as per Ind AS		**9,556.5**
Other comprehensive income/(loss)	(xi)	(34,071.3)
Total comprehensive income/(loss) as per Ind AS		**(24,514.8)**

(3) Reconciliation of statement of cash flows

(₹ in million)

	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)	69,394.3	4,323.7	73,718.0
Net cash generated from/(used in) investing activities		(43,693.0)	175.8	(43,517.2)
Net cash generated from/(used in) financing activities	(xii), (xiii)	(20,387.1)	(5,017.3)	(25,404.4)
Net increase/(decrease) in cash and cash equivalents		**5,314.2**	**(517.8)**	**4,796.4**
Cash and cash equivalents as at April 1, 2015		4,219.3	732.3	4,951.6
Effect of exchange rate on translation of foreign currency cash and cash equivalents		(1.2)	-	(1.2)
Cash and cash equivalents as at March 31, 2016		9,532.3	214.5	9,746.8

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 ₹ 11,689.3 million inclusive of a dividend distribution tax of ₹1,977.2 million.

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO THE MEMBERS OF TATA STEEL LIMITED

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of TATA STEEL LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these consolidated 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 and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; 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 financial statements by the Directors of the Holding Company, as aforesaid.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March, 2016, and their consolidated loss and their consolidated cash flows for the year ended on that date.

EMPHASIS OF MATTER

We draw attention to Note 41 to the consolidated financial statements regarding accounting policy for recognition of actuarial valuation changes of ₹12,312.3 million in the pension and other post retirement benefit plans of Tata Steel Europe Limited, a subsidiary for the reasons specified therein. Had the Company recognized actuarial valuation changes in the Consolidated Statement of Profit and Loss, the loss after taxes, minority interest and share of profits of associates would have been lower by ₹12,312.3 million.

Our opinion is not modified in respect of this matter.

OTHER MATTERS

a) We did not audit the financial statements of fourteen subsidiaries, and two jointly controlled entities, whose financial statements reflect total assets of ₹7,76,921.4 million as at 31st March, 2016, total revenues of ₹7,64,888.5 million and net cash flows amounting to ₹8,431.4 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹45.0 million for the year ended 31st March, 2016, as considered in the consolidated financial statements, in respect of an associate, 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 financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associate, is based solely on the reports of the other auditors.

b) We did not audit the financial statements of eight subsidiaries, whose financial statements reflect total assets of ₹875.6 million as at 31st March, 2016, total revenues of ₹817.6 million and net cash flows amounting to ₹124.7 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, 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 case of a subsidiary and a jointly controlled entity, the financial statements as at 31st March, 2016 are not available. The consolidated financial statement reflect total assets of ₹3,051.8 million as at 31st March, 2016, total revenues of ₹1,577.7 million and net cash flows amounting to ₹169.2 million for the year ended on that date, as considered in the consolidated financial statements, is based on the unaudited financial statements of such subsidiary and jointly controlled entity as at 30 September, 2015 and 31st December, 2015, respectively. The consolidated financial statements also include the Group's share of net loss of ₹136.4 million for the year ended 31st March, 2016, as considered in the consolidated financial statements, in respect of two associates, is based on the unaudited financial statements as at 31st December, 2015. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, jointly controlled entity and associates, is based solely on such unaudited financial statements.

d) In the case of a subsidiary and eight associates the financial statements as at 31st March, 2016 are not available. The investments in these companies are carried at ₹1 each as at 31st March, 2016. In the absence of their financial statements as at 31st March, 2016, the total assets, 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 Financial Results.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

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 of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.

e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2016 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 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 Holding company's/ subsidiary company's / associate company's / jointly controlled company's incorporated in India internal financial controls over financial reporting.

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

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities.

ii. Provision has been made in the consolidated 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 Holding Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

N. VENKATRAM
Partner
(Membership No. 71387)

Mumbai, 25th May, 2016

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' 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 financial statements of the Company as of and for the year ended 31st March, 2016, we have audited the internal financial controls over financial reporting of TATA STEEL LIMITED (hereinafter referred to as "the Holding Company") and its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' 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 auditors' 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 the other auditors of the subsidiary companies, associate companies and joint controlled companies, 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 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 to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

OTHER MATTERS

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 17 subsidiary companies, 2 associate companies and 5 jointly controlled companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

N. VENKATRAM
Partner
(Membership No. 71387)

Mumbai, 25th May, 2016

CONSOLIDATED
BALANCE SHEET AS AT 31ST MARCH, 2016

(₹ in million)

	Note	As at 31st March, 2016		As at 31st March, 2015	
Equity and Liabilities					
(1) SHAREHOLDERS' FUNDS					
(a) Share capital	3	9,702.4		9,714.1	
(b) Reserves and surplus	4	2,75,086.1		3,03,780.0	
			2,84,788.5		**3,13,494.1**
(2) PREFERENCE SHARES ISSUED BY SUBSIDIARY COMPANIES	5		**200.0**		**200.0**
(3) HYBRID PERPETUAL SECURITIES	6		**22,750.0**		**22,750.0**
(4) MINORITY INTEREST			**16,542.4**		**17,038.5**
(5) NON-CURRENT LIABILITIES					
(a) Long-term borrowings	7	6,83,540.9		6,56,752.0	
(b) Deferred tax liabilities	8	29,048.8		28,845.1	
(c) Other long-term liabilities	9	13,836.9		17,488.0	
(d) Long-term provisions	10	76,227.0		75,037.6	
			8,02,653.6		**7,78,122.7**
(6) CURRENT LIABILITIES					
(a) Short-term borrowings	7	1,54,498.8		95,985.5	
(b) Trade payables	11				
(i) Total outstanding dues of micro enterprises and small enterprises; and		206.8		228.7	
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,03,675.7		1,91,669.9	
		2,03,882.5		1,91,898.6	
(c) Other current liabilities	12	1,12,090.1		1,44,795.9	
(d) Short-term provisions	10	35,094.2		27,035.2	
			505,565.6		**4,59,715.2**
			16,32,500.1		**15,91,320.5**
Assets					
(7) NON-CURRENT ASSETS					
(a) Fixed assets					
(i) Tangible assets	13	4,50,807.2		5,12,479.2	
(ii) Intangible assets	14	18,488.4		34,449.0	
(iii) Capital work-in-progress		3,49,939.6		2,78,371.1	
(iv) Intangible assets under development		4,939.1		8,410.1	
		8,24,174.3		8,33,709.4	
(b) Goodwill on consolidation		1,37,193.8		1,34,075.1	
(c) Non-current investments	15	20,845.2		20,804.3	
(d) Deferred tax assets	8	218.5		227.5	
(e) Long-term loans and advances	16	1,61,108.6		51,065.7	
(f) Other non-current assets	17	14,058.9		14,037.1	
			11,57,599.3		**10,53,919.1**
(8) CURRENT ASSETS					
(a) Current investments	15	47,161.0		13,746.2	
(b) Inventories	18	2,03,559.8		2,51,499.1	
(c) Trade receivables	19	1,17,011.8		1,33,098.7	
(d) Cash and bank balances	20	67,155.8		87,499.4	
(e) Short-term loans and advances	16	35,777.9		47,483.4	
(f) Other current assets	21	4,234.5		4,074.6	
			4,74,900.8		**5,37,401.4**
			16,32,500.1		**15,91,320.5**
Notes to Consolidated Balance Sheet and Statement of Profit and Loss	1-47				

CONSOLIDATED STATEMENT
OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in million)

		Note	Year ended 31st March, 2016		Year ended 31st March, 2015	
(1)	**Revenue**					
	(a) Revenue from operations	22	12,16,184.2		14,42,983.6	
	Less: Excise Duty		44,668.3		47,946.3	
			11,71,515.9		13,95,037.3	
	(b) Other income	23	39,256.6		7,961.8	
Total Revenue				**12,10,772.5**		**14,02,999.1**
(2)	**Expenses**					
	(a) Raw materials consumed		3,21,883.0		4,07,410.4	
	(b) Purchase of finished, semi-finished and other products		1,01,740.1		1,38,042.2	
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade		24,538.2		11,221.8	
	(d) Employee benefits expense	24	1,99,668.0		2,14,076.4	
	(e) Depreciation and amortisation expense	25	50,818.4		59,436.0	
	(f) Finance costs	26	41,286.4		48,477.5	
	(g) Other expenses	27	4,59,053.2		5,10,610.9	
				11,98,987.3		**13,89,275.2**
	(h) Less: Expenditure (other than interest) transferred to capital and other accounts		11,223.1		11,681.9	
Total Expenses				**11,87,764.2**		**13,77,593.3**
(3)	**Profit before Exceptional Items and Tax**			**23,008.3**		**25,405.8**
(4)	**Exceptional Items**	28				
	(a) Profit on sale of non-current investments		1,799.5		13,153.4	
	(b) Profit on sale of non-current assets		–		11,468.6	
	(c) Provision for diminution in the value of investments/ doubtful advances		(1,291.0)		(3,383.0)	
	(d) Provision for impairment of non-current assets		(97,205.9)		(60,525.7)	
	(e) Provision for demands and claims		(8,800.5)		–	
	(f) Employee seperation compensation		(5,562.5)		–	
	(g) Restructuring and other provisions		71,311.7		–	
				(39,748.7)		**(39,286.7)**
(5)	**Profit/(Loss) before tax**			**(16,740.4)**		**(13,880.9)**
(6)	**Tax Expense**					
	(a) Current tax		16,311.4		22,147.1	
	(b) MAT credit		(1,525.6)		(1,173.2)	
	(c) Deferred tax		263.8		4,700.2	
				15,049.6		**25,674.1**
(7)	**Profit/(Loss) after tax**			**(31,790.0)**		**(39,555.0)**
(8)	**Minority Interest**			**1,089.4**		**132.9**
(9)	**Share of Profit of Associates**			**207.4**		**166.9**
(10)	**Profit/(Loss) after Tax, Minority Interest and Share of Profit of Associates**			**(30,493.2)**		**(39,255.2)**
(11)	**Nominal Value per Share (₹)**			**10.0**		**10.0**
(12)	**Basic Earnings per Share (₹)**	29		**(33.23)**		**(42.24)**
(13)	**Diluted Earnings per Share (₹)**	29		**(33.23)**		**(42.24)**
Notes to Consolidated Balance Sheet and Statement of Profit and Loss		1-47				

CONSOLIDATED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in million)

		Year ended 31st March, 2016		Year ended 31st March, 2015	
A.	**Cash Flow from Operating Activities:**				
	Profit/(Loss) before tax		**(16,740.4)**		**(13,880.9)**
	Adjustments for:				
	Depreciation and amortisation expense	50,818.4		59,436.0	
	Income from non-current investments	(499.5)		(687.9)	
	(Profit)/Loss on sale of non-current investments	(35,075.2)		(17.3)	
	(Profit)/Loss on assets sold/discarded/written off	(402.4)		(2,001.9)	
	Interest and Income from current Investments	(3,400.2)		(6,169.7)	
	Finance costs	41,286.4		48,477.5	
	(Gain) / Loss on cancellation of forwards and swaps	153.7		915.0	
	Exchange (gain)/loss on revaluation of foreign currency loans and swaps	3,678.6		9,327.7	
	Provision for Wealth Tax	–		21.2	
	Exceptional (income)/expenditure	39,748.7		39,286.7	
	Other non-cash expenditure	2,182.3		4,847.9	
			98,490.8		**1,53,435.2**
	Operating Profit before Working Capital Changes		**81,750.4**		**1,39,554.3**
	Adjustments for:				
	Trade and other receivables	32,436.8		14,416.2	
	Inventories	57,041.8		(4,853.6)	
	Trade payables and other liabilities	(35,147.0)		(6,049.1)	
			54,331.6		**3,513.5**
	Cash Generated from Operations		**1,36,082.0**		**1,43,067.8**
	Direct tax paid		**(16,450.1)**		**(24,270.1)**
	Net Cash Flow from/(used in) Operating Activities		**1,19,631.9**		**1,18,797.7**
B.	**Cash Flow from Investing Activities:**				
	Purchase of fixed assets[1]	(1,14,858.9)		(1,34,923.7)	
	Sale of fixed assets	2,057.5		14,435.7	
	Purchase of non-current investments	(4,979.4)		(1,725.3)	
	Acquisition of subsidiaries/joint ventures/associates	(766.7)		(1,080.5)	
	Disposal of subsidiaries/joint ventures/undertakings	1,899.8		13,009.9	
	Sale of other non-current investments	40,820.3		2,618.3	
	(Purchase)/sale of current investments (net)	(31,218.6)		17,039.6	
	Inter-corporate deposits (net)	622.9		2,769.1	
	Fixed/Restricted deposits with banks (placed)/realised	(256.2)		256.8	
	Interest and Income from current investments received	1,434.3		2,110.9	
	Dividend received	1,003.0		1,267.8	
	Net Cash Flow from/(used in) Investing Activities		**(1,04,242.0)**		**(84,221.4)**

CONSOLIDATED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

(₹ million)

			Year ended 31st March, 2016		Year ended 31st March, 2015	
C.	**Cash Flow from Financing Activities:**					
	Capital contributions received		179.0		127.5	
	Contribution received from minority		337.0		00.2	
	Proceeds from borrowings		1,45,780.6		4,55,186.0	
	Repayment of borrowings		(1,30,280.3)		(4,12,135.5)	
	Amount received/(paid) on cancellation of forwards and swaps		(171.1)		(931.7)	
	Distribution on Hybrid Perpetual Securities		(2,664.9)		(2,661.3)	
	Expenses (incurred)/reimbursed on issue of equity instruments		33.6		38.9	
	Interest paid (1)		(43,003.7)		(54,276.2)	
	Dividend paid		(7,903.8)		(9,833.9)	
	Tax on dividend paid		(1,590.3)		(1,685.9)	
	Net Cash Flow from/(used in) Financing Activities			**(39,283.9)**		**(26,171.9)**
	Net increase/(decrease) in Cash and Cash Equivalents			**(23,894.0)**		**8,404.4**
	Opening Cash & Cash equivalents	(2)		**85,256.6**		**84,063.3**
	Effect of exchange rate on translation of foreign currency cash and cash equivalents			**4,727.3**		**(5,989.9)**
	Closing Cash & Cash equivalents			**66,089.9**		**86,477.8**

Additional information:

(1) Interest paid is exclusive of and purchase of fixed assets is inclusive of interest capitalised ₹**12,317.4** million (Apr-Mar 15: ₹8,974.1 million)

(2) Excludes ₹**1,221.9** million (Apr-Mar 15: ₹449.7 million) in respect of subsidiaries and joint ventures disposed off during the year and includes ₹**0.7** million in respect of a subsidiary acquired during the year.

(3) Previous years figures have been recast/restated where necessary.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Principles of Consolidation:

The Consolidated Financial Statements consist of Tata Steel Limited ("the Company") and its subsidiary companies (collectively referred to as "the Group"). The Consolidated Financial Statements have been prepared on the following basis:

- The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses as per Accounting Standard 21 – "Consolidated Financial Statements" notified by Companies (Accounting Standards) Rules, 2006.

- In case of foreign subsidiaries, being non-integral operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the "Foreign Currency Translation Reserve".

- The difference between the cost of investment in the subsidiaries and joint ventures, and the Group's share of net assets at the time of acquisition of shares in the subsidiaries and joint ventures is recognised in the financial statements as Goodwill or Capital Reserve as the case may be.

- Minority Interest in the net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separately from liabilities and equity of the Company's shareholders.

  Minority interest in the net assets of consolidated subsidiaries consists of:

  a) The amount of equity attributable to minority at the date on which investment in a subsidiary is made; and
  b) The minority share of movements in equity since the date the parent subsidiary relationship came into existence.

- Minority's share of net profit for the year of consolidated subsidiaries is identified and adjusted against the Profit After Tax of the Group.

- Investment in associates where the Company directly or indirectly through subsidiaries holds more than 20% of equity, are accounted for using equity method as per Accounting Standard 23 – Accounting for Investments in Associates in Consolidated Financial Statements notified by Companies (Accounting Standards) Rules, 2006.

- The Group accounts for its share of post acquisition changes in net assets of associates, after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its Consolidated Statement of Profit and Loss, to the extent such change is attributable to the associates' Statement of Profit and Loss and through its reserves for the balance based on available information.

- The difference between the cost of investment in the associates and the Group's share of net assets at the time of acquisition of share in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.

- Interests in Joint Ventures have been accounted by using the proportionate consolidation method as per Accounting Standard 27 – "Financial Reporting of Interests in Joint Ventures" notified by Companies (Accounting Standards) Rules, 2006.

- The financial statements of the subsidiaries, associates and joint ventures used in the consolidation are drawn up to the same reporting date as that of the Company i.e. 31st March, 2016, except for certain subsidiary, joint venture and associates (indicated as $ below) for which financial statements as on reporting date are not available. These have been consolidated based on latest available financial statements.

- In the absence of financial statements as on the reporting date for certain subsidiary and associates (indicated as # below), no adjustment has been made in the consolidated financial statements. These investments are carried at ₹1 in the financial statements.

- Unaudited financial statement of Orchid Netherlands (No. 1) B.V., Tata Korf Engineering Services Ltd., Bangla Steel and Mining Co. Ltd., Tayo Rolls Limited, Tata Steel (KZN) (Pty) Ltd. being subsidiaries and Industrial Energy Limited. an associate have been considered for consolidation.

The list of subsidiary companies, joint ventures and associates which are included in the consolidation and the Group's holdings therein are as under:

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Principles of Consolidation: (contd.)

Name of the Company				Ownership in % either directly or through Subsidiaries[@] 2015-16	2014-15	Country of Incorporation
A.	**SUBSIDIARIES:**					
	i)	**ABJA Investment Co. Pte. Ltd.**		100.00	100.00	Singapore
	ii)	**Adityapur Toll Bridge Company Limited**		73.63	73.63	India
	iii)	**Bangla Steel & Mining Co. Ltd.**		100.00	100.00	Bangladesh
	iv)	**Tata Steel Special Economic Zone Limited**		100.00	100.00	India
	v)	**Indian Steel & Wire Products Ltd.**		95.01	95.01	India
	vi)	**Jamshedpur Continuous Annealing & Processing Company Private Limited**		51.00	51.00	India
	vii)	**Jamshedpur Utilities & Services Company Limited**		100.00	100.00	India
		1.	Haldia Water Management Limited	60.00	60.00	India
		2.	Naba Diganta Water Management Limited	74.00	74.00	India
		3.	SEZ Adityapur Limited	51.00	51.00	India
	viii)	**Mohar Export Services Pvt. Ltd.^#**		66.46	–	India
	ix)	**NatSteel Asia Pte. Ltd.**		100.00	100.00	Singapore
		1.	TS Asia (Hong Kong) Ltd.	100.00	100.00	Hong Kong SAR
		2.	Tata Steel Resources Australia Pty. Ltd.*	–	100.00	Australia
	x)	**Rujuvalika Investments Limited^**		100.00	–	India
	xi)	**T M Mining Company Limited**		74.00	74.00	India
	xii)	**T S Alloys Limited**		100.00	100.00	India
	xiii)	**Tata Incorporated***		–	100.00	USA
	xiv)	**Tata Korf Engineering Services Ltd.**		100.00	100.00	India
	xv)	**Tata Metaliks Ltd.**		50.09	50.09	India
		1.	Tata Metaliks DI Pipes Limited	100.00	100.00	India
	xvi)	**Tata Sponge Iron Limited**		54.50	54.50	India
		1.	TSIL Energy Limited	100.00	100.00	India
	xvii)	**Tata Steel (KZN) (Pty) Ltd.$**		90.00	90.00	South Africa
	xviii)	**T Steel Holdings Pte. Ltd.**		100.00	100.00	Singapore
		1.	**T S Global Holdings Pte Ltd.**	100.00	100.00	Singapore
			I. Orchid Netherlands (No.1) B.V.	100.00	100.00	Netherlands
			II. NatSteel Holdings Pte. Ltd.	100.00	100.00	Singapore
			1. Burwill Trading Pte. Ltd.*	–	100.00	Singapore
			2. Easteel Services (M) Sdn. Bhd.	100.00	100.00	Malaysia
			3. Eastern Steel Fabricators Phillipines, Inc.	67.00	67.00	Phillipines
			4. Eastern Steel Services Pte. Ltd.*	–	100.00	Singapore
			5. Eastern Wire Pte. Ltd.*	–	100.00	Singapore
			6. NatSteel (Xiamen) Ltd.	100.00	100.00	China
			7. NatSteel Asia (S) Pte. Ltd.*	–	100.00	Singapore
			8. NatSteel Equity IV Pte. Ltd.*	-	100.00	Singapore

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Principles of Consolidation: (contd.)

Name of the Company			Ownership in % either directly or through Subsidiaries@ 2015-16	2014-15	Country of Incorporation
	9.	NatSteel Recycling Pte Ltd.	100.00	100.00	Singapore
	10.	NatSteel Trade International (Shanghai) Company Ltd.	100.00	100.00	China
	11.	NatSteel Trade International Pte. Ltd.	100.00	100.00	Singapore
	12.	NatSteel Vina Co. Ltd.	56.50	56.50	Vietnam
	13.	The Siam Industrial Wire Company Ltd.	100.00	100.00	Thailand
	14.	TSN Wires Co., Ltd.	60.00	60.00	Thailand
III.	**Tata Steel Europe Limited**		100.00	100.00	UK
	1.	Almana Steel Dubai (Jersey) Limited	100.00	100.00	Jersey
	2.	Apollo Metals Limited	100.00	100.00	USA
	3.	Ashorne Hill Management College*	–	100.00	UK
	4.	Augusta Grundstucks GmbH	100.00	100.00	Germany
	5.	Automotive Laser Technologies Limited	100.00	100.00	UK
	6.	B S Pension Fund Trustee Limited	100.00	100.00	UK
	7.	Beheermaatschappij Industriele Produkten B.V.	100.00	100.00	Netherlands
	8.	Belfin Beheermaatschappij B.V.*	–	100.00	Netherlands
	9.	Bell & Harwood Limited	100.00	100.00	UK
	10.	Blastmega Limited	100.00	100.00	UK
	11.	Blume Stahlservice GmbH	100.00	100.00	Germany
	12.	Blume Stahlservice Polska Sp.Z.O.O	100.00	100.00	Poland
	13.	Bore Samson Group Limited	100.00	100.00	UK
	14.	Bore Steel Limited	100.00	100.00	UK
	15.	British Guide Rails Limited	100.00	100.00	UK
	16.	British Steel Corporation Limited	100.00	100.00	UK
	17.	British Steel De Mexico S.A. de C.V.*	–	100.00	Mexico
	18.	British Steel Directors (Nominees) Limited	100.00	100.00	UK
	19.	British Steel Engineering Steels (Exports) Limited	100.00	100.00	UK
	20.	British Steel Nederland International B.V.	100.00	100.00	Netherlands
	21.	British Steel Samson Limited	100.00	100.00	UK
	22.	British Steel Service Centres Limited	100.00	100.00	UK
	23.	British Tubes Stockholding Limited	100.00	100.00	UK
	24.	C V Benine	76.92	76.92	Netherlands
	25.	C Walker & Sons Limited	100.00	100.00	UK
	26.	Catnic GmbH	100.00	100.00	Germany
	27.	Catnic Limited	100.00	100.00	UK
	28.	CBS Investissements SAS	100.00	100.00	France
	29.	Cladding & Decking (UK) Limited	100.00	100.00	UK
	30.	Cogent Power Inc.	100.00	100.00	Canada
	31.	Cogent Power SA DE CV	100.00	100.00	Mexico
	32.	Cogent Power Inc.	100.00	100.00	USA
	33.	Cogent Power Limited	100.00	100.00	UK

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Principles of Consolidation: (contd.)

Name of the Company		Ownership in % either directly or through Subsidiaries@ 2015-16	2014-15	Country of Incorporation
34.	Color Steels Limited	100.00	100.00	UK
35.	Corbeil Les Rives SCI	67.30	67.30	France
36.	Corby (Northants) & District Water Co.	100.00	100.00	UK
37.	Cordor (C& B) Limited	100.00	100.00	UK
38.	Corus Aluminium Verwaltungsgesellschaft Mbh	100.00	100.00	Germany
39.	Corus Beteiligungs GmbH	100.00	100.00	Germany
40.	Corus Building Systems Bulgaria AD	65.00	65.00	Bulgaria
41.	Corus Building Systems SAS	100.00	100.00	France
42.	Corus CNBV Investments	100.00	100.00	UK
43	Corus Cold drawn Tubes Limited	100.00	100.00	UK
44.	Corus Engineering Steels (UK) Limited	100.00	100.00	UK
45.	Corus Engineering Steels Holdings Limited	100.00	100.00	UK
46.	Corus Engineering Steels Limited	100.00	100.00	UK
47.	Corus Engineering Steels Overseas Holdings Limited	100.00	100.00	UK
48.	Corus Engineering Steels Pension Scheme Trustee Limited	100.00	100.00	UK
49.	Corus Group Limited	100.00	100.00	UK
50.	Corus Holdings Limited	100.00	100.00	UK
51.	Corus International (Overseas Holdings) Limited	100.00	100.00	UK
52.	Corus International Limited	100.00	100.00	UK
53.	Corus International Romania SRL.	100.00	100.00	Romania
54.	Corus Investments Limited	100.00	100.00	UK
55.	Corus Ireland Limited	100.00	100.00	Ireland
56.	Corus Large Diameter Pipes Limited	100.00	100.00	UK
57.	Corus Liaison Services (India) Limited	100.00	100.00	UK
58.	Corus Management Limited	100.00	100.00	UK
59.	Corus Primary Aluminium B.V.	100.00	100.00	Netherlands
60.	Corus Properties (Germany) Limited	100.00	100.00	UK
61.	Corus Property	100.00	100.00	UK
62.	Corus Republic Of Ireland Subsidiaries Pension Scheme Trustee Limited	100.00	100.00	Ireland
63.	Corus Service Centre Limited	100.00	100.00	N Ireland
64.	Corus Steel Service STP LLC	100.00	100.00	Russia
65.	Corus Tubes Poland Spolka Z.O.O	100.00	100.00	Poland
66.	Corus UK Healthcare Trustee Limited	100.00	100.00	UK
67.	Corus Ukraine LLC	100.00	100.00	Ukraine
68.	CPN (85) Limited	100.00	100.00	UK
69.	Crucible Insurance Company Limited	100.00	100.00	I of Man
70.	Degels GmbH	100.00	100.00	Germany
71.	Demka B.V.	100.00	100.00	Netherlands
72.	DSRM Group Plc.	100.00	100.00	UK

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Principles of Consolidation: (contd.)

Name of the Company		Ownership in % either directly or through Subsidiaries@ 2015-16	2014-15	Country of Incorporation
73.	Eric Olsson & Soner Forvaltnings AB	100.00	100.00	Sweden
74.	Esmil B.V.	100.00	100.00	Netherlands
75.	Europressings Limited	100.00	100.00	UK
76.	Firsteel Group Limited	100.00	100.00	UK
77.	Firsteel Holdings Limited	100.00	100.00	UK
78.	Firsteel Strip Mill Products Limited	100.00	100.00	UK
79.	Fischer Profil GmbH	100.00	100.00	Germany
80.	Gamble Simms Metals Limited	100.00	100.00	Ireland
81.	Grant Lyon Eagre Limited	100.00	100.00	UK
82.	H E Samson Limited	100.00	100.00	UK
83.	Hadfields Holdings Limited	62.50	62.50	UK
84.	Halmstad Steel Service Centre AB	100.00	100.00	Sweden
85.	Hammermega Limited	100.00	100.00	UK
86.	Harrowmills Properties Limited	100.00	100.00	UK
87.	Hille & Muller GmbH	100.00	100.00	Germany
88.	Hille & Muller USA Inc.	100.00	100.00	USA
89.	Hoogovens (UK) Limited	100.00	100.00	UK
90.	Hoogovens Aluminium UK Limited	100.00	100.00	UK
91.	Hoogovens Finance B.V.	100.00	100.00	Netherlands
92.	Hoogovens USA Inc.	100.00	100.00	USA
93.	Huizenbezit "Breesaap" B.V.	100.00	100.00	Netherlands
94.	Ickles Cottage Trust Limited	100.00	100.00	UK
95.	Inter Metal Distribution SAS	100.00	100.00	France
96.	Kalzip Asia Pte Limited	100.00	100.00	Singapore
97.	Kalzip FZE	100.00	100.00	UAE
98.	Kalzip GmbH	100.00	100.00	Germany
99.	Kalzip GmbH	100.00	100.00	Austria
100.	Kalzip Guangzhou Limited	100.00	100.00	China
101.	Kalzip Inc	100.00	100.00	USA
102.	Kalzip India Private Limited	100.00	100.00	India
103.	Kalzip Italy SRL	100.00	100.00	Italy
104.	Kalzip Limited	100.00	100.00	UK
105.	Kalzip Spain S.L.U.	100.00	100.00	Spain
106.	Layde Steel S.L.	100.00	100.00	Spain
107.	Lister Tubes Limited	100.00	100.00	Ireland
108.	London Works Steel Company Limited	100.00	100.00	UK
109.	Longs Steel UK Limited	100.00	100.00	UK
110.	Midland Steel Supplies Limited	100.00	100.00	UK
111.	Mistbury Investments Limited	100.00	100.00	UK
112.	Montana Bausysteme AG	100.00	100.00	Switzerland
113.	Myriad Nederland B.V.*	-	100.00	Netherlands

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Principles of Consolidation: (contd.)

Name of the Company	Ownership in % either directly or through Subsidiaries@ 2015-16	2014-15	Country of Incorporation
114. Naantali Steel Service Centre OY	100.00	100.00	Finland
115. Namascor B.V.*	–	100.00	Netherlands
116. Nationwide Steelstock Limited	100.00	100.00	UK
117. Norsk Stal Tynnplater AS	100.00	100.00	Norway
118. Orb Electrical Steels Limited	100.00	100.00	UK
119. Ore Carriers Limited	100.00	100.00	UK
120. Oremco Inc.	100.00	100.00	USA
121. Plated Strip (International) Limited	100.00	100.00	UK
122. Precoat International Limited	100.00	100.00	UK
123. Precoat Limited	100.00	100.00	UK
124. Rafferty-Brown Steel Co Inc Of Conn.	100.00	100.00	USA
125. Round Oak Steelworks Limited	100.00	100.00	UK
126. Runblast Limited	100.00	100.00	UK
127. Runmega Limited	100.00	100.00	UK
128. S A B Profiel B.V.	100.00	100.00	Netherlands
129. S A B Profil GmbH	100.00	100.00	Germany
130. Seamless Tubes Limited	100.00	100.00	UK
131. Service Center Gelsenkirchen GmbH	100.00	100.00	Germany
132. Service Centre Maastricht B.V.	100.00	100.00	Netherlands
133. Skruv Erik AB	100.00	100.00	Sweden
134. Societe Europeenne De Galvanisation (Segal) Sa	100.00	100.00	Belgium
135. Staalverwerking en Handel B.V.	100.00	100.00	Netherlands
136. Stainless Velsen-Noord BV	100.00	100.00	Netherlands
137. Steel StockHoldings Limited	100.00	100.00	UK
138. Steelstock Limited	100.00	100.00	UK
139. Stewarts & Lloyds Of Ireland Limited	100.00	100.00	Ireland
140. Stewarts And Lloyds (Overseas) Limited	100.00	100.00	UK
141. Stocksbridge Works Cottage Trust Limited	100.00	100.00	UK
142. Surahammar Bruks AB	100.00	100.00	Sweden
143. Swinden Housing Association Limited	100.00	100.00	UK
144. Tata Steel Belgium Packaging Steels N.V.	100.00	100.00	Belgium
145. Tata Steel Belgium Services N.V.	100.00	100.00	Belgium
146. Tata Steel Denmark Byggsystemer A/S	100.00	100.00	Denmark
147. Tata Steel Europe Distribution BV	100.00	100.00	Netherlands
148. Tata Steel Europe Metals Trading BV	100.00	100.00	Netherlands
149. Tata Steel France Batiment et Systemes SAS	100.00	100.00	France
150. Tata Steel France Holdings SAS	100.00	100.00	France
151. Tata Steel France Rail SAS	100.00	100.00	France
152. Tata Steel Germany GmbH	100.00	100.00	Germany
153. Tata Steel IJmuiden BV	100.00	100.00	Netherlands
154. Tata Steel International (Americas) Holdings Inc	100.00	100.00	USA

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Principles of Consolidation: (contd.)

Name of the Company		Ownership in % either directly or through Subsidiaries@ 2015-16	2014-15	Country of Incorporation
155.	Tata Steel International (Americas) Inc	100.00	100.00	USA
156.	Tata Steel International (Benelux) BV	100.00	100.00	Netherlands
157.	Tata Steel International (Canada) Holdings Inc	100.00	100.00	Canada
158.	Tata Steel International (Czech Republic) S.R.O	100.00	100.00	Czech Republic
159.	Tata Steel International (Denmark) A/S	100.00	100.00	Denmark
160.	Tata Steel International (Finland) OY	100.00	100.00	Finland
161.	Tata Steel International (France) SAS	100.00	100.00	France
162.	Tata Steel International (Germany) GmbH	100.00	100.00	Germany
163.	Tata Steel International (South America) Representações LTDA	100.00	100.00	Brazil
164.	Tata Steel International Hellas SA	100.00	100.00	Greece
165.	Tata Steel International (Italia) SRL	100.00	100.00	Italy
166.	Tata Steel International (Middle East) FZE	100.00	100.00	UAE
167.	Tata Steel International (Nigeria) Ltd.	100.00	100.00	Nigeria
168.	Tata Steel International (Poland) sp Zoo	100.00	100.00	Poland
169.	Tata Steel International (Schweiz) AG	100.00	100.00	Switzerland
170.	Tata Steel International (Sweden) AB	100.00	100.00	Sweden
171.	Tata Steel International (India) Limited	100.00	100.00	India
172.	Tata Steel International Iberica SA	100.00	100.00	Spain
173.	Tata Steel Istanbul Metal Sanayi ve Ticaret AS	100.00	100.00	Turkey
174.	Tata Steel Latvia Building Systems SIA	100.00	100.00	Latvia
175.	Tata Steel Logistics and Shipping BV*	–	100.00	Netherlands
176.	Tata Steel Maubeuge SAS	100.00	100.00	France
177.	Tata Steel Nederland BV	100.00	100.00	Netherlands
178.	Tata Steel Nederland Consulting & Technical Services BV	100.00	100.00	Netherlands
179.	Tata Steel Nederland Services BV	100.00	100.00	Netherlands
180.	Tata Steel Nederland Star-Frame BV	100.00	100.00	Netherlands
181.	Tata Steel Nederland Technology BV	100.00	100.00	Netherlands
182.	Tata Steel Nederland Tubes BV	100.00	100.00	Netherlands
183.	Tata Steel Netherlands Holdings B.V.	100.00	100.00	Netherlands
184.	Tata Steel Norway Byggsystemer A/S	100.00	100.00	Norway
185.	Tata Steel Speciality Service Centre Suzhou Co. Limited	100.00	100.00	China
186.	Tata Steel Sweden Byggsystem AB	100.00	100.00	Sweden
187.	Tata Steel Speciality Service Centre Xian Co. Limited	100.00	100.00	China
188.	Tata Steel UK Consulting Limited	100.00	100.00	UK
189.	Tata Steel UK Holdings Limited	100.00	100.00	UK
190.	Tata Steel UK Limited	100.00	100.00	UK
191.	Tata Steel UK Rail Consultancy Limited	100.00	100.00	UK
192.	Tata Steel USA Inc.	100.00	100.00	USA
193.	The Newport And South Wales Tube Company Limited	100.00	100.00	UK
194.	The Stanton Housing Company Limited	100.00	100.00	UK

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Principles of Consolidation: (contd.)

Name of the Company			Ownership in % either directly or through Subsidiaries@ 2015-16	2014-15	Country of Incorporation
	195.	The Steel Company Of Ireland Limited	100.00	100.00	Ireland
	196.	The Templeborough Rolling Mills Limited	100.00	100.00	UK
	197.	Thomas Processing Company	100.00	100.00	USA
	198.	Thomas Steel Strip Corp.	100.00	100.00	USA
	199.	Toronto Industrial Fabrications Limited	100.00	100.00	UK
	200.	Trierer Walzwerk GmbH	100.00	100.00	Germany
	201.	TS South Africa Sales Office Proprietary Limited*^■	100.00	-	South Africa
	202.	Tulip UK Holdings (No.2) Limited	100.00	100.00	UK
	203.	Tulip UK Holdings (No.3) Limited	100.00	100.00	UK
	204.	Tuscaloosa Steel Corporation	100.00	100.00	USA
	205.	U.E.S. Bright Bar Limited	100.00	100.00	UK
	206.	UK Steel Enterprise Limited	100.00	100.00	UK
	207.	Ukse Fund Managers (General Partner) Limited*	-	100.00	UK
	208.	UKSE Fund Managers Limited	100.00	100.00	UK
	209.	Unitol SAS	100.00	100.00	France
	210.	Walker Manufacturing And Investments Limited	100.00	100.00	UK
	211.	Walkersteelstock Ireland Limited	100.00	100.00	Ireland
	212.	Walkersteelstock Limited	100.00	100.00	UK
	213.	Westwood Steel Services Limited	100.00	100.00	UK
	214.	Whitehead (Narrow Strip) Limited	100.00	100.00	UK
IV.	**T S Global Minerals Holdings Pte Ltd.**		100.00	100.00	Singapore
	1.	Al Rimal Mining LLC	70.00	70.00	Oman
	2.	Black Ginger 461 (Proprietary) Ltd.	100.00	100.00	South Africa
	3.	Howse Minerals Ltd.	100.00	100.00	Canada
	4.	Kalimati Coal Company Pty. Ltd.	100.00	100.00	Australia
	5.	Sedibeng Iron Ore Pty. Ltd.	64.00	64.00	South Africa
	6.	Tata Steel Cote D' Ivoire S.A	85.00	85.00	Ivory Coast
	7.	Tata Steel Minerals UK Limited	100.00	100.00	UK
	8.	Tata Steel Minerals Canada Limited	94.00	80.00	Canada
	9.	T S Canada Capital Ltd.	100.00	100.00	Canada
V.	**Tata Steel International (Singapore) Holdings Pte. Ltd.**		100.00	100.00	Singapore
	1.	TSIA Holdings (Thailand) Limited	100.00	100.00	Thailand
	2.	Tata Steel International (Shanghai) Ltd.	100.00	100.00	China
	3.	Tata Steel International (Thailand) Limited	100.00	100.00	Thailand
	4.	Tata Steel International (Singapore) Pte. Ltd.	100.00	100.00	Singapore
	5.	Tata Steel International (Asia) Limited	100.00	100.00	Hong Kong S.A.R
VI.	**Tata Steel (Thailand) Public Company Ltd.**		67.90	67.90	Thailand
	1.	N.T.S Steel Group Plc.	99.76	99.76	Thailand
	2.	The Siam Construction Steel Co. Ltd.	99.99	99.99	Thailand
	3.	The Siam Iron And Steel (2001) Co. Ltd.	99.99	99.99	Thailand

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Principles of Consolidation: (contd.)

Name of the Company	Ownership in % either directly or through Subsidiaries@ 2015-16	2014-15	Country of Incorporation
VII. **T S Global Procurement Company Pte. Ltd.**	100.00	100.00	Singapore
1. ProCo Issuer Pte. Ltd.	100.00	100.00	Singapore
xix) Tata Steel Odisha Limited	100.00	100.00	India
xx) Tata Steel Processing and Distribution Limited	100.00	100.00	India
xxi) Tayo Rolls Limited	54.91	54.45	India
xxii) TM International Logistics Limited	51.00	51.00	India
1. International Shipping and Logistics FZE	100.00	100.00	UAE
2. TKM Global China Ltd.	100.00	100.00	China
3. TKM Global GmbH	100.00	100.00	Germany
4. TKM Global Logistics Limited	100.00	100.00	India
5. TM Harbour Services Private Limited	100.00	100.00	India
xxiii) Tata Pigments Limited	100.00	100.00	India
xxiv) The Tinplate Company of India Ltd.	74.96	74.96	India
B. JOINT VENTURES OF:			
i) Tata Steel Limited			
1. Bhubaneshwar Power Private Limited	26.00	26.00	India
2. Himalaya Steel Mill Services Private Limited	26.00	26.00	India
3. mjunction services limited	50.00	50.00	India
4. S & T Mining Company Private Limited	50.00	50.00	India
5. Tata BlueScope Steel Limited	50.00	50.00	India
6. Tata NYK Shipping Pte Ltd.	50.00	50.00	Singapore
ii) T Steel Holdings Pte. Ltd.			
a) T S Global Holdings Pte Ltd.			
I. NatSteel Holdings Pte. Ltd.			
1. TVSC Construction Steel Solutions Limited	50.00	50.00	Hong Kong S.A.R
II. Tata Steel Europe Limited			
1. Afon Tinplate Company Limited	64.00	64.00	UK
2. Air Products Llanwern Limited	50.00	50.00	UK
3. BSR Pipeline Services Limited	50.00	50.00	UK
4. Caparo Merchant Bar Plc	25.00	25.00	UK
5. Corus Kalpinis Simos Cladding Industry SA	50.00	50.00	Greece
6. Danieli Corus Technical Services B.V.*	-	50.00	Netherlands
7. Fabsec Limited	25.00	25.00	UK
8. Industrial Rail Services IJmond B.V.	50.00	50.00	Netherlands
9. Laura Metaal Holding B.V.	49.00	49.00	Netherlands
10. Norsk Stal AS*	–	50.00	Norway
11. Ravenscraig Limited	33.33	33.33	UK
12. Redcar Bulk Terminal Limited	50.00	50.00	UK
13. Tata Elastron Steel Service Center SA	50.00	50.00	Greece

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Principles of Consolidation: (contd.)

Name of the Company	Ownership in % either directly or through Subsidiaries@ 2015-16	2014-15	Country of Incorporation
14. Tata Steel Ticaret AS	50.00	50.00	Turkey
15. Texturing Technology Limited	50.00	50.00	UK
III. T S Global Minerals Holdings Pte. Ltd.			
1. Minas De Benga (Mauritius) Limited$	35.00	35.00	Mauritius
C. ASSOCIATE OF:			
i) Tata Steel Limited			
1. Industrial Energy Limited$	26.00	26.00	India
2. Jamipol Limited	39.78	39.78	India
3. Kalinga Aquatics Ltd.#	30.00	30.00	India
4. Kumardhubi Fireclay & Silica Works Ltd.#	27.78	27.78	India
5. Kumardhubi Metal Casting and Engineering Limited#	49.31	49.31	India
6. Nicco Jubilee Park Limited #	25.31	25.31	India
7. Rujuvalika Investments Limited*^	–	34.46	India
8. Strategic Energy Technology Systems Private Limited#	25.00	25.00	India
9. Tata Construction & Projects Ltd.#	27.19	27.19	India
10. TRL Krosaki Refractories Limited	26.62	26.62	India
11. TRF Limited+$	34.11	34.29	India
12. Malusha Travels Pvt Ltd.+	33.23	33.23	India
13. Mohar Export Services Pvt. Ltd.*^	-	33.23	India
ii) T Steel Holdings Pte. Ltd.			
a) T S Global Holdings Pte Ltd.			
I. Tata Steel International (Singapore) Holdings Pte. Ltd.			
1. European Profiles (M) Sdn. Bhd.	20.00	20.00	Malaysia
II. Tata Steel Europe Limited			
1. Albi Profils SRL +	30.00	30.00	France
2. Appleby Frodingham Cottage Trust Limited +	33.30	33.30	UK
3. GietWalsOnderhoudCombinatie B.V.	50.00	50.00	Netherlands
4. Hoogovens Court Roll Service Technologies VOF	50.00	50.00	Netherlands
5. Hoogovens Gan Multimedia S.A. De C.V. +	50.00	50.00	Mexico
6. ISSB Limited +	50.00	50.00	UK
7. Wupperman Staal Nederland B.V.	30.00	30.00	Netherlands
III. T S Global Minerals Holdings Pte Ltd.			
1. New Millennium Iron Corp.$#	26.18	26.18	Canada
iii) Indian Steel & Wire Products Ltd.			
1. Metal Corporation of India Limited #	42.05	42.05	India

* Part of the year

^ Became subsidiary during the year

■ Incorporated during the year

\+ Investments in these associates are reported at nil value in the consolidated financial statements.

@ Represents the holding percentage of the respective companies and does not indicate the effective percentage holding of the group.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2. Accounting Policies

(A) BASIS FOR ACCOUNTING

The financial statements are prepared under the historical cost convention on an accrual basis of accounting in accordance with the Generally Accepted Accounting Principles, Accounting Standards notified under Section 133 of the Companies Act, 2013 and the relevant provisions thereof.

(B) USE OF ESTIMATES AND JUDGEMENTS

In preparation of the financial statements, the Company makes judgements, estimates and assumptions about the carrying amounts 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 amounts of assets and liabilities include useful lives of tangible and intangible assets, impairment of tangible assets, intangible assets including goodwill, employee benefits and other provisions and recoverability of deferred tax assets. Long term investments are tested for decline in value which is other than temporary when there are any indicators of impairment. Any change in the underlying assumptions used such as discount rate, or growth rate may have an impact on the carrying value of such long term investments.

(C) REVENUE RECOGNITION

(i) Revenue from sale of goods is recognised net of rebates and discounts on transfer of significant risks and rewards of ownership to the buyer. Sale of goods is recognised gross of excise duty but net of sales tax and value added tax.

(ii) Revenue from services rendered is recognised on pro-rata basis in proportion to the stage of completion of the related transaction.

(iii) Export incentive under various schemes notified by the Government has been recognised on the basis of amount received.

(iv) Dividend is recorded when the right to receive payment is established. Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

(D) EMPLOYEE BENEFITS

(i) Short-term employee benefits are recognised as an expense at the undiscounted amount in the Consolidated Statement of Profit and Loss of the year in which the employee has rendered services.

(ii) For defined-benefit plans, the amount recognised in the Balance Sheet is the present value of the defined-benefit obligation less the fair value of any plan assets and any past service costs not yet recognised. The present value of the defined-benefit obligation is the present value of expected future payments required to settle the obligation resulting from employee service in the current and prior periods. The discount rate used is the market yields on Government Bonds at the Balance Sheet date with remaining terms to maturity approximating those of the Group's obligations. In some of the foreign subsidiaries, the present value is determined using the AA rated corporate bonds.

(iii) Other long-term employee benefits are recognised as an expense in the Consolidated Statement of Profit and Loss of the year in which the employee has rendered services. Estimated liability on account of long-term benefits is discounted to the present value, using the market yield on Government Bonds, as on the date of Balance Sheet, as the discounting rate. In some of the foreign subsidiaries, the present value is determined using the AA rated corporate bonds.

(iv) Actuarial gains and losses in respect of post employment and other long-term benefits are charged in the Consolidated Statement of Profit and Loss. However, in one of the subsidiaries (Tata Steel Europe Limited) because of volatility caused by periodic changes in the assumptions underlying the computation of the pension and other post retirement benefit liabilities, it is not considered practicable to adopt a common accounting policy for accounting for these liabilities of the Company and Tata Steel Europe Limited. The actuarial gains and losses for these liabilities of Tata Steel Europe Limited have been accounted in Reserves and Surplus.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2. Accounting Policies (contd.)

(v) In respect of the Employee Separation Scheme, the increase in the net present value of the future liability for pension payable to employees, who have opted for retirement under the Employee Separation Scheme of the Company, is charged to the Consolidated Statement of Profit and Loss.

(E) EXPLORATION FOR AND EVALUATION OF MINERAL RESOURCES

Expenditures associated with search for specific mineral resources are recognised as an asset within fixed assets. The following expenditure generally comprises cost of exploration and evaluation:

- 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 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 such assets at cost and classifies as tangible or intangible according to the nature of the assets acquired and applies the classification consistently. Exploration and evaluation expenditure considered to be tangible are recorded as a component of fixed assets at cost less impairment charges, otherwise, they are recorded as intangible assets. 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 expenditures are monitored for indications of impairment.

(F) TANGIBLE ASSETS

Tangible assets are stated at cost less accumulated depreciation and net of impairments, if any. Trial run expenses (net of revenue) are capitalised. Borrowing costs during the period of construction is added to the cost of eligible assets.

Major expenses on relining of furnace are capitalised. The written down value of the asset consisting of lining/relining expenditure embedded in the cost of the furnace is written off in the year of fresh relining.

(G) INTANGIBLE ASSETS

Intangible assets are stated at cost less accumulated amortisation and net of impairments, if any. An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and its cost can be measured reliably. Intangible assets having finite useful lives are amortised on a straight-line basis over their estimated useful lives.

(H) DEPRECIATION AND AMORTISATION

(i) Capital assets whose ownership does not vest with the Group are depreciated over their estimated useful life or five years, whichever is less.

(ii) Depreciation is provided on a straight line basis over the useful lives of assets, which is as stated in Schedule II of Companies Act 2013 or based on technical estimate made by the Company. However, assets value upto ₹25,000 are fully depreciated in the year of acquisition. The details of estimated life for each category of asset are as under:

(a) Buildings and Roads – 30 to 60 years
(b) Roads – 5 years
(c) Plant and Machinery – 3 to 40 years
(d) Railway Sidings/Lines – 20 years
(e) Vehicles and Aircraft – 5 to 20 years
(f) Furniture, Fixtures and Office Equipments – 4 to 6 years
(g) Intangibles (Computer Software) – 5 to 10 years
(h) Development of property for development of mines and collieries are amortised over the useful life of the mine or lease period whichever is less, subject to maximum of 10 years.
(i) Major furnace relining expenses are depreciated over a period of 5 to 10 years (average expected life).
(j) Freehold land is not depreciated.
(k) Leasehold land and other leasehold assets are amortised over the life of the lease.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2. Accounting Policies (contd.)

(I) IMPAIRMENT

For the purpose of impairment testing, goodwill is allocated to each of the Group's 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 amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit in proportion to the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable.

An impairment loss is recognised in the Consolidated Statement of Profit and Loss if the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of an asset's net selling price and value in use.

An impairment loss recognised on asset is reversed when the conditions warranting impairment provision no longer exists.

(J) LEASES

A lease is classified at the inception date as finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

The Group as a 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.

(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 charged directly against income over the period of the lease.

The Group as a 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.

(ii) Finance lease – Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

(K) GOVERNMENT GRANTS

Government Grants are recognised when there is a reasonable assurance that the same will be received. Revenue grants are recognised in the Consolidated Statement of Profit and Loss. Government grants related to expenditure on capital assets are credited to Consolidated Statement of Profit and Loss over the useful lives of capital assets. Total grants received less the amounts credited to Consolidated Statement of Profit and Loss at the Balance Sheet date are included in the Balance Sheet as deferred income. Other capital grants are credited to Reserves.

(L) FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of transaction. Year-end balance of foreign currency monetary item is translated at the year-end rates. Exchange differences arising on settlement of monetary items or on reporting of monetary items at rates different from those at which they were initially recorded during the period or reported in previous financial statements are recognised as income or expense in the period in which they arise.

The Company and some of its subsidiaries have elected to account for exchange differences arising on reporting of long-term foreign currency monetary items in accordance with Companies (Accounting Standards) Amendment Rules, 2009 pertaining to Accounting Standard 11 (AS-11) notified by Government of India on 31st March, 2009 (as amended on 29th December, 2011). Accordingly, the effect of exchange

2. Accounting Policies (contd.)

differences on foreign currency loans of the Group is accounted by addition or deduction to the cost of the assets so far it relates to depreciable capital assets and in other cases by transfer to "Foreign Currency Monetary Item Translation Difference Account" to be amortised over the balance period of the long-term monetary items.

Exchange differences relating to monetary items that are in substance forming part of the Company's net investment in non-integral foreign operations are accumulated in Foreign Exchange Fluctuation Reserve Account.

Foreign currency monetary items that are used as hedge instruments or hedged items are accounted as per accounting policy on derivative financial instruments.

(M) DERIVATIVE FINANCIAL INSTRUMENTS

i) The Group uses derivative financial instruments such as Forwards, Swaps and Options to hedge its risks associated with foreign exchange fluctuations. Such derivative financial instruments are used as risk management tools and not for speculative purposes.

ii) Derivative financial instruments entered into for hedging foreign exchange risks of recognised foreign currency monetary items are accounted for as per the principles laid down in Accounting Standard 11 "The effects of changes in Foreign Exchange Rates".

iii) For derivative financial instruments and foreign currency monetary items designated as Cash Flow hedges, the effective portion of the fair value changes of the derivative financial instruments are recognised in Cash Flow Hedge Reserve and reclassified in the period in which the Consolidated Statement of Profit and Loss is impacted by the hedged items. In cases where the exposure gives rise to a non-financial asset, the effective portion is reclassified from Hedging Reserve to the initial carrying amount of the non-financial asset as a 'basis adjustment' and recycled to the Consolidated Statement of Profit and Loss when the respective non-financial asset affects the Consolidated Statement of Profit and Loss in future periods. The ineffective portion of the change in fair value of such instruments is recognised in the Consolidated Statement of Profit and Loss in the period in which they arise. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in Cash Flow Hedge Reserve is retained there until the forecasted transaction occurs.

If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised in Cash Flow Hedge Reserve is immediately transferred to the Consolidated Statement of Profit and Loss.

iv) If no hedging relationship is designated, the fair value of the derivative financial instruments is marked to market through the Consolidated Statement of Profit and Loss.

(N) INVESTMENTS

Long-term investments are carried at cost less provision for diminution other than temporary, if any, in value of such investments. Current investments are carried at lower of cost and fair value.

(O) INVENTORIES

Finished and semi-finished products produced and purchased by the Group are carried at lower of cost and net realisable value.

Work-in-progress is carried at lower of cost and net realisable value.

Coal, iron ore and other raw materials produced and purchased by the Group are carried at lower of cost and net realisable value.

Stores and spare parts are carried at cost. Necessary provision is made and expensed in case of identified obsolete and non-moving items.

Cost of inventories is generally ascertained on the 'weighted average' basis. Work-in-progress and finished and semi-finished products are valued on full absorption cost basis.

(P) RELINING EXPENSES

Relining expenses other than major expenses on furnace relining are charged as an expense in the Consolidated Statement of Profit and Loss in the year in which they are incurred.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2. Accounting Policies (contd.)

(Q) RESEARCH AND DEVELOPMENT

Research and development costs (other than cost of fixed assets acquired) are charged as an expense in the Consolidated Statement of Profit and Loss in the year in which they are incurred.

(R) DEFERRED TAX

Deferred Tax is accounted for by computing the tax effect of timing differences, subject to the consideration of prudence in respect of deferred tax assets, which arise during the year and reverse in subsequent periods. Deferred tax is measured at substantively enacted tax rates by the Balance Sheet date.

(S) TAX ON INCOME

Tax on income is determined on the basis of taxable income and tax credits computed in accordance with the provisions of applicable tax laws of the respective countries.

Foreign companies recognise tax liabilities and assets in accordance with the applicable local laws.

3. Share Capital

(₹ in million)

		As at 31st March, 2016	As at 31st March, 2015
AUTHORISED			
1,75,00,00,000	Ordinary Shares of ₹10 each (31.03.2015: 1,75,00,00,000 Ordinary Shares of ₹10 each)	17,500.0	17,500.0
35,00,00,000	"A" Ordinary Shares of ₹10 each (31.03.2015: 35,00,00,000 "A" Ordinary Shares of ₹10 each)	3,500.0	3,500.0
2,50,00,000	Cumulative Redeemable Preference Shares of ₹100 each (31.03.2015: 2,50,00,000 Shares of ₹100 each)	2,500.0	2,500.0
60,00,00,000	Cumulative Convertible Preference Shares of ₹100 each (31.03.2015: 60,00,00,000 Shares of ₹100 each)	60,000.0	60,000.0
		83,500.0	**83,500.0**
ISSUED			
97,21,26,020	Ordinary Shares of ₹10 each (31.03.2015: 97,21,26,020 Ordinary Shares of ₹10 each)	9,721.3	9,721.3
Subscribed and Paid up:			
97,00,47,046[@]	Ordinary Shares of ₹10 each fully paid up (31.03.2015: 97,12,15,439 Ordinary Shares of ₹10 each)	9,700.5	9,712.1
	Add: Amount paid-up on 3,89,516 Ordinary Shares forfeited (31.03.2015: 3,89,516 Ordinary Shares of ₹10 each)	1.9	2.0
		9,702.4	**9,714.1**

[@] Excludes **11,68,393** Ordinary Shares (31.03.2015 : Nil) held by a subsidiary.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

4. Reserves and Surplus

(₹ in million)

		As at 31st March, 2016		As at 31st March, 2015	
(A)	**CAPITAL RESERVE**				
	Balance as per last account	572.1		547.0	
	Equity accounting of associates	–		25.1	
			572.1		**572.1**
(B)	**CAPITAL REDEMPTION RESERVE**				
	Balance as per last account	1,331.1		868.1	
	Transfer from Surplus in Consolidated Statement of Profit and Loss	–		463.0	
			1,331.1		**1331.1**
(C)	**SECURITIES PREMIUM RESERVE**				
	Balance as per last account	1,78,507.8		1,78,403.5	
	Premium on issue of Ordinary Shares	–		–	
	Expenses/reimbursement related to CARS/NCD/GDR/Hybrid Securities/ preferential and public issue of equity share	–		38.9	
	Effect of tax rate changes on items adjusted against reserves	–		65.4	
			1,78,507.8		**1,78,507.8**
(D)	**DEBENTURE REDEMPTION RESERVE**				
	Balance as per last account	20,460.0		20,460.0	
	Transfer to General Reserve	–		–	
			20,460.0		**20,460.0**
(E)	**AMALGAMATION RESERVE**				
	Balance as per last account		**2.6**		**2.6**
(F)	**EXPORT PROFITS RESERVE**				
	Balance as per last account		**12.5**		**12.5**
(G)	**FOREIGN EXCHANGE FLUCTUATION RESERVE**				
	Balance as per last account		**140.0**		**140.0**
(H)	**CONTRIBUTIONS FOR CAPITAL EXPENDITURE**				
	Balance as per last account	1,332.9		1,268.3	
	Received/capitalised during the year	211.2		100.7	
	Released to Consolidated Statement of Profit and Loss	(37.9)		(36.1)	
			1,506.2		**1,332.9**
(I)	**CONTINGENCY RESERVE**				
	Balance as per last account		**1,000.0**		**1,000.0**
(J)	**DEBENTURE FORFEITURE RESERVE**				
	Balance as per last account		**0.4**		**0.4**
(K)	**CAPITAL RESERVE ON CONSOLIDATION**				
	Balance as per last account	734.4		178.8	
	Additions on account of acquisitions	2.8		555.6	
	Less: Recycled to Consolidated Statement of Profit and Loss on disposal of Tata Incorporated	(80.6)		–	
			656.6		**734.4**
(L)	**INVESTMENT ALLOWANCE/(UTILISED) RESERVE**				
	Balance as per last account		**2.3**		**2.3**
(M)	**FOREIGN CURRENCY TRANSLATION RESERVE**				
	Balance as per last account	67,547.2		59,507.6	
	Translation of Non Integral Foreign Operations	1,919.7		8,039.6	
			69,466.9		**67,547.2**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

4. Reserves and Surplus (contd.)

(₹ in million)

		As at 31st March, 2016		As at 31st March, 2015	
(N)	**SPECIAL RESERVE**				
	Balance as per last account	57.6		45.6	
	Transfer from Surplus in Consolidated Statement of Profit and Loss	31.2		12.0	
	Transfer to General Reserve	–		–	
			88.8		**57.6**
(O)	**STATUTORY RESERVE**				
	Balance as per last account	2,544.4		1,878.1	
	Transfer from Surplus in Consolidated Statement of Profit and Loss	–		666.3	
	Transfer to Consolidated Statement of Profit and Loss	(2,196.6)		–	
	Exchange gain/(loss) during the period	406.4		–	
			754.2		**2544.4**
(P)	**ACTUARIAL GAIN/(LOSS) RESERVE**				
	Balance as per last account	(1,21,095.0)		(68,515.3)	
	Actuarial gain/(loss) (net of tax) during the year	12,312.3		(52,579.7)	
			(1,08,782.7)		**(1,21,095.0)**
(Q)	**CASH FLOW HEDGE RESERVE** (1)				
	Balance as per last account	2,016.3		(34.1)	
	Changes recognised (net of tax)	(1,814.3)		2,050.4	
			202.0		**2,016.3**
(R)	**GENERAL RESERVE**				
	Balance as per last account	1,21,974.9		1,14,677.2	
	Add: Adjustment on acquisition of Rujuvalika Investments Limited as on 30th April, 2015	(359.6)		–	
	Transfer from Surplus in Consolidated Statement of Profit and Loss	317.7		7,297.7	
			1,21,933.0		**1,21,974.9**
(S)	**FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE ACCOUNT** (2)				
	Balance as per last account	(1,619.0)		(3,319.4)	
	Exchange gain/(loss) during the year	28.0		(2,069.6)	
	Amortisation during the year	351.7		3,770.0	
			(1,239.3)		**(1,619.0)**
(T)	**SURPLUS IN THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS**				
	Balance as per last account	28,257.5		88,482.3	
	Profit/(Loss) for the year	(30,493.2)		(39,255.2)	
	Adjustment on account of Schedule II of the Companies Act, 2013 (Net of Tax) (3)	–		(1,362.3)	
	Distribution on Hybrid Perpetual Securities [net of tax of ₹**921.2** million (2014-15: ₹904.5 million)]	(1,740.6)		(1,756.6)	
	Proposed dividend on Ordinary Shares	(7,760.4)		(7,769.7)	
	Tax on dividend	(1,639.4)		(1,642.0)	
	Transfers to Reserves:				
	General Reserve	(317.7)		(7,297.7)	
	Special Reserve	(31.2)		(12.0)	
	Capital Redemption Reserve	–		(463.0)	
	Statutory Reserve	2,196.6		(666.3)	
			(11,528.4)		**28,257.5**
			2,75,086.1		**3,03,780.0**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

4. Reserves and Surplus (contd.)

Additional information:

(₹ in million)

			As at 31st March, 2016	As at 31st March, 2015
(1)	(a)	**Opening Balance of Cash Flow Hedge Reserve**	2,016.3	(34.1)
		Add: Effective portion of changes in fair value of cash flow hedges	1,053.1	2,943.3
		Less: Recycled to Consolidated Statement of Profit and Loss	(2,927.9)	(1,219.8)
		Less: Basis Adjustment	66.7	317.7
		Gross Balance of Cash Flow Hedge Reserve	**208.2**	**2,007.1**
		Add: Deferred tax on above	(6.2)	9.2
		Net balance of Cash Flow Hedge Reserve	**202.0**	**2,016.3**

(b) A credit of ₹**232.6** million (31.03.2015: Credit of ₹2,059.5 million) is expected to impact the Consolidated Statement of Profit and Loss within one year, a debit of ₹**26.8** million (31.03.2015: Debit of ₹43.2 million) between one to five years and a debit of ₹**3.8** million (31.03.2015: Nil) in more than five years.

(c) Ineffective portion taken to Consolidated Statement of Profit and Loss during the year ₹**0.5** million (31.03.2015: ₹4.4 million).

(2) The Company and some of its subsidiaries have elected to account for exchange differences arising on reporting of long-term foreign currency monetary items in accordance with Companies (Accounting Standards) Amendment Rules 2009 pertaining to Accounting Standard 11 (AS-11) notified by Government of India on 31st March, 2009 (as amended on 29th December, 2011) which allows foreign exchange differences on long-term monetary items arising on or after 1st April, 2011 to be capitalised to the extent they relate to acquisition of depreciable assets and in other cases to amortise over the balance period to maturity of the respective monetary items.

As on 31st March, 2016, ₹**1,239.3** million (31.03.2015: ₹1,619.0 million) remains to be amortised in the "Foreign Currency Monetary Item Translation Difference Account".

(3) During the year ended 31st March, 2015, the Company and some of its group companies has revised depreciation rate on certain fixed assets as per the useful life specified in the Companies Act, 2013 or re-assessed by the Company based on technical evaluation. Accordingly, depreciation of ₹**1,362.4** million (net of deferred tax of ₹**712.5** million) on account of assets whose useful life is already exhausted as on 1st April, 2014 has been adjusted to retained earnings.

Had there been no change in useful life of assets, depreciation for the year ended 31st March, 2015 would have been higher by ₹**343.1** million.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

5. Preference Shares Issued by Subsidiary Companies

(₹ in million)

	As at 31st March, 2016	As at 31st March, 2015
Preference Shares issued by a subsidiary company	200.0	200.0
	200.0	**200.0**

Additional information:

(1) 8.50% – 20,00,000 non-cumulative Redeemable Preference Shares (RPS) of ₹100 each were issued by Tayo Rolls Limited, a subsidiary of the Company in March 2012. These RPS are redeemable in 3 equal annual installments with all arrears of dividend, if any, commencing from 1st April, 2020. The subsidiary may exercise its call option by giving 30 days clear notice at the expiry of 36 months from the date of allotment thereof.

6. Hybrid Perpetual Securities

(₹ in million)

	As at 31st March, 2016	As at 31st March, 2015
Hybrid Perpetual Securities	22,750.0	22,750.0
	22,750.0	**22,750.0**

Additional information:

(1) The Company issued Hybrid Perpetual Securities of ₹7,750.0 million and ₹15,000.0 million 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 are not classified as 'debt'.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

7. Borrowings

(₹ in million)

	As at 31st March, 2016			As at 31st March, 2015		
	Long-Term	Short-Term	Total	Long-Term	Short-Term	Total
A. SECURED BORROWINGS						
(a) Bonds/Debentures						
(i) Non-convertible bonds/debentures	1,250.0	–	1,250.0	1,250.0	–	1,250.0
(b) Term loans						
(i) From banks [1]	2,07,436.8	67,031.5	2,74,468.3	2,00,014.7	60,056.4	2,60,071.1
(ii) From financial institutions and others[2]	35,650.7	–	35,650.7	23,716.2	–	23,716.2
(c) Repayable on demand						
(i) From banks	–	1,586.1	1,586.1	–	3,192.4	3,192.4
(d) Finance lease obligations	6,102.6	–	6,102.6	4,997.0	–	4,997.0
(e) Other loans	–	–	–	–	20.8	20.8
	2,50,440.1	**68,617.6**	**3,19,057.7**	**2,29,977.9**	**63,269.6**	**2,93,247.5**
B. UNSECURED BORROWINGS						
(a) Bonds/Debentures						
(i) Non-convertible bonds/debentures	2,13,589.2	–	2,13,589.2	2,11,040.2	–	2,11,040.2
(b) Term loans						
(i) From banks	2,13,089.4	52,957.5	2,66,046.9	2,00,534.3	29,605.1	2,30,139.4
(ii) From financial institutions and others	–	–	–	8,490.0	–	8,490.0
(c) Deferred payment liabilities	55.8	–	55.8	25.3	–	25.3
(d) Commercial paper	–	32,348.5	32,348.5	–	–	–
(e) Finance lease obligations	4,396.7	–	4,396.7	3,921.1	–	3,921.1
(f) Other loans	1,969.7	575.2	2,544.9	2,763.2	3,110.8	5,874.0
	4,33,100.8	**85,881.2**	**5,18,982.0**	**4,26,774.1**	**32,715.9**	**4,59,490.0**
	6,83,540.9	**1,54,498.8**	**8,38,039.7**	**6,56,752.0**	**95,985.5**	**7,52,737.5**

Additional information:

(1) Major portion of bank borrowings relate to finance raised by Tata Steel UK Holdings Limited, a wholly owned indirect subsidiary of Tata Steel Limited. These borrowings are secured by guarantees granted by material subsidiaries of Tata Steel Europe Limited (other than Tata Steel Nederland B.V. and its subsidiaries) and by a share pledge over the shares of Tata Steel Nederland B.V.

Apart from the above, bank borrowings raised by other Companies within the Group are secured by a charge on their immovable properties and hypothecation of movable properties.

(2) Includes loan from Joint Plant Committee – Steel Development Fund of ₹**23,389.1** million (31.03.2015: ₹22,323.6 million) which also includes funded interest ₹**6,995.8** million (31.03.2015: ₹5,930.3 million). The security details of the same are provided on.

(3) The maturity profile of borrowings (including current maturities of long-term borrowings) is as follows:

(₹ in million)

	As at 31st March, 2016	As at 31st March, 2015
In one year or less or on demand	1,79,371.8	1,50,840.1
Between one-two years	17,943.5	29,831.4
Between two-three years	25,654.9	22,158.8
Between three-four years	1,26,906.5	24,361.5
Between four-five years	1,01,966.9	91,358.5
More than five years	4,15,129.5	4,92,490.2
	8,66,973.1	**8,11,040.5**
Less: Unearned interest on Finance lease obligation	(4,935.3)	(4,027.6)
	8,62,037.8	**8,07,012.9**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

7. Borrowings (contd.)

(4) The interest rate exposure of the above borrowings at the end of the year is as follows:

(₹ in million)

	As at 31st March, 2016	As at 31st March, 2015
Fixed Rate Borrowings	2,97,844.2	2,51,538.4
Floating Rate Borrowings	5,64,193.6	5,55,474.5
	8,62,037.8	**8,07,012.9**

The majority of floating rate borrowings bear interest rates based on LIBOR, EURIBOR or other official rates.

8. Deferred Tax Liabilities/(Assets)

(₹ in million)

	As at 31st March, 2016	As at 31st March, 2015
DEFERRED TAX LIABILITIES		
(a) Differences in depreciation and amortisation for accounting and income tax purposes	40,592.9	44,434.9
(b) Prepaid expenses	677.3	683.6
(c) Actuarial gain/(loss)	26,845.7	8,391.4
(d) Others	6,747.4	6,792.8
	74,863.3	**60,302.7**
DEFERRED TAX ASSETS		
(a) Unabsorbed losses	(23,820.9)	(12,774.0)
(b) Employee separation compensation	(4,618.2)	(3,192.9)
(c) Provision for doubtful debts and advances	(1,097.7)	(958.4)
(d) Disallowance under Section 43B of Income Tax Act, 1961	(5,705.6)	(3,801.1)
(e) Provision for employee benefits	(5,206.4)	(4,985.7)
(f) Redemption premium on issue of non-convertible debenture	(2,675.1)	(3,116.5)
(g) Discount on issue of non-convertible debenture	(471.9)	(549.7)
(h) Others	(2,437.2)	(2,306.7)
	(46,033.0)	**(31,685.1)**
Deferred tax liabilities/(assets)	**28,830.3**	**28,617.6**
Amount recognised in Balance Sheet		
Deferred tax liabilities [Item No. 5(b)]	29,048.8	28,845.1
Deferred tax assets [Item No. 7(d)]	(218.5)	(227.5)
	28,830.3	**28,617.6**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

9. Other Long-term Liabilities

(₹ in million)

		As at 31st March, 2016	As at 31st March, 2015
(a)	Creditors for capital supplies/services	6,296.1	9,407.6
(b)	Deferred income	1,582.8	1,650.0
(c)	Creditors for other liabilities	5,958.0	6,430.4
		13,836.9	**17,488.0**

10. Provisions

(₹ in million)

		As at 31st March, 2016			As at 31st March, 2015		
		Long-Term	**Short-Term**	**Total**	**Long-Term**	**Short-Term**	**Total**
(a)	Provision for employee benefits	49,489.4	2,060.5	51,549.9	56,655.0	1,925.4	58,580.4
(b)	Provision for employee separation compensation[(1)]	7,776.2	2,218.1	9,994.3	4,456.1	1,330.2	5,786.3
(c)	Provision for taxation	0.2	11,579.1	11,579.3	–	9,955.5	9,955.5
(d)	Provision for fringe benefits tax	–	49.8	49.8	–	50.1	50.1
(e)	Proposed dividend	–	7,760.4	7,760.4	–	7,769.7	7,769.7
(f)	Other provisions[(2)]	18,961.2	11,426.3	30,387.5	13,926.5	6,004.3	19,930.8
		76,227.0	**35,094.2**	**1,11,321.2**	**75,037.6**	**27,035.2**	**1,02,072.8**

Additional information:

(1) Provision for employee separation compensation has been calculated on the basis of net present value of the future monthly payments of pension and lump sum benefits under the scheme including ₹**5,202.1** million (2014-15: ₹339.5 million) in respect of schemes introduced during the year.

(2) Includes provision for rationalisation and redundancy.

11. Trade Payables

(₹ in million)

		As at 31st March, 2016	As at 31st March, 2015
(a)	Creditors for supplies/services[(1)]	1,67,209.2	1,56,721.1
(b)	Creditors for accrued wages and salaries	36,673.3	35,177.5
		2,03,882.5	**1,91,898.6**

Additional information:

(1) 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 Group. The disclosures relating to Micro and Small Enterprises as at 31st March, 2016 are as under:

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

11. Trade Payables (contd.)

(₹ in million)

		Year ended 31st March, 2016	Year ended 31st March, 2015
Description			
(i)	The principal amount remaining unpaid to supplier as at the end of the year	206.8	228.7
(ii)	The interest due thereon remaining unpaid to supplier as at the end of the year	8.1	6.4
(iii)	The amount of interest paid in terms of section 16 along with the amount of payment made to supplier beyond the appointment day during the year 2010-11	124.6	146.0
(iv)	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	48.1	45.0
(v)	The amount of interest accrued during the year and remaining unpaid at the end of the year	55.6	51.0

12. Other Current Liabilities

(₹ in million)

		As at 31st March, 2016	As at 31st March, 2015
(a)	Current maturities of long-term borrowings	22,655.9	53,199.3
(b)	Current maturities of finance lease obligations	1,342.2	1,076.1
(c)	Interest accrued but not due on borrowings	7,468.6	9,324.5
(d)	Unpaid dividend	636.2	633.9
(e)	Advances received from customers	4,780.9	3,672.7
(f)	Creditors for capital supplies/services	32,730.7	31,850.4
(g)	Creditors for other liabilities(1)	42,475.6	45,039.0
		1,12,090.1	**1,44,795.9**

Additional information:

(1) Includes liability for VAT, Sales tax, Excise duty etc.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

13. Tangible Assets

(₹ in million)

Tangible Assets	Freehold Land and Roads	Leasehold Land	Buildings[3]	Leasehold Buildings	Plant and Machinery	Leased Plant and Machinery	Furniture and Fixtures (FF)	Office Equipments (OE)	Vehicles	Leased FFOE and Vehicles	Railway Sidings/ Lines	Total
Gross block as at 01.04.2016	**15,528.7**	**8,800.1**	**1,34,200.5**	**7,659.0**	**12,24,814.6**	**17,675.6**	**9,164.7**	**4,033.5**	**3,663.9**	**95.4**	**12,388.9**	**14,38,024.9**
	18,259.7	9,322.2	1,43,853.4	7,557.0	12,64,840.2	19,404.1	10,640.1	3,846.7	3,401.2	94.4	14,163.2	14,95,382.2
Assets of new companies	–	–	–	–	–	–	–	–	–	–	–	–
	16.4	10.8	138.4	611.1	548.2	–	–	–	–	–	–	1,324.9
Additions during the year[1]	**1,640.5**	**2,118.7**	**4,448.6**	**316.6**	**33,820.5**	**1,928.2**	**173.6**	**327.8**	**334.8**	**1.6**	**391.3**	**45,502.2**
	647.7	3,963.0	7,463.8	165.2	75,602.6	221.2	333.3	585.2	614.9	1.1	2,515.1	92,113.1
Deductions during the year[2]	**(69.1)**	**(0.1)**	**(769.0)**	**(2.3)**	**(8,220.8)**	**(399.6)**	**(242.7)**	**(57.5)**	**(138.4)**	**–**	**–**	**(9,899.5)**
	(237.4)	(37.6)	(2,775.8)	(3.4)	(18,179.7)	(34.3)	(247.8)	(117.2)	(280.7)	–	(6.6)	(21,920.5)
Disposal of group undertakings	**(29.6)**	**–**	**(394.0)**	**–**	**(628.6)**	**–**	**–**	**–**	**–**	**–**	**–**	**(1,052.2)**
	(29.2)	(5,735.1)	(3,763.6)	(147.8)	(8,633.8)	(105.2)	(30.4)	(206.0)	(14.4)	–	(3,206.7)	(21,872.2)
Transfers and other movements[1]	**3.8**	**–**	**(293.2)**	**47.1**	**1,241.3**	**–**	**22.3**	**93.9**	**31.6**	**–**	**–**	**1,146.8**
	(2,022.2)	1,362.9	415.6	–	(436.6)	296.3	(56.0)	9.9	–	–	(12.7)	(442.8)
Exchange fluctuations capitalised during the year	**–**	**–**	**11.2**	**–**	**1,105.4**	**–**	**–**	**–**	**–**	**–**	**–**	**1,116.6**
	–	–	10.8	–	427.5	–	–	–	–	–	–	438.3
Exchange difference on consolidation	**584.7**	**66.6**	**5371.1**	**415.3**	**42,251.0**	**1,063.4**	**817.4**	**86.0**	**43.7**	**–**	**599.0**	**51,298.2**
	(1,106.3)	(86.1)	(11,142.1)	(523.1)	(89,353.8)	(2,106.5)	(1,474.5)	(85.1)	(57.1)	(0.1)	(1,063.4)	(1,06,998.1)
Gross block as at 31.03.2016	**17,659.0**	**10,985.3**	**1,42,575.2**	**8,435.7**	**12,94,383.4**	**20,267.6**	**9,935.3**	**4,483.7**	**3,935.6**	**97.0**	**13,379.2**	**15,26,137.0**
	15,528.7	8,800.1	1,34,200.5	7,659.0	12,24,814.6	17,675.6	9,164.7	4,033.5	3,663.9	95.4	12,388.9	14,38,024.9
Impairment as at 01.04.2015	**1,220.7**	**7.2**	**8,613.6**	**465.2**	**88,894.9**	**3,115.4**	**49.2**	**67.3**	**43.5**	**–**	**319.6**	**1,02,796.6**
	2,516.5	7.2	7,815.2	391.0	71,939.5	1,063.3	12.7	0.2	0.5	–	–	83,746.1
Impairment during the year	**5,46.5**	**–**	**66.9**	**8.8**	**72,035.4**	**1,398.3**	**31.1**	**7.4**	**12.6**	**–**	**199.7**	**74,306.7**
	280.4	0.5	1,717.9	109.9	24,769.9	2,271.9	38.7	65.7	42.2	–	312.7	29,609.8
Reversal during the year	**–**	**–**	**(104.4)**	**–**	**(91.5)**	**–**	**–**	**(0.6)**	**(0.7)**	**–**	**–**	**(197.2)**
	(1,362.9)	–	–	–	(225.6)	–	–	–	–	–	–	(1,588.5)
Deduction on disposals[1]	**–**	**–**	**(282.7)**	**–**	**(19.2)**	**–**	**(2.6)**	**(0.6)**	**(10.2)**	**–**	**–**	**(315.3)**
	–	–	(253.4)	–	(260.8)	–	(0.1)	–	–	–	–	(514.3)
Disposal of group undertaking	**–**	**–**	**–**	**–**	**(215.7)**	**–**	**–**	**–**	**–**	**–**	**–**	**(215.7)**
	–	–	–	–	(925.5)	–	–	–	–	–	–	(925.5)
Transfers and other movements[1]	**–**	**–**	**61.7**	**–**	**2,580.7**	**–**	**–**	**–**	**–**	**–**	**–**	**2,642.4**
	–	–	–	–	191.2	–	–	–	–	–	–	191.2
Exchange difference on consolidation	**112.0**	**0.2**	**331.8**	**14.5**	**387.3**	**50.5**	**4.0**	**3.8**	**2.7**	**–**	**13.2**	**920.0**
	(213.3)	(0.5)	(666.1)	(35.7)	(6,593.8)	(219.8)	(2.1)	1.4	0.8	–	6.9	(7,722.2)
Impairment as at 31.03.2016	**1,879.2**	**7.4**	**8,686.9**	**488.5**	**1,63,571.9**	**4,564.2**	**81.7**	**77.3**	**47.9**	**–**	**532.5**	**1,79,937.5**
	1,220.7	7.2	8,613.6	465.2	88,894.9	3,115.4	49.2	67.3	43.5	–	319.6	1,02,796.6
Accumulated depreciation as at 01.04.2015	**4,288.1**	**1,221.0**	**73,979.3**	**3,953.7**	**7,07,361.3**	**12,702.5**	**8,407.0**	**2,819.0**	**1,700.0**	**33.4**	**6,283.8**	**8,22,749.1**
	2,384.6	1,516.2	80,413.7	3,977.3	7,35,975.7	13,492.8	9,877.2	2,664.0	1,686.9	28.4	7,125.6	8,59,142.4
Impact of adoption of Schedule II	–	–	–	–	–	–	–	–	–	–	–	–
	1,125.9	–	26.5	–	883.2	–	1.7	21.4	3.5	–	7.2	2,069.4
Depreciation of new companies	–	–	–	–	–	–	–	–	–	–	–	–
	–	–	24.4	–	164.8	–	–	–	–	–	–	189.2
Depreciation during the year	**681.9**	**142.8**	**5,871.0**	**372.4**	**38,604.1**	**657.6**	**263.6**	**483.7**	**320.3**	**6.1**	**471.2**	**47,874.7**
	896.9	344.9	3,549.7	341.4	47,903.5	909.8	261.6	470.9	298.8	5.0	512.9	55,495.4
Depreciation on assets written off during the year [1]	**–**	**–**	**(390.1)**	**(2.3)**	**(7,130.1)**	**(398.7)**	**(218.9)**	**(51.6)**	**(104.2)**	**–**	**–**	**(8,295.9)**
	(9.6)	(0.3)	(2,268.6)	(2.1)	(16,187.3)	(35.7)	(253.0)	(108.9)	(236.5)	–	(6.3)	(19,108.3)
Disposal of group undertakings	**(3.5)**	**–**	**(137.6)**	**–**	**(447.6)**	**–**	**–**	**–**	**–**	**–**	**–**	**(588.7)**
	–	(603.7)	(458.9)	(75.9)	(2,772.4)	(63.0)	(17.4)	(176.6)	(5.1)	_	(495.6)	(4,668.6)
Transfers and other movements[1]	**(4.8)**	**–**	**(18.9)**	**34.8**	**(14.4)**	**–**	**9.0**	**6.7**	**3.6**	**–**	**(1.2)**	**14.8**
	(28.1)	–	240.7	(30.2)	(164.0)	(2.8)	(39.7)	9.8	–	–	(36.5)	(50.8)
Exchange difference on consolidation	**46.8**	**32.4**	**3,610.7**	**211.6**	**27,669.2**	**776.2**	**784.7**	**50.3**	**33.6**	**(0.1)**	**422.9**	**33,638.3**
	(81.6)	(36.1)	(7,548.2)	(256.8)	(58,442.2)	(1,598.6)	(1,423.4)	(61.6)	(47.6)	–	(823.5)	(70,319.6)
Accumulated depreciation as at 31.03.2016	**5,008.5**	**1,396.2**	**82,914.4**	**4,570.2**	**7,66,042.5**	**13,737.6**	**9,245.4**	**3,308.1**	**1,953.3**	**39.4**	**7,176.7**	**8,95,392.3**
	4,288.1	1,221.0	73,979.3	3,953.7	7,07,361.3	12,702.5	8,407.0	2,819.0	1,700.0	33.4	6,283.8	8,22,749.1
Total accumulated depreciation and impairment as at 31.03.2016	**6,887.7**	**1,403.6**	**91,601.3**	**5,058.7**	**9,29,614.4**	**18,301.8**	**9,327.1**	**3,385.4**	**2,001.2**	**39.4**	**7,709.2**	**10,75,329.8**
	5,508.8	1,228.2	82,592.9	4,418.9	7,96,256.2	15,817.9	8,456.2	2,886.3	1,743.5	33.4	6,603.4	9,25,545.7
Net book value as at 31.03.2016	**10,771.3**	**9,581.7**	**50,973.9**	**3,377.0**	**3,64,769.0**	**1,965.8**	**608.2**	**1,098.3**	**1,934.4**	**57.6**	**5,670.0**	**4,50,807.2**
	10,019.9	7,571.9	51,607.6	3,240.1	4,28,558.4	1,857.7	708.5	1,147.2	1,920.4	62.0	5,785.5	5,12,479.2

Additional information:

(1) Includes adjustments for inter se transfers and reclassification between tangible assets and intangible assets.

(2) Deductions include cost of assets scrapped/surrendered during the year.

(3) Buildings include ₹**23.2** million (31.03.2015: ₹23.2 million) being cost of shares in Co-operative Housing Societies and Limited Companies.

(4) Rupee liability has increased by a net amount of ₹**1,116.6** million (2014-15: ₹438.3 million) arising out of realignment of the value of long-term foreign currency loans for procurement of tangible assets. This increase has been adjusted in the carrying cost of respective tangible assets and has been depreciated over their remaining depreciable life. The depreciation for the current year has increased by ₹**69.1** million (2014-15 ₹18.5 million) arising on account of this adjustment.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

14. Intangible Assets

(₹ in million)

Intangible Assets	Patents	Development Costs	Software Costs	Mining Rights	Development of Property[3]	Other Intangible Assets	Total
Gross block as at 01.04.2016	**928.1**	**4,180.2**	**19,136.4**	**6,158.3**	**41,588.9**	**2,087.8**	**74,079.7**
	1,089.6	4,491.0	20,680.5	6,712.3	32,130.0	940.1	66,043.5
Assets of new companies	–	–	–	–	–	–	–
	–	–	6.4	–	–	–	6.4
Additions during the year[1]	**0.6**	**426.0**	**685.0**	**–**	**14,683.6**	**4.6**	**15,799.8**
	3.4	579.8	903.4	268.1	9,182.5	452.1	11,389.3
Deductions during the year[2]	**(1.9)**	**–**	**(87.6)**	**–**	**(70.8)**	**–**	**(160.3)**
	–	–	(910.3)	–	(24.3)	–	(934.6)
Disposal of group undertakings	**–**	**–**	**(75.0)**	**–**	**–**	**–**	**(75.0)**
	–	–	(46.5)	(546.3)	(789.5)	–	(1,382.3)
Transfers and other movements[1]	**–**	**–**	**(162.9)**	**–**	**(28,018.6)**	**–**	**(28,181.5)**
	–	–	186.3	196.6	–	695.6	1,078.5
Exchange differences capitalised	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	–	–	–	90.5	2,639.8	–	2,730.3
Exchange difference on consolidation	**82.4**	**504.0**	**709.7**	**(64.1)**	**1,715.8**	**–**	**2,947.8**
	(164.9)	(890.6)	(1683.4)	(562.9)	(1,549.6)	–	(4,851.4)
Gross block as at 31.03.2016	**1,009.2**	**5,110.2**	**20,205.6**	**6,094.2**	**29,898.9**	**2,092.4**	**64,410.5**
	928.1	4,180.2	19,136.4	6,158.3	41,588.9	2,087.8	74,079.7
Impairment as at 01.04.2015	**–**	**–**	**295.3**	**200.9**	**12,427.4**	**324.5**	**13,248.1**
	–	–	320.8	453.1	801.6	–	1,575.5
Impairment during the year	**46.5**	**–**	**1136.1**	**–**	**374.9**	**–**	**1,557.5**
	–	–	6.2	196.6	12,159.5	324.5	12,686.8
Deduction on disposals	**–**	**–**	**(0.1)**	**–**	**–**	**(17.9)**	**(18.0)**
	–	–	(8.5)	–	(24.3)	–	(32.8)
Disposal of group undertakings	–	–	–	–	–	–	–
	–	–	–	(435.0)	(746.7)	–	(1,181.7)
Transfers and other movements[1]	–	–	–	–	–	–	–
	–	–	–	–	–	–	–
Exchange difference on consolidation	**(1.4)**	**–**	**(24.9)**	**(15.9)**	**745.5**	**–**	**703.3**
	–	–	(23.4)	(13.8)	237.3	–	200.1
Impairment as at 31.03.2016	**45.1**	**–**	**1,406.4**	**185.0**	**13,547.8**	**306.6**	**15,490.9**
	–	–	295.1	200.9	12,427.4	324.5	13,247.9
Accumulated amortisation as at 01.04.2015	**805.1**	**3,280.6**	**13,806.4**	**113.5**	**7,932.5**	**444.5**	**26,382.6**
	936.0	3,511.8	14,102.4	166.0	6,350.9	313.3	25,380.4
Impact of adoption of Schedule II	–	–	–	–	–	–	–
	–	–	14.4	–	–	–	14.4
Amortisation during the year	**10.6**	**453.7**	**1,739.8**	**115.2**	**679.9**	**129.9**	**3,129.1**
	18.6	466.1	1,861.9	73.3	1,669.3	66.8	4,156.0
Amortisation on assets written off during the year [1]	**–**	**–**	**(87.0)**	**–**	**(25.5)**	**–**	**(112.5)**
	–	–	(898.4)	–	–	–	(898.4)
Disposal of group undertakings	–	–	–	–	–	–	–
	–	–	(30.5)	(111.3)	(42.7)	–	(184.5)
Transfers and other movements[1]	**–**	**–**	**5.1**	**–**	**–**	**–**	**5.1**
	–	–	(2.3)	–	–	64.4	62.1
Exchange difference on consolidation	**75.7**	**400.5**	**516.6**	**(21.8)**	**55.9**	**–**	**1,026.9**
	(149.5)	(697.3)	(1,240.9)	(14.5)	(45.0)	–	(2,147.2)
Accumulated amortisation as at 31.03.2016	**891.4**	**4,134.8**	**15,980.9**	**206.9**	**8,642.8**	**574.4**	**30,431.2**
	805.1	3,280.6	13,806.6	113.5	7,932.5	444.5	26,382.8
Total accumulated amortisation and impairment as at 31.03.2016	**936.5**	**4,134.8**	**17,387.3**	**391.9**	**22,190.6**	**881.0**	**45,922.1**
	805.1	3,280.6	14,101.7	314.4	20,359.9	769.0	39,630.7
Net book value as at 31.03.2016	**72.7**	**975.4**	**2,818.3**	**5,702.3**	**7,708.3**	**1,211.4**	**18,488.4**
	123.0	899.6	5,034.7	5,843.9	21,229.0	1,318.8	34,449.0

Additional information:

(1) Includes adjustments for inter se transfers and reclassification between intangible assets and tangible assets.

(2) Deductions include cost of assets scrapped/surrendered during the year.

(3) Development of property represents expenditure incurred on development of mines/collieries.

(4) Rupee liability has increased by a net amount of **Nil** (2014-15: ₹ 2,730.3 million) arising out of realignment of the value of long-term foreign currency loans taken for development of mining assets and has been adjusted against the carrying cost of assets.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

15. Investments

(₹ in million)

		As at 31st March, 2016			As at 31st March, 2015		
		Non-current	Current	Total	Non-current	Current	Total
(a)	Investments in equity instruments	15,151.8	–	15,151.8	15,232.0	–	15,232.0
(b)	Investments in government or trust securities	0.2	–	0.2	0.2	–	0.2
(c)	Investments in debentures and bonds	4,006.7	–	4,006.7	3,933.1	–	3,933.1
(d)	Investments in partnership firms	227.1	–	227.1	204.4	–	204.4
(e)	Investment properties	1,446.5	–	1,446.5	1,392.1	–	1,392.1
(f)	Investments in mutual funds	12.9	47,161.0	47,173.9	42.5	13,746.2	13,788.7
		20,845.2	**47,161.0**	**68,006.2**	**20,804.3**	**13,746.2**	**34,450.5**

Additional information:

(₹ in million)

		As at 31st March, 2016			As at 31st March, 2015		
		Non-current	Current	Total	Non-current	Current	Total
(1)	Aggregate amount of quoted investments	9,785.9	–	9,785.9	9,859.8	15.0	9,874.8
(2)	Aggregate amount of unquoted investments (excluding investment properties)	9,612.8	47,161.0	56,773.8	9,552.4	13,731.2	23,283.6
		19,398.7	**47,161.0**	**66,559.7**	**19,412.2**	**13,746.2**	**33,158.4**
(3)	Equity accounted associates						
	(i) Cost of investment [including ₹**1,429.9** million (31.03.2015: ₹1,347.5 million) of goodwill (net of capital reserve) arising on consolidation]			8,191.9			7,845.2
	(ii) Share of post acquisition profit (net of losses)			(3,286.3)			(2,975.6)
				4,905.6			**4,869.6**

(4) Details of equity accounted associates are as follows:

(₹ in million)

Name of the Company	Original cost of investment [(a)]	Goodwill/ (Capital Reserve) [(a)]	Accumulated profit/(loss) as at 31.03.2016	Carrying amount of investments as at 31.03.2016 [(a) (b)]
European Profiles (M) Sdn. Bhd.	**82.4**	**–**	**10.8**	**93.2**
	80.1	–	20.9	101.0
GietWalsOnderhoudCombinatie B.V.	**107.8**	**–**	**86.5**	**194.3**
	104.7	–	62.5	167.2
Hoogovens Court Roll Service Technologies Vof	**110.0**	**–**	**117.7**	**227.7**
	106.9	–	83.0	189.9
Industrial Energy Limited	**1,731.6**	**–**	**277.3**	**2,008.9**
	1,634.9	–	351.4	1,986.3
Jamipol Limited	**104.0**	**3.2**	**360.8**	**464.8**
	104.0	3.2	330.3	434.3
Nicco Jubliee Park Limited (₹1/-)	**3.8**	**–**	**(3.8)**	**–**
	3.8	–	(3.8)	–

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

15. Investments (contd.)

(₹ in million)

Name of the Company	Original cost of investment [(a)]	Goodwill/ (Capital Reserve) [(a)]	Accumulated profit/(loss) as at 31.03.2016	Carrying amount of investments as at 31.03.2016 [(a) (b)]
New Millenium Iron Corp.	**4,338.2**	**1,404.3**	**(4,338.2)**	**–**
	4,092.8	1324.8	(4,092.8)	–
Rujuvalika Investments Limited ^	**–**	**–**	**–**	**–**
	32.5	(2.9)	66.3	98.8
Strategic Energy Technology Systems Private Limited	**256.1**	**–**	**(256.1)**	**–**
	247.1	–	(247.1)	–
TRF Limited	**57.9**	**14.3**	**(57.9)**	**–**
	58.2	14.3	169.1	227.3
TRL Krosaki Refractories Limited	**702.4**	**8.1**	**69.8**	**772.2**
	702.4	8.1	31.3	733.7
Wupperman Staal Nederland B.V.	**697.7**	**–**	**446.8**	**1,144.5**
	677.8	–	253.3	931.1
	8,191.9	**1,429.9**	**(3,286.3)**	**4,905.6**
	7,845.2	1,347.5	(2,975.6)	4,869.6

(a) Includes impact of exchange rate changes on translation.
(b) Includes other adjustments to carrying value accounted through reserves.

^ Earlier an associate, became a subsidiary during the year. Carring value of investment on the date of becoming a subsidiary ₹**99.2** million.

16. Loans and Advances

(₹ in million)

		As at 31st March, 2016			As at 31st March, 2015		
		Long-Term	**Short-Term**	**Total**	**Long-Term**	**Short-Term**	**Total**
(A)	**CAPITAL ADVANCES**						
	Unsecured and considered good	8,425.3	3.4	8,428.7	10,677.2	–	10,677.2
	Unsecured and considered doubtful	760.6	–	760.6	26.3	–	26.3
	Less: Provision for bad & doubtful loans and advances	760.6	–	760.6	26.3	–	26.3
		8,425.3	**3.4**	**8,428.7**	**10,677.2**	**–**	**10,677.2**
(B)	**SECURITY DEPOSITS**						
	Unsecured and considered good	1,984.6	386.5	2,371.1	1,473.5	432.5	1,906.0
	Unsecured and considered doubtful	14.5	2.3	16.8	17.5	2.3	19.8
	Less: Provision for bad & doubtful loans and advances	14.5	2.3	16.8	17.5	2.3	19.8
		1,984.6	**386.5**	**2,371.1**	**1,473.5**	**432.5**	**1,906.0**
(C)	**ADVANCE WITH PUBLIC BODIES**						
	Unsecured and considered good	18,731.2	15,856.4	34,587.6	13,868.3	14,521.4	28,389.7
	Unsecured and considered doubtful	175.3	123.1	298.4	181.0	124.5	305.5
	Less: Provision for bad & doubtful loans and advances	175.3	123.1	298.4	181.0	124.5	305.5
		18,731.2	**15,856.4**	**34,587.6**	**13,868.3**	**14,521.4**	**28,389.7**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

16. Loans and Advances (contd.)

(₹ in million)

		As at 31st March, 2016			As at 31st March, 2015		
		Long-Term	Short-Term	Total	Long-Term	Short-Term	Total
(D)	**LOANS AND ADVANCES TO RELATED PARTIES**						
	Unsecured and considered good	85.5	–	85.5	208.2	622.9	831.1
(E)	**ADVANCE PAYMENT AGAINST TAXES**						
	Unsecured and considered good	10,785.0	390.3	11,175.3	8,876.7	522.5	9,399.2
(F)	**MAT CREDIT ENTITLEMENT**						
	Unsecured and considered good	2,760.3	5.8	2,766.1	1,440.9	1.1	1,442.0
(G)	**OTHER LOANS AND ADVANCES**						
	Unsecured and considered good	1,18,336.7	19,135.5	1,37,472.2	14,520.9	31,383.0	45,903.9
	Unsecured and considered doubtful	2,269.1	1,713.3	3,982.4	2,197.9	2,841.9	5,039.8
	Less: Provision for bad & doubtful loans and advances	2,269.1	1,713.3	3,982.4	2,197.9	2,841.9	5,039.8
		1,18,336.7	**19,135.5**	**13,7472.2**	**14,520.9**	**31,383.0**	**45,903.9**
		1,61,108.6	**35,777.9**	**19,6886.5**	**51,065.7**	**47,483.4**	**98,549.1**

17. Other Non-current Assets

(₹ in million)

		As at 31st March, 2016	As at 31st March, 2015
(a)	Balances with banks[(1)(2)]	1,465.7	1,249.6
(b)	Unamortised loan issue expenses	12,360.2	12,661.0
(c)	Others	233.0	126.5
		14,058.9	**14,037.1**

Additional information:

(1) Represents bank deposits not due for realisation within 12 months of the Balance Sheet date.

(2) Includes balances with banks held as security against guarantees.

18. Inventories
(At lower of cost and net realisable value)

(₹ in million)

		As at 31st March, 2016	As at 31st March, 2015
(a)	Raw materials	52,010.7	79,102.6
(b)	Work-in-progress	43,369.8	47,642.2
(c)	Finished and semi-finished goods	73,960.6	87,662.2
(d)	Stock-in-trade of goods acquired for trading	1,314.0	3,915.1
(e)	Stores and spares	32,904.7	33,177.0
		2,03,559.8	**2,51,499.1**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

18. Inventories (contd.)
(At lower of cost and net realisable value)

(₹ in million)

		As at 31st March, 2016	As at 31st March, 2015
Included above, goods-in-transit:			
(i)	Raw materials	11,430.7	14,186.8
(ii)	Finished and semi-finished goods	1,359.3	2,161.4
(iii)	Stock-in-trade of goods acquired for trading	653.1	240.5
(iv)	Stores and spares	1,648.6	1,670.5
		15,091.7	**18,259.2**

19. Trade Receivables

(₹ in million)

		As at 31st March, 2016	As at 31st March, 2015
(a)	More than six months	7,425.2	4,426.8
(b)	Others	1,13,596.8	1,31,618.7
		1,21,022.0	**1,36,045.5**
Less: Provision for bad and doubtful debts			
(a)	More than six months	3,266.3	2,334.5
(b)	Others	743.9	612.3
		1,17,011.8	**1,33,098.7**
	Unsecured and considered good	1,17,011.8	1,33,098.7
	Doubtful	4,010.2	2,946.8
		1,21,022.0	**1,36,045.5**

20. Cash and Bank Balances

(₹ in million)

		As at 31st March, 2016	As at 31st March, 2015
(a)	Cash in hand	8.5	10.7
(b)	Cheques, drafts on hand	350.1	553.5
(c)	Remittances in-transit	44.9	44.5
(d)	Balances with banks	65,686.4	85,869.1
Total cash and cash equivalents		**66,089.9**	**86,477.8**
(e)	Earmarked balances with banks	1,065.9	1,021.6
		67,155.8	**87,499.4**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

21. Other Current Assets

(₹ in million)

		As at 31st March, 2016	As at 31st March, 2015
(a)	Interest accrued on investments	19.9	52.8
(b)	Interest accrued on deposits, loans and advances	265.2	361.3
(c)	Others[(1)]	3,949.4	3,660.5
		4,234.5	**4,074.6**

Additional information:

(1) Includes ₹**2,761.8** million (31.03.2015: ₹2,408.4 million) on account of loan issue expenses.

22. Revenue from Operations

(₹ in million)

		Year ended 31st March, 2016	Year ended 31st March, 2015
(a)	Sale of products	11,79,774.3	14,07,082.1
(b)	Sale of power and water	14,047.6	10,997.5
(c)	Income from town, medical and other services	10,363.8	13,055.8
(c)	Other operating income	11,998.5	11,848.2
		12,16,184.2	**14,42,983.6**

23. Other Income

(₹ in million)

		Year ended 31st March, 2016	Year ended 31st March, 2015
(a)	Dividend income		
	(i) Non-current investments	499.5	687.9
	(ii) Current investments	200.2	212.0
(b)	Interest income	1,230.9	1,855.9
(c)	Net gain/(loss) on sale of		
	(i) Other non-current investments	35,075.2	17.3
	(ii) Current investments	1,969.1	4,101.8
(d)	Profit on sale of capital assets (net of loss on assets sold/written off)	402.4	2,001.9
(e)	Gain/(Loss) on cancellation of forwards, swaps and options (net)	(153.7)	(915.0)
(f)	Other miscellaneous income	33.0	–
		39,256.6	**7,961.8**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

24. Employee Benefits Expense

(₹ in million)

		Year ended 31st March, 2016	Year ended 31st March, 2015
(a)	Salaries and wages, including bonus	1,67,381.2	1,82,009.9
(b)	Contribution to provident and other funds	26,451.5	24,636.0
(c)	Staff welfare expenses	5,835.3	7,430.5
		1,99,668.0	**2,14,076.4**

25. Depreciation and Amortisation Expense

(₹ in million)

		Year ended 31st March, 2016	Year ended 31st March, 2015
(a)	Depreciation on tangible assets	47,874.7	55,495.4
(b)	Amortisation of intangible assets	3,129.1	4,156.0
		51,003.8	**59,651.4**
Less: Amount released from specific grants		185.4	215.4
		50,818.4	**59,436.0**

26. Finance Costs

(₹ in million)

		Year ended 31st March, 2016	Year ended 31st March, 2015
(a)	Interest expense		
	(i) Debentures/bonds and fixed loans	45,292.1	49,503.1
	(ii) Others	1,909.0	3,090.1
(b)	Finance charges on finance leases	863.4	688.8
(c)	Other borrowing costs	5,539.3	4,169.6
		53,603.8	**57,451.6**
	Less: Interest capitalised	12,317.4	8,974.1
		41,286.4	**48,477.5**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

27. Other Expenses

(₹ in million)

		Year ended 31st March, 2016	Year ended 31st March, 2015
(a)	Consumption of stores and spares	1,06,671.4	11,8774.7
(b)	Repairs to buildings	4,851.5	5,056.9
(c)	Repairs to machinery	59,626.9	60,252.7
(d)	Relining expenses	1,179.5	1,333.2
(e)	Fuel oil consumed	7,373.2	9,321.0
(f)	Purchase of power	54,335.9	59,132.8
(g)	Conversion charges	18,032.0	17,151.6
(h)	Freight and handling charges	80,454.8	88,114.1
(i)	Rent	40,415.4	40,719.7
(j)	Royalty	10,057.9	9,434.1
(k)	Rates and taxes	12,596.0	12,760.0
(l)	Insurance	3,772.6	4,674.1
(m)	Commission, discounts and rebates	3,409.6	2,981.7
(n)	Provision for wealth tax	0.2	21.2
(o)	Provision for doubtful debts and advances	1,622.4	3,950.3
(p)	Excise duty	(369.2)	1,135.7
(q)	Others(1)(2)	55,023.1	75,797.1
		4,59,053.2	**5,10,610.9**

Additional information:

(1) Includes reversal of provision for impairment losses on fixed assets ₹**40.1** million (2014-15: Provision for impairment loss on fixed assets ₹571.5 million).

(2) Others include revenue expenditure charged to Consolidated Statement of Profit and Loss in respect of Corporate Social Responsibility (CSR) activities undertaken during the year ₹**2,040.5** million [₹2,001.4 million has been paid in cash and ₹39.1 million is yet to be paid in cash] as compared to ₹1,676.0 million for the year ended 31st March, 2015. Capital expenditure incurred during the year in construction of capital assets under CSR projects is ₹**88.2** million [₹84.9 million paid in cash and ₹3.3 million is yet to be paid in cash] as compared to ₹101.5 million for the year ended 31st March, 2015.

28. Exceptional Items

Exceptional items as shown in the Consolidated Statement of Profit and Loss include:

(a) Profit on sale of investments in subsidiaries, joint ventures, associates and other non-current investments by the Group of ₹**1,799.5** million (Previous year: ₹13,153.4 million).

(b) Previous year figure of ₹11,468.6 million present profit on sale of a land at Borivali, Mumbai.

(c) Provision of ₹**729.9** million on account of exposure in Chhattisgarh Project and ₹**177.0** million on account of provision of advances in Tata Steel (KZN) (Pty) Ltd. (Previous year: ₹3,383.0 million) on account of investment exposure in New Millennium Iron Corp.)

(d) Impairment loss recognised in respect of:

(₹ in million)

		Year ended 31st March, 2016	Year ended 31st March, 2015
(i)	Goodwill on consolidation	901.5	12,728.2
(ii)	Tangible and intangible assets (including assets under construction)	96,304.4	47,797.5
Total disclosed as exceptional items, item no. 4(d)		**97,205.9**	**60,525.7**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

28. Exceptional Items (contd.)

During the year the Company has recognised a non-cash write down of fixed assets and inventory of ₹**97,205.9** million. The impairment is primarily due to the external economic environment and macro-economic conditions in each geography of operation, the underlying demand-supply imbalance facing the global steel industry, significant volatility in iron ore and coal prices in the last twelve months and the current long term view of steel and its raw material prices.

The impairment review was performed for cash generating units (CGUs) which were generally taken as legal entities or businesses within the group. The recoverable amount of CGUs and other assets were primarily based on their value in use. The discounting rates used for the value in use calculations were based on the pre-tax weighted average cost of capital and are in the range of 7.00% - 15.50%.

The impairment loss on tangible and intangible assets relate to the following primary business reportable segments, however the same has been shown as an exceptional item and does not form part of segment result for the purpose of segment reporting:

(₹ in million)

	Year ended 31st March, 2016	Year ended 31st March, 2015
Steel	94,879.3	47,491.0
Others	1,425.1	306.5
	96,304.4	**47,797.5**

Impairment on goodwill recognised during the previous year relates to goodwill allocated to CGUs forming part of the steel business segment.

(e) Provisions of ₹**8,800.5** million for demands and claims in relation to the Indian operations.

(f) Provisions of ₹**5,562.5** million being the charge taken of employee seperation scheme in Tata Steel India.

(g) Restructuring and other provision of ₹**71,311.7** million primarily relating to the European operations.

29. Earnings per Share (EPS)

(₹ in million)

		Year ended 31st March, 2016	Year ended 31st March, 2015
(a)	Profit/(Loss) after tax, minority interest and share of profit of associates	(30,493.2)	(39,255.2)
	Less: Dividend on Preference Shares (including tax on dividend)	–	8.0
	Less: Distribution on Hybrid Perpetual Securities (net of tax)	1,740.6	1,756.6
	Profit/(Loss) attributable to Ordinary Shareholders – for Basic EPS	(32,233.8)	(41,019.8)
	Profit/(Loss) attributable to Ordinary Shareholders – for Diluted EPS	(32,233.8)	(41,019.8)
		Nos.	Nos.
(b)	Weighted average no. of Ordinary Shares for Basic EPS	97,01,42,816	97,12,15,416
	Weighted average no. of Ordinary Shares for Diluted EPS	97,01,42,816	97,12,15,416
(c)	Nominal value per Ordinary Share	₹10.00	₹10.00
(d)	Basic earnings per Ordinary Share	₹(33.23)	₹(42.24)
(e)	Diluted earnings per Ordinary Share	₹(33.23)	₹(42.24)[1]

Additional information:

(1) 4.5% Foreign Currency Convertible Bonds are anti-dilutive.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

30. Contingent Liabilities and Commitments

A. CONTINGENT LIABILITIES

(a) Claims not acknowledged by the Company

(₹ in million)

		As at 31st March, 2016	As at 31st March, 2015
(i)	Excise and Service Tax	7,630.7	7,103.6
(ii)	Customs	166.2	165.4
(iii)	Sales Tax and VAT	6,188.6	4,753.4
(iv)	State Levies	6,806.1	5,890.6
(v)	Suppliers and Service Contract	868.3	820.7
(vi)	Labour Related	567.3	540.2
(vii)	Income Tax	3,780.3	3,560.3
(viii)	Royalty	140.1	140.1
(ix)	Others	7,136.9	6,209.2

(b) Claim by a party arising out of conversion arrangement- ₹**1,958.2** million (31.03.2015: ₹1,958.2 million). The Company has not acknowledged this claim and has instead filed a claim of ₹**1,396.5** million (31.03.2015: ₹1,396.5 million) on the party. The matter is pending before the Calcutta High Court.

(c) 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 of 31st March, 2016 would be approximately ₹**55,019.8** million (31.03.2015: ₹48,051.8 million).

(d) Interest expenditure on loans taken for acquisition of a subsidiary has been disallowed in assessments with tax demand raised for ₹**9,580.6** million (31.03.2015: ₹7,150.1 million). Company has deposited ₹**4,150.0** million (31.03.2015: ₹3,400.0 million) as part payment as a precondition to obtain stay of demand. The Company expects to sustain its position on ultimate resolution of the appeals.

(e) 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 quarries pursuant to the judgment and order dated 23rd July, 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 Judgment dated 12th March, 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 Tata Steel in respect of the issues related to Coal royalty, the Hon’ble Supreme Court has pronounced the judgment on 17th March, 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 Tata Steel either to revive the appeals limited to this question or to separately challenge the constitutionality and vires of these Rules.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

30. Contingent Liabilities and Commitments (contd.)

Accordingly, Tata Steel has filed writ petitions challenging the constitutionality and vires of Rules 64B and 64C of MC Rules on 19th May, 2015 at Hon'ble High Court of Jharkhand. Vide it's judgment 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 ₹1,902.5 million, an amount of ₹1,638.0 million has been paid till FY 15 and balance has been provided for. Interest amount of ₹**3,240.6** million (31.03.2015: ₹3,184.5 million) has been considered as contingent liability.

(f) 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 ₹4,110.8 million 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 14th November, 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 13th November, 2014 has stayed the demand of royalty on iron ore for Joda east of ₹3,142.8 million upto the period ending 31st March, 2014. For the demand of ₹968.0 million for April, 2014 to September, 2014, a separate revision application was filed before Mines Tribunal. The matter was heard by Mines Tribunal on 14th July, 2015 and stay was granted on the total demand with directive to Government of Odisha not to take any coercive action for realization of this demanded amount Accordingly, the demand of ₹**4,110.8** million (31.03.2015: ₹4,110.8 million) has been considered as a contingent liability.

(g) In 2008-09, NTT DoCoMo Inc (Docomo) entered into an Agreement with Tata Teleservices Ltd (TTSL) and Tata Sons Limited to acquire 20% of the equity share capital under the primary issue and 6% under the secondary sale from Tata Sons Limited. In terms of the Agreements with Docomo, Tata Sons Limited, inter alia, agreed to provide various indemnities and a Sale Option entitling Docomo to sell its entire shareholding in 2014 at a minimum pre-determined price of ₹58.045 per share if certain performance parameters were not met by TTSL. The minimum pre-determined price represented 50% of the acquisition price of 2008-09. The Agreements are governed by Indian Law.

The Company in 2008-09 had accepted an offer made voluntarily by Tata Sons Limited to all shareholders of TTSL to participate pro-rata in the secondary sale to Docomo together with bearing liabilities, if any, including the Sale Option in proportion of the number of shares sold by the Company to the aggregate Secondary Sale to Docomo. Accordingly, an Inter se Agreement was executed by the Company with Tata Sons and other Selling Shareholders. The Company sold 52,46,590 shares of TTSL to Docomo at ₹116.09 per share, resulting in a profit of ₹497.7 million. The Company is obliged to acquire 2,58,83,846 shares of TTSL in the above proportion in the event the Sale Option is exercised by Docomo.

Docomo has exercised the Sale Option in July 2014 and has called upon Tata Sons Limited to acquire its entire shareholding in TTSL at the pre-determined price of ₹58.045 per share. Tata Sons Limited has in turn informed the Company that they may be called upon to acquire 2,58,83,846 shares, in terms of its original offer to the Company and the inter-se agreement to participate in the Secondary Sale.

Tata Sons have also informed the Company that the Reserve Bank of India have not permitted acquisition of the shares at the pre-determined price and have advised that the acquisition can only be made at Fair Market Value (FMV) prevailing at the time of the acquisition. Docomo reiterated its position that the shares be acquired at minimum pre-determined price of 50% of the acquisition price in 2008-09.

Docomo had initiated Arbitration in the matter before the LCIA, London. The evidentiary hearing was completed on 6th May 2016. The arbitral award is awaited.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

30. Contingent Liabilities and Commitments (contd.)

The liability, if any, to the extent of the difference between the amount sought by Docomo and the Fair Market Value is dependent upon the outcome of the Arbitration and prevailing FEMA Regulations.

(h) Bills discounted ₹**4,133.5** million (31.03.2015: ₹4,811.7 million).

B. COMMITMENTS

(₹ in million)

	31.03.2016	31.03.2015
(a) Capital Commitments		
Estimated amount of contracts remaining to be executed on Capital account and not provided for	80,189.0	83,087.8
(b) Other Commitments		
(i) Export obligation against import of capital goods under EPCG Scheme	2,53,549.6	2,51,304.2
(ii) Uncalled liability on partly paid shares and debentures	0.1	0.1

31. The Company has given undertakings to: (a)IDBI not to dispose of its investment in Wellman Incandescent India Ltd., (b) IDBI and ICICI Bank Limited (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 at least 51 % shareholding in Jamshedpur Continuous Annealing & Processing Company Private Limited, (e) Sumitomo Mitsui Banking Corporation not to dispose of the management control in Tata Metaliks DI Pipes Limited (Formerly known as Tata Metaliks Kubota Pipes Limited) held through Tata Metaliks Ltd. so long as the dues to Sumitomo Mitsui Banking Corporation is subsisting.

The Company has furnished a security bond in respect of its immovable property to the extent of ₹200 million 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.

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%.

The Company, as a promoter, has pledged 4,41,55,800 equity shares of Industrial Energy Limited with Infrastructure Development Finance Corporation Limited.

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 Bhubhaneshwar 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.

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. .

The Group has given guarantees aggregating ₹**6,507.3** million (31.03.2015: ₹6,310.9 million) on behalf of others.

32. Odisha legislative assembly issued an amendment to Indian Stamp Act on 9th May, 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 5th July, 2013. The Hon'ble High Court, Cuttack passed an order

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

on 9th July, 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 ₹**55,790** million. 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 31st March, 2030 in respect of eight mines and up to 31st March, 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 31st March, 2016 as per the existing provisions of the Stamp Act 1899 and the Company has since paid the stamp duty and registration charges totalling ₹3,530.8 million for supplementary deed execution in respect of eight mines out of the above mines.

33. Demand notices have been raised by Deputy Director of Mines, Odisha amounting to ₹**38,280** million 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 ₹**38,280** million and directed the State that no coercive action should be taken for recovery of demand.

Based on the judgment of Hon'ble High court of Jharkhand on 11th December, 2014 in the matter of our writ petition 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 31st December, 2014. Express Order also held that the mining operation carried out between 1st January, 2012 to 31st August, 2014 to be unlawful and computed an amount of ₹35,680 million on account of such alleged unlawful mining. The Mines and Minerals Development and Regulation (MMDR) Amendment Ordinance 2015 promulgated on 12th January, 2015 provides for renewal of the above mines.

Based on the new Ordinance, Jharkhand Government revised the Express Order on 12th February, 2015 for lease renewal up to 31st March, 2030 with following terms and conditions:

- Value of Iron Ore produced by alleged unlawful mining during the period 1.1.12 to 20.04.2014 for ₹29,944.9 million to be decided on the basis of disposal of our writ petition before Hon'ble High Court of Jharkhand.
- Value of Iron Ore produced from 21.4.2014 to 17.7.2014 amounting to ₹4,218.3 million to be paid in maximum 3 installments.
- Value of Iron Ore produced from 18.7.2014 to 31.08.2014 i.e. ₹1,520 million to be paid immediately.

The Company paid ₹**1,520** million under protest. District Mining Officer Chaibasa on 16th March, 2015 has issued demand note for payment of ₹4,218.3 million, payable in three monthly installments. The Company replied on 20th March, 2015, since the lease has been extended till 31st March, 2030, the above demand is not tenable. The Company paid ₹500 million under protest on 27th July, 2015.

A writ petition was filed before Hon'ble High Court of Jharkhand and heard on 9th September, 2015. An interim order has been given by Hon'ble High Court of Jharkhand on 18th September, 2015 wherein court has directed the company to pay outstanding amount of ₹ 3,718.3 million in 3 equal installments, first installment by 15th October, 2015, second installment by 15th November, 2015 and third installment by 15th December, 2015.

In view of the order of Hon'ble High Court of Jharkhand ₹1,240 million was paid on 28th September, 2015, ₹1,240 million was paid on 12th November, 2015 and ₹1,238.3 million on 14th December, 2015 under protest.

34. In Financial Year 2014-15, the Income Tax department had reopened assessments of earlier years on account of excess mining and raised cumulative demand for ₹**10,860** million. During the current financial year, 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 31st March, 2016 is **Nil** (31.03.2015: ₹10,860 million).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

35. The significant notes appearing in the accounts of Indian Steel & Wire Products Ltd. are given below:
As per clause 6.12 (xiii) of BIFR Order dated 21st November, 2003 for all liabilities not disclosed in the audited Balance Sheet for the year ended 31st March, 2002 including notes on accounts as then would be the personal responsibility of the erstwhile promoters to discharge. In view of the above, the following liabilities which were not disclosed in the said Balance Sheet including the notes on accounts, have not been provided for or recognised in the accounts for Financial Years 2003-04 to 2015-16.

(₹ in million)

Particulars	**31.03.2016**	**31.03.2015**
Show cause notices/Demand raised by Central Excise Authorities (Under Appeal)*	3.0	3.0
Employee State Insurance demand (Under Appeal)	14.9	14.9
Leave liability for ex-employees	3.3	3.3
Labour court cases	0.1	0.1
Railway dues	0.4	0.4
Power dues	62.1	62.1
Liability for loan for Learjet Aircraft purchase	14.9	14.9
Wealth tax	39.0	39.0

* The items of contingent liability indicated above are not exhaustive and any other liability which may come to the notice of the present management would also be the personal liability of the erstwhile promoters.

36. In one of the subsidiaries, in terms of the License Agreement dated 29th January, 2002 with Board of Trustees for the Port of Kolkata, the subsidiary is required to invest in equipment and infrastructure as follows:

		Phasing of Investment (₹ in million)			
Purpose of Investment		**Within 18 months**	**Within 24 months**	**Within 36 months**	**Total**
1.	For procurement of equipment for ship to shore	230.6	28.5	–	259.1
2.	Storage of cargo	–	17.4	12.0	29.4
3.	Office building, workshop etc.	–	7.5	2.5	10.0
4.	Utility Services	–	2.2	–	2.2
		230.6	**55.6**	**14.5**	**300.7**

As at 31st March, 2016, the subsidiary's investments in equipments and infrastructure aggregate to ₹**258.0** million (31.03.2015: ₹258.0 million). The management of the subsidiary company has requested the Port Trust Authorities for suitable modification to the investment obligation in view of the changes in the business and economic scenario. The Port Trust Authorities have, subject to sanction of Government of India approved the changes proposed by the subsidiary in the specifications of the equipments and other required infrastructure.

37. The Company has entered into a Conditional Share Purchase Agreement with Greybull Partners on 11th April, 2016 for a strategic divestment of its long products business in Europe. Accordingly, Long Products has been considered as a continuing business as at 31st March, 2016.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

38. The effect of acquisition and disposal of subsidiaries on the financial position and results as included in the consolidated financial statements as at and for the year ended 31st March, 2016 are given below:

(₹ in million)

	Disposal	Acquisition
EQUITY AND LIABILITIES		
Share Capital	98.1	13.3
Reserves and surplus	(97.4)	282.8
Trade payables	–	0.1
	0.7	**296.2**
ASSETS		
Non current investments	–	66.9
Long-term loans and advances	–	1.4
Current investments	–	227.2
Trade receivables	0.6	–
Cash and cash equivalents	–	0.7
Other current assets	0.1	–
	0.7	**296.2**
REVENUE		
Other Income	0.1	–
EXPENSES		
Manufacturing and other expenses	0.1	–
PROFIT/(LOSS) BEFORE TAX	–	–

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

39. In respect of joint ventures directly owned by the Company, the contingent liabilities and capital commitments are as follows:

Name of the Joint Ventures	Country of Incorporation	Percentage of Holding	Contingent Liabilities (₹ in million)	Capital Commitment (₹ in million)
mjunction services limited	India	50%	**20.8**	**11.3**
			–	14.9
Tata BlueScope Steel Limited	India	50%	**287.9**	**0.7**
			343.5	0.2
Tata NYK Shipping Pte Ltd.	Singapore	50%	**–**	**–**
			–	–
Bhubaneshwar Power Private Limited	India	26%	**56.5**	**–**
			7.3	162.8
S & T Mining Company Private Limited	India	50%	**–**	**–**
			–	0.7
Himalaya Steel Mill Services Private Limited	India	26%	**–**	**–**
			–	–

40. Revenue expenditure charged to Consolidated Statement of Profit and Loss in respect of research and development activities undertaken during the year is ₹**6,287.1** million (2014-15: ₹5,355.1 million).

41. Leases

The break-up of total minimum lease payments for operating lease due as on 31st March, 2016, entered into by the Group and its joint ventures are as follows:

(₹ in million)

Period	As at 31st March, 2016	As at 31st March, 2015
Not later than one year	9,636.3	11,600.3
Later than one year but not later than five years	32,388.3	37,450.6
Later than five years	30,340.5	38,194.9
Total	**72,365.1**	**87,245.8**

The total charge to the Consolidated Statement of Profit and Loss for the year on account of operating lease is ₹**10,741.4** million (2014-15: ₹12,023.5 million).

The Group and its joint ventures have taken certain plant and machinery on finance lease, having an aggregate cost of ₹**20,267.6** million (31.03.2015: ₹17,675.6 million). The break-up of total minimum lease payments due as on 31st March, 2016 and their corresponding present value are as follows:

(₹ in million)

	As at 31st March, 2016		As at 31st March, 2015	
Period	**Minimum Lease Payments**	**Present Value**	**Minimum Lease Payments**	**Present Value**
Not later than one year	2,208.6	1,536.7	1,739.7	1,256.0
Later than one year but not later than five years	7,987.3	5,910.3	6,157.3	4,499.2
Later than five years	6,580.9	4,394.5	6,430.4	4,172.3
Total	**16,776.8**	**11,841.5**	**14,327.4**	**9,927.5**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

42. Employee Benefits

(a) The Group has recognised, in the Consolidated Statement of Profit and Loss for the current year, an amount of ₹**8,469.4** million (2014-15: ₹4,396.4 million) as expenses under the following defined contribution plans:

(₹ in million)

Benefit (Contribution to)	Year ended 31st March, 2016	Year ended 31st March, 2015
Provident Fund	2,727.6	2,742.3
Superannuation Fund	355.1	423.1
Employees Pension Scheme/Coal Mines Pension Scheme	5,149.0	1,024.6
TISCO Employees Pension Scheme	234.9	202.5
Employees State Insurance	2.8	3.9
	8,469.4	**4,396.4**

(b) The Group operates post retirement defined benefit plans as follows:

Funded
- Post Retirement Gratuity
- Post Retirement Pension Plan

Unfunded
- Post Retirement Medical Benefits
- Other Post Retirement Benefits
  (includes Pension to Directors, Farewell Gifts, Packing and Transportation Expenses etc.)

(c) Details of the post retirement gratuity plan are as follows:

(₹ in million)

Description	Year ended 31st March, 2016	Year ended 31st March, 2015
(i) Reconciliation of opening and closing balances of obligation		
Obligation as at the beginning of the year	27,526.7	21,539.9
Current service cost	1,302.8	982.2
Interest cost	2,010.5	1,881.8
Actuarial (gain)/loss	775.2	5,465.0
Exchange rate difference	0.9	0.6
Obligation of companies sold	–	(4.2)
Past service cost	–	(0.3)
Benefits paid	(3,175.8)	(2,338.3)
Settlement and Curtailment	6.8	–
Obligation as at the end of the year	**28,447.1**	**27,526.7**

The defined benefit obligation as at 31st March, 2016 is funded except in the case of Tata BlueScope Steel Limited, S & T Mining Company Private Limited, NatSteel Holdings Pte. Ltd., Himalaya Steel Mill Services Private Limited and Tata Steel (Thailand) Public Company Ltd.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

42. Employee Benefits (contd.)

(₹ in million)

Description		Year ended 31st March, 2016	Year ended 31st March, 2015
(ii)	**Reconciliation of opening and closing balances of plan assets**		
	Fair value of plan assets as at the beginning of the year	21,685.7	20,176.9
	Expected return on plan assets	1,845.6	1,586.4
	Actuarial gain/(loss)	406.2	808.0
	Employers' Contributions	5,813.6	1,453.2
	Plan assets of companies sold	–	(2.6)
	Benefits paid	(3,169.7)	(2,336.2)
	Fair value of plan assets as at the end of the year	**26,581.4**	**21,685.7**
(iii)	**Reconciliation of fair value of assets and obligations**		
	Fair value of plan assets as at the end of the year	26,581.4	2,1685.7
	Present value of obligation as at the end of the year	2,8447.1	2,7526.7
	Amount recognised in the Balance Sheet	1865.7	5841.0
	- Provisions	1872.4	5847.7
	- Loans and advances	(6.7)	(6.7)
(iv)	**Expenses recognised in the year**		
	Current service cost	1302.8	982.2
	Interest cost	2010.5	1881.8
	Expected return on plan assets	(1845.6)	(1586.4)
	Actuarial (gain)/loss	369.0	4657.0
	Past Service Cost	–	(0.2)
	Expense recognised during the year*	**1836.7**	**5934.4**
		31.03.2016	31.03.2015
		%	%
(v)	**Investment details**		
	Government securities	9.00	11.00
	Public Sector unit bonds	6.00	9.00
	Central/State Government Guaranteed securities	7.00	8.00
	Private sector unit bonds	7.00	9.00
	Others (including funds with LIC and bank balances)	71.00	63.00
		100.00	**100.00**
(vi)	**Assumptions**		
	Discount rate (per annum)	0.51-7.90%	0.51-7.90%
	Expected Return on Plan Assets (per annum)	3.02-9.25%	3.02-9.25%
	Rate of escalation in salary (per annum)	5.00-10.00%	5.00-10.00%
(vii)	**Other Disclosures**		
	Experience adjustment on plan liabilities - gain/(loss)	(750.4)	(2,729.8)
	Experience adjustment on plan assets - gain/(loss)	406.4	808.0

* Includes impact of **Nil** (2014-15: ₹2,445.7 million**)** on account of arrear wage settlement, provision for which was included under salaries and wages including bonus.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

42. Employee Benefits (contd.)

The basis used to determine overall expected rate of return on assets and the effect on major categories of plan assets is as follows:

The major portions of the assets are funded with LIC, invested in PSU bonds and Government securities. Based on the asset allocation and prevailing yield rates on these asset classes, the long-term estimate of the expected rate of return on the fund assets have been arrived at. Assumed rate of return on assets is expected to vary from year to year reflecting the returns on matching Government bonds.

(d) Details of post retirement pension plans are as follows:

(₹ in million)

Description		Year ended 31st March, 2016	Year ended 31st March, 2015
(i)	**Reconciliation of opening and closing balances of obligation**		
	Obligation as at the beginning of the year	18,67,212.0	18,27,238.2
	Current service cost	13,629.4	18,126.4
	Interest cost	44,908.2	70,732.3
	Actuarial (gain)/loss	(78,148.2)	2,54,557.6
	Exchange rate difference	80,961.8	(2,19,805.0)
	Settlements and curtailments	(5,65,373.0)	(886.6)
	Benefits paid	(70,009.8)	(84,425.6)
	Employee contribution	2,745.5	5,221.2
	Past service cost	(88,345.7)	(3,546.5)
	Obligation as at the end of the year	**12,07,580.2**	**18,67,212.0**
(ii)	**Reconciliation of opening and closing balances of plan assets**		
	Fair value of plan assets as at the beginning of the year	18,58,993.8	18,51,095.2
	Expected return on plan assets	55,497.9	83,440.5
	Actuarial gain/(loss)	(66,228.1)	2,04,046.7
	Employees' Contributions	2,745.5	5,221.2
	Employers' Contributions	15,786.5	18,816.0
	Settlements and curtailments	(5,61,843.1)	(197.0)
	Benefits paid	(70,009.8)	(84,425.6)
	Exchange rate difference	77,003.3	(2,19,003.2)
	Net fair value of plan assets as at the end of the year	**13,11,946.0**	**18,58,993.8**
(iii)	**Reconciliation of fair value of assets and obligations**		
	Fair value of plan assets as at the end of the year	13,11,946.0	18,58,993.8
	Present value of obligation as at the end of the year	12,07,580.2	18,67,212.0
	Amount recognised in the Balance Sheet - asset	1,04,365.8	(8,218.2)
	- Provisions	(6,339.5)	(15,268.9)
	- Loans and advances	1,10,705.3	7,050.7
(iv)	**Expenses recognised in the year**		
	Current service cost	13,629.4	18,126.4
	Interest cost	44,908.2	70,732.3
	Expected return on plan assets	(55,497.9)	(83,440.5)
	Actuarial (gain)/loss[(1)]	(11,920.1)	50,510.9
	Past service cost	(88,345.7)	(3,546.5)
	Settlements and curtailments	(3,529.9)	(689.6)
	Expense recognised during the year	**(1,00,756.0)**	**51,693.0**
		31.03.2016	31.03.2015

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

42. Employee Benefits (contd.)

(₹ in million)

Description		Year ended 31st March, 2016	Year ended 31st March, 2015
		%	%
(v)	**Investment details**		
	Equities	27.00	30.00
	Bonds	62.00	55.00
	Property	10.00	8.00
	Others (including bank balances)	1.00	7.00
		100.00	**100.00**
(vi)	**Assumptions**		
	Discount rate (per annum)	0.40-4.10%	0.80-3.85%
	Expected Return on Plan Assets (per annum)	1.55-5.50%	1.40-7.40%
	Rate of escalation in salary (per annum)	1.00-2.00%	1.00-2.95%
(vii)	**Other Disclosures**		
	Experience adjustment on plan liabilities - gain/(loss)	25,787.9	10,146.8
	Experience adjustment on plan assets - gain/(loss)	(66,283.8)	2,04,020.4

(e) Details of the unfunded post retirement defined benefit obligation are as follows:

(₹ in million)

Description		2015-16		2014-15	
		Medical	Others	Medical	Others
(i)	**Reconciliation of opening and closing balances of obligation**				
	Obligation as at the beginning of the year	10,674.7	11,109.3	8,006.3	10,558.2
	Current/Employer service cost	182.2	330.2	114.9	338.4
	Interest cost	807.1	288.6	718.2	283.0
	Plan amendment cost/(credit)	–	–	–	25.6
	Actuarial (gain)/loss	(161.1)	(356.4)	2,308.7	2,219.2
	Past service cost	–	–	–	(68.9)
	Exchange rate difference	–	861.9	–	(1,826.0)
	Benefits paid	(524.1)	(517.6)	(473.4)	(420.2)
	Obligation as at the end of the year	**10,978.8**	**11,716.0**	**10,674.7**	**11,109.3**
(ii)	**Expenses recognised in the year**				
	Current/Employer service cost	182.2	330.2	114.9	338.4
	Interest cost	807.1	288.6	718.2	283.0
	Past service cost	–	–	–	(68.9)
	Actuarial (gain)/loss	(161.1)	(356.4)	2,308.7	2,219.2
	Expense recognised during the year	**82.82**	**26.24**	**314.18**	**277.17**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

42. Employee Benefits (contd.)

(₹ in million)

Description		2015-16		2014-15	
		Medical	Others	Medical	Others
(iii)	**Assumptions**				
	Discount rate (per annum) as at the beginning of the year	7.75-7.90%	3.75-9.25%	8.10-9.25%	3.75-9.25%
	Discount rate (per annum) as at the end of the year	7.75-7.90%	3.75-9.25%	7.75-7.90%	3.75-9.25%
	Medical costs inflation rate	5.00-8.00%		5.00-8.00%	
	Average medical cost (₹/person) at the beginning of the year	8,748.00		7,927.00	
	Average medical cost (₹/person) at the end of the year	9,366.00		8,748.00	
	Effect of a 1% change in health care cost on				
	Increase				
	- aggregate current service and interest cost	(122.1)		153.8	
	- closing balance of obligation	1,926.8		1,916.0	
	Decrease				
	- aggregate current service and interest cost	(338.9)		(87.4)	
	- closing balance of obligation	(1,148.0)		(1,097.4)	
(iv)	**Other Disclosures**				
	Experience adjustment on plan liabilities - gain/(loss)	147.1	377.7	(414.2)	(1,639.6)

(1) The Consolidated Statement of Profit and Loss includes the consolidated results of Tata Steel Europe Limited and its subsidiaries whose income contributes 56% of the consolidated total revenue. The pension and other post retirement defined benefit liability of Tata Steel Europe Limited is computed and accounted for in accordance with International Financial Reporting Standards (IFRS)/IND AS. IFRS/IND AS permits the impact of changes in the assets and liabilities, inter alia, due to assumption of variables like bond yield rates, inflation and demographic assumptions to be accounted for in "Reserves and Surplus". This practice is consistently followed by Tata Steel Europe Limited. The Accounting Standard (AS-15) – "Employee Benefits" is different from the above and requires such changes to be accounted for in the Statement of Profit and Loss. Given the large share of Tata Steel Europe Limited in the Consolidated Statement of Profit and Loss of the Company, and the potential volatility caused by periodic changes in the assumptions underlying the computation of the liabilities, it is not considered practicable to adopt a common accounting policy for accounting of the actuarial gains/losses in respect of the pension and other post retirement defined benefit liability of the Company and Tata Steel Europe Limited. Accordingly the actuarial gain of ₹**12,312.3** million (2014-15: actuarial loss of ₹52,579.7 million) recognised in Tata Steel Europe Limited has been accounted in "Reserves and Surplus" in the consolidated financial statements in accordance with IFRS principles and as permitted by Accounting Standard 21 – "Consolidated Financial Statements". Had the Company followed the practice of recognising changes in actuarial valuations in respect of the pension and other post retirement benefit plans of Tata Steel Europe Limited, in the Consolidated Statement of Profit and Loss, the Loss after tax, minority interest and share of profit of associates would have been lower by ₹**12,312.3** million (2014-15: the Loss after tax, minority interest and share of profit of associates would have been higher by ₹52,579.7 million).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

43. Segment Reporting

PRIMARY SEGMENT INFORMATION (BUSINESS SEGMENT)

(₹ in million)

Particulars	Business Segments		Unallocable	Eliminations	Total
	Steel	Others			
Segment revenue					
External revenue	**10,82,012.2**	**87,638.6**	**1,865.1**	**–**	**11,71,515.9**
	12,87,806.7	99,119.0	8,111.6	–	13,95,037.3
Inter segment revenue	**43,146.9**	**20,402.1**	**5,881.1**	**(69,430.1)**	**–**
	56,264.0	25,079.8	6,369.8	(87,713.6)	–
Total revenue	**11,25,159.1**	**1,08,040.7**	**7,746.2**	**(69,430.1)**	**11,71,515.9**
	13,44,070.7	1,24,198.8	14,481.4	(87,713.6)	13,95,037.3
Segment results before finance costs, exceptional items and tax	**40,354.5**	**162.0**	**84,567.8**	**(60,789.6)**	**64,294.7**
	95,007.8	276.5	52,050.2	(73,451.2)	73,883.3
Less: Finance costs					**41,286.4**
					48,477.5
Profit before tax and exceptional items					**23,008.3**
					25,405.8

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in million)

Particulars	Business Segments		Unallocable	Eliminations	Total
	Steel	Others			
Exceptional Items					
(a) Profit/(loss) on sale of non-current investments					**1,799.5**
					13,153.4
(b) Provision for diminution in the value of investments					**(1,291.0)**
					(3,383.0)
(c) Provision for impairment of non-current assets					**(97,205.9)**
					(60,525.7)
(d) Profit on sale of non-current assets					**–**
					11,468.6
(e) Provision for demands and claims					**(8,800.5)**
					–
(f) Employee separation compensation					**(5,562.5)**
					–
(g) Restructuring and other provisions					**71,311.7**
					–
Profit before tax					**(16,740.4)**
					(13,880.9)
Tax expense					**15,049.6**
					25,674.1
Profit after tax					**(31,790.0)**
					(39,555.0)
Segment assets	**11,55,199.4**	**60,093.2**	**2,45,193.1**	**(33,145.8)**	**14,27,339.9**
	12,55,406.3	63,386.4	1,42,307.7	(38,633.0)	14,22,467.4
Segment liabilities	**2,34,784.3**	**34,348.6**	**1,74,443.5**	**(36,438.1)**	**4,07,138.3**
	2,07,864.6	35,637.9	1,90,986.4	(38,295.3)	3,96,193.6
Capital expenditure	**1,41,408.7**	**3,313.3**	**–**	**–**	**1,44,722.0**
	1,35,929.1	4,245.0	–	–	1,40,174.1
Segment depreciation	**46,733.4**	**2,210.2**	**1,874.8**	**–**	**50,818.4**
	54,756.3	2,715.5	1,964.2	–	59,436.0
Non-cash expenditure other than depreciation	**1,978.7**	**238.6**	**–**	**–**	**2,217.3**
	4,674.1	149.4	(9.9)	–	4,813.6

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

43. Segment Reporting (contd.)

PRIMARY SEGMENT INFORMATION (BUSINESS SEGMENT)

SECONDARY SEGMENT INFORMATION (GEOGRAPHICAL SEGMENT)

(₹ in million)

	Year ended 31st March, 2016	Year ended 31st March, 2015
Segment Revenue		
– Within India	4,01,016.6	4,44,521.6
– Outside India	7,70,499.3	9,50,515.7
	11,71,515.9	**13,95,037.3**
Capital Expenditure		
– Within India	66,334.2	81,315.9
– Outside India	78,387.8	58,858.2
	1,44,722.0	**1,40,174.1**
Segment Assets		
– Within India	7,41,158.4	7,01,085.6
– Outside India	6,86,181.5	7,21,381.8
	14,27,339.9	**14,22,467.4**

Additional information:

(1) The Group has disclosed Business Segment as the primary segment. Segments have been identified taking into account the nature of the products, the differing risks and returns, the organisational structure and internal reporting system. The Company's operations predominantly relate to manufacture of Steel. Other business segments comprise of Tubes, Bearings, Refractories, Pigments, Port operations, Town services etc.

(2) Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis. The expenses, which are not directly relatable to the business segment, are shown as unallocated corporate cost. Assets and liabilities that cannot be allocated between the segments are shown as unallocated corporate assets and liabilities respectively.

(3) Unallocable assets and liabilities exclude.

(₹ in million)

	As at 31st March, 2016	As at 31st March, 2015
Assets		
Non-current investments	20,836.0	20,804.3
Current investments	46,911.9	13,746.2
Goodwill on consolidation	1,37,193.8	1,34,075.1
Deferred tax assets	218.5	227.5
	2,05,160.2	**1,68,853.1**
Liabilities		
Long-term borrowings	6,83,540.9	6,56,752.0
Short-term borrowings	1,54,498.8	95,985.5
Current maturities of long-term borrowings	23,998.1	54,275.4
Hybrid perpetual securities	22,750.0	22,750.0
Provision for employee separation compensation	9,994.3	5,786.3
Deferred tax liabilities	29,048.8	28,845.1
Preference shares issued by subsidiary companies	200.0	200.0
Minority interest	16,542.4	17,038.5
	9,40,573.3	**8,81,632.8**

(4) Transactions between segments are primarily for materials which are transferred at market determined prices and common costs are apportioned on a reasonable basis.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

44. Related Party Disclosures

LIST OF RELATED PARTIES AND RELATIONSHIPS

A. Associate of:

i) Tata Steel Limited

1. Industrial Energy Limited
2. Jamipol Limited
3. Kalinga Aquatics Ltd.
4. Kumardhubi Fireclay & Silica Works Ltd.
5. Kumardhubi Metal Casting and Engineering Limited
6. Nicco Jubilee Park Limited
7. Rujuvalika Investments Limited^*
8. Strategic Energy Technology Systems Private Limited
9. Tata Construction & Projects Ltd.
10. TRL Krosaki Refractories Limited
11. TRF Limited
12. Malusha Travels Pvt Ltd.
13. Mohar Export Services Pvt. Ltd^*

ii) T Steel Holdings Pte. Ltd.

a) T S Global Holdings Pte Ltd.

I. Tata Steel International (Singapore) Holdings Pte. Ltd.

1. European Profiles (M) Sdn. Bhd.

II. Tata Steel Europe Limited

1. Albi Profils SRL
2. Appleby Frodingham Cottage Trust Limited
3. GietWalsOnderhoudCombinatie B.V.
4. Hoogovens Court Roll Service Technologies VOF
5. Hoogovens Gan Multimedia S.A. De C.V.
6. ISSB Limited
7. Wupperman Staal Nederland B.V.

III. T S Global Minerals Holdings Pte Ltd.

1. New Millennium Iron Corp.

iii) Indian Steel & Wire Products Ltd.

1. Metal Corporation of India Limited

B. Joint Ventures of:

i) Tata Steel Ltd.

1. Bhubaneshwar Power Private Limited
2. Himalaya Steel Mill Services Private Limited
3. mjunction services limited
4. S & T Mining Company Private Limited
5. Tata BlueScope Steel Limited
6. Tata NYK Shipping Pte Ltd.

ii) T Steel Holdings Pte. Ltd.

a) T S Global Holdings Pte Ltd.

I. NatSteel Holdings Pte. Ltd.

1. TVSC Construction Steel Solutions Limited

II. Tata Steel Europe Limited

1. Afon Tinplate Company Limited
2. Air Products Llanwern Limited
3. BSR Pipeline Services Limited
4. Caparo Merchant Bar Plc
5. Corus Kalpinis Simos Cladding Industry SA
6. Danieli Corus Technical Services B.V.*
7. Fabsec Limited
8. Industrial Rail Services IJmond B.V.
9. Laura Metaal Holding B.V.
10. Norsk Stal AS*
11. Ravenscraig Limited
12. Redcar Bulk Terminal Limited
13. Tata Elastron Steel Service Center SA
14. Tata Steel Ticaret AS
15. Texturing Technology Limited

III. T S Global Minerals Holdings Pte Ltd.

1. Minas De Benga (Mauritius) Limited

C. Promoters holding together with its subsidiary is more than 20%

Tata Sons Limited

D. Key Managerial Personnel

* Part of the year
^ Became subsidiary during the year

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

44. Related Party Disclosures (contd.)

RELATED PARTY TRANSACTIONS

Dr. Karl-Ulrich Koehler – Managing Director and Chief Executive Officer, Tata Steel Europe Limited*

Mr. Koushik Chatterjee – Group Executive Director (Finance & Corporate), Tata Steel Limited

Mr. T. V. Narendran – Managing Director (India & South East Asia), Tata Steel Limited

(₹ in million)

Transactions	Associates and JVs#	Key Management Personnel	Relatives of Key Management Personnel	Promoter	Total
Purchase of Goods					
GietWalsOnderhoudCombinatie B. V.	**944.8**	**–**	**–**	**–**	**944.8**
	986.6	–	–	–	986.6
Wupperman Staal Nederland B.V.	**1,693.9**	**–**	**–**	**–**	**1,693.9**
	1,450.3	–	–	–	1,450.3
TRL Krosaki Refractories Limited	**1,882.5**	**–**	**–**	**–**	**1,882.5**
	1,923.9	–	–	–	1,923.9
Jamipol Limited	**1,007.8**	**–**	**–**	**–**	**1,007.8**
	1,367.3	–	–	–	1,367.3
Others	**2,940.1**	**–**	**–**	**–**	**2,940.1**
	6,620.0	–	–	–	6,620.0
	8,469.1	**–**	**–**	**–**	**8,469.1**
	12,348.1	–	–	–	12,348.1
Sale of Goods					
Tata BlueScope Steel Limited	**7,079.2**	**–**	**–**	**–**	**7,079.2**
	8,230.9	–	–	–	8,230.9
Caparo Merchant Bar Plc	**4,173.0**	**–**	**–**	**–**	**4,173.0**
	4,038.2	–	–	–	4,038.2
Laura Metaal Holding B.V.	**4,064.6**	**–**	**–**	**–**	**4,064.6**
	4,855.9	–	–	–	4,855.9
Wupperman Staal Nederland B.V.	**6,153.1**	**–**	**–**	**–**	**6,153.1**
	6,798.6	–	–	–	6,798.6
Others	**3,092.6**	**–**	**–**	**–**	**3,092.6**
	3,803.9	–	–	–	3,803.9
	24,562.5	**–**	**–**	**–**	**24,562.5**
	27,727.5	–	–	–	27,727.5
Receiving of Services					
Industrial Energy Limited	**4,581.8**	**–**	**–**	**–**	**4,581.8**
	5,163.7	–	–	–	5,163.7
Tata NYK Shipping Pte Ltd.	**4,327.5**	**–**	**–**	**–**	**4,327.5**
	5,227.8	–	–	–	5,227.8
Others	**1,225.7**	**–**	**–**	**48.1**	**1,273.8**
	1,453.3	–	–	19.3	1,472.6
	10,135.0	**–**	**–**	**48.1**	**10,183.1**
	11,844.8	–	–	19.3	11,864.1

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

44. Related Party Disclosures (contd.)

RELATED PARTY TRANSACTIONS

(₹ in million)

Transactions	Associates and JVs#	Key Management Personnel	Relatives of Key Management Personnel	Promoter	Total
Rendering of Services					
Tata BlueScope Steel Limited	**587.7**	**–**	**–**	**–**	**587.7**
	223.5	–	–	–	223.5
Others	**144.5**	**–**	**–**	**1.4**	**145.9**
	199.0	–	–	0.8	199.8
	732.2	**–**	**–**	**1.4**	**733.6**
	422.5	–	–	0.8	423.3
Dividend Paid					
Tata Sons Limited	**–**	**–**	**–**	**2,311.2**	**2,311.2**
	–	–	–	2,889.0	2,889.0
Others	**–**	*****	*******	**–**	**–**
	11.7	**	****	–	11.7
	–	*****	*******	**2,311.2**	**2,311.2**
	11.7	**	****	2,889.0	2,900.7
Dividend Income					
Industrial Energy Limited	**163.5**	**–**	**–**	**–**	**163.5**
	173.2	–	–	–	173.2
Tata Sons Limited	**–**	**–**	**–**	**297.0**	**297.0**
	–	–	–	99.0	99.0
Others	**333.9**	**–**	**–**	**–**	**333.9**
	670.9	–	–	–	670.9
	497.4	**–**	**–**	**297.0**	**794.4**
	844.1	–	–	99.0	943.1
Interest Income					
Industrial Energy Limited	**17.9**	**–**	**–**	**–**	**17.9**
	97.9	–	–	–	97.9
Others	**–**	**–**	**–**	**–**	**–**
	94.5	–	–	–	94.5
	17.9	**–**	**–**	**–**	**17.9**
	192.4	–	–	–	192.4
Interest Expenses					
New Millenium Iron Corp.	**9.4**	**–**	**–**	**–**	**9.4**
	18.6	–	–	–	18.6
Tata Elastron Steel Service Center SA	**3.7**	**–**	**–**	**–**	**3.7**
	3.9	–	–	–	3.9
	13.1	**–**	**–**	**–**	**13.1**
	22.5	–	–	–	22.5
Management Contracts					
Tata Sons Limited	**–**	**–**	**–**	**1,454.1**	**1,454.1**
	–	–	–	1,706.9	1,706.9
	–	**–**	**–**	**1,454.1**	**1,454.1**
	–	–	–	1,706.9	1,706.9
Finance Provided					
Industrial Energy Limited	**96.7**	**–**	**–**	**–**	**96.7**
	769.1	–	–	–	769.1
Bhubaneshwar Power Private Limited	**137.7**	**–**	**–**	**–**	**137.7**
	219.5	–	–	–	219.5

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

44. Related Party Disclosures (contd.)

RELATED PARTY TRANSACTIONS

(₹ in million)

Transactions	Associates and JVs#	Key Management Personnel	Relatives of Key Management Personnel	Promoter	Total
Tata Elastron Steel Service Center SA	**75.3**	**–**	**–**	**–**	**75.3**
	67.4	–	–	–	67.4
Others	**9.1**	**–**	**–**	**–**	**9.1**
	1,017.7	–	–	–	1,017.7
	318.8	**–**	**–**	**–**	**318.8**
	2,073.7	–	–	–	2,073.7
Purchase of Investment					
TRF Limited	**81.5**	**–**	**–**	**–**	**81.5**
	–	–	–	–	–
	81.5	**–**	**–**	**–**	**81.5**
	–	–	–	–	–
Sale of Investment					
Tata Sons Limited	**–**	**–**	**–**	**25,920.1**	**25,920.1**
	–	–	–	–	–
	–	**–**	**–**	**25,920.1**	**25,920.1**
	–	–	–	–	–
Remuneration					
Dr. Karl–Ulrich Koehler	**–**	**117.7**	**–**	**–**	**117.7**
	–	147.8	–	–	147.8
Mr. Koushik Chatterjee	**–**	**89.4**	**–**	**–**	**89.4**
	–	56.2	–	–	56.2
Mr. T. V. Narendran	**–**	**83.0**	**–**	**–**	**83.0**
	–	64.7	–	–	64.7
	–	**290.1**	**–**	**–**	**290.1**
	–	268.7	–	–	268.7
Guarantees outstanding					
Tata NYK Shipping Pte Ltd.	**650.4**	**–**	**–**	**–**	**650.4**
	788.9	–	–	–	788.9
	650.4	**–**	**–**	**–**	**650.4**
	788.9	–	–	–	788.9
Outstanding Receivables					
Caparo Merchant Bar Plc	**1,048.6**	**–**	**–**	**–**	**1,048.6**
	1135.7	–	–	–	1,135.7
Laura Metaal Holding B.V.	**508.1**	**–**	**–**	**–**	**508.1**
	295.0	–	–	–	295.0
BSR Pipeline Services Limited	**843.8**	**–**	**–**	**–**	**843.8**
	778.6	–	–	–	778.6
Wupperman Staal Nederland B.V.	**479.6**	**–**	**–**	**–**	**479.6**
	273.2	–	–	–	273.2
Others	**402.8**	**–**	**–**	**12.7**	**415.5**
	2,326.4	–	–	12.5	2,338.9
	3,282.9	**–**	**–**	**12.7**	**3,295.6**
	4,808.9	–	–	12.5	4,821.4

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

44. Related Party Disclosures (contd.)

RELATED PARTY TRANSACTIONS

(₹ in million)

Transactions	Associates and JVs#	Key Management Personnel	Relatives of Key Management Personnel	Promoter	Total
Provision for outstanding receivables made during the year					
Malusha Travels Pvt Ltd	**0.3**	**–**	**–**	**–**	**0.3**
	–	–	–	–	–
	0.3	**–**	**–**	**–**	**0.3**
	–	–	–	–	–
Provision for outstanding receivables					
Malusha Travels Pvt. Ltd.	**0.3**	**–**	**–**	**–**	**0.3**
	–	–	–	–	–
	0.3	**–**	**–**	**–**	**0.3**
	–	–	–	–	–
Outstanding Payables					
BSR Pipeline Services Limited	**1,244.9**	**–**	**–**	**–**	**1,244.9**
	974.7	–	–	–	974.7
Tata Sons Limited	**–**	**–**	**–**	**1,444.1**	**1,444.1**
	–	–	–	2,200.2	2,200.2
Industrial Energy Limited	**702.8**	**–**	**–**	**–**	**702.8**
	583.6	–	–	–	583.6
Others	**1,569.5**	**–**	**–**	**–**	**1,569.5**
	2,044.8	–	–	–	2,044.8
	3,517.2	**–**	**–**	**1,444.1**	**4,961.3**
	3,603.1	–	–	2,200.2	5,803.3

Transaction with Joint Ventures have been disclosed at full value

* ₹21,936.00

** ₹27,420.00

*** ₹2,648.00

**** ₹3,310.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

45. Statement of Net Assets and Profit or Loss Attributable to Owners and Minority Interest

Name of the Entity		Reporting Currency	As % of consolidated net assets	Net Assets, i.e. total assets minus total liabilities Amount (₹ in million)	As % of consolidated profit or loss	Share in profit or (loss) Amount (₹ in million)
A.	PARENT					
	Tata Steel Limited	INR	20.12%	72,7517.2	(42.78%)	4,9009.5
B.	SUBSIDIARIES					
a)	Indian					
1	Adityapur Toll Bridge Company Limited	INR	0.00%	168.8	0.01%	(11.9)
2	Tata Steel Special Economic Zone Limited	INR	0.02%	897.1	0.01%	(12.0)
3	Indian Steel & Wire Products Ltd.	INR	0.02%	587.7	(0.05%)	58.2
4	Jamshedpur Continuous Annealing & Processing Company Private Limited	INR	0.19%	6,726.0	1.93%	(2,211.1)
5	Jamshedpur Utilities & Services Company Limited	INR	0.02%	675.9	(0.28%)	321.3
6	Haldia Water Management Limited	INR	(0.04%)	(1,472.8)	0.11%	(122.3)
7	Naba Diganta Water Management Limited	INR	0.01%	310.9	(0.02%)	22.3
8	SEZ Adityapur Limited	INR	0.00%	(0.5)	0.00%	(0.1)
9	Mohar Export Services Pvt. Ltd	INR	0.00%	(0.3)	0.00%	-
10	Rujuvalika Investments Limited	INR	0.01%	309.6	(0.02%)	20.0
11	T M Mining Company Limited	INR	0.00%	(0.2)	0.00%	(0.3)
12	T S Alloys Limited	INR	0.03%	1,120.8	(0.01%)	12.4
13	Tata Korf Engineering Services Ltd.	INR	0.00%	(97.8)	0.00%	(4.5)
14	Tata Metaliks Ltd.	INR	0.06%	2,220.8	(0.44%)	506.1
15	Tata Metaliks Di Pipes Limited	INR	0.03%	1,047.6	(0.63%)	721.8
16	Tata Sponge Iron Limited	INR	0.22%	8,075.1	(0.27%)	308.7
17	TSIL Energy Limited	INR	0.00%	11.1	0.00%	0.5
18	Kalzip India Private Limited	INR	0.00%	94.3	(0.01%)	10.1
19	Tata Steel International (India) Limited	INR	0.01%	391.2	(0.02%)	23.7
20	Tata Steel Odisha Limited	INR	0.00%	(0.1)	0.00%	(0.1)
21	Tata Steel Processing and Distribution Limited	INR	0.14%	4,987.0	(0.43%)	493.1
22	Tayo Rolls Limited	INR	(0.02%)	(8,83.4)	1.36%	(1,562.8)
23	TM International Logistics Limited	INR	0.05%	1,729.5	(0.26%)	297.5
24	TKM Global Logistics Limited	INR	0.01%	246.8	(0.03%)	30.1
25	TM Harbour Services Private Limited	INR	0.03%	1,143.8	(0.14%)	159.0
26	Tata Pigments Limited	INR	0.01%	406.7	(0.05%)	56.4
27	The Tinplate Company of India Ltd.	INR	0.17%	5,971.4	(0.64%)	733.7
b)	Foreign					
1	ABJA Investment Co. Pte. Ltd.	USD	(0.08%)	(2,879.0)	0.08%	(96.4)
2	Bangla Steel & Mining Co. Ltd.	BDT	0.00%	0.1	0.00%	-
3	NatSteel Asia Pte. Ltd.	SGD	0.47%	16,995.1	(0.38%)	439.2
4	TS Asia (Hong Kong) Ltd.	USD	0.03%	1,024.5	0.24%	(273.4)
5	Tata Steel (KZN) (Pty) Ltd.	ZAR	(0.26%)	(9,394.0)	2.44%	(2,789.4)
6	T Steel Holdings Pte. Ltd.	GBP	13.36%	4,83,317.1	65.48%	(75,011.0)
7	T S Global Holdings Pte Ltd.	GBP	14.59%	5,27,483.1	11.93%	(13,661.7)
8	Orchid Netherlands (No.1) B.V.	EUR	0.00%	17.6	0.00%	(0.1)
9	NatSteel Holdings Pte. Ltd.	SGD	0.03%	1,102.2	1.35%	(1,541.8)
10	Easteel Services (M) Sdn. Bhd.	MYR	0.01%	338.7	0.00%	3.2
11	Eastern Steel Fabricators Phillipines, Inc.	SGD	(0.01%)	(424.2)	0.00%	-
12	NatSteel (Xiamen) Ltd.	CNY	(0.06%)	(2,142.8)	3.61%	(4,134.3)
13	NatSteel Recycling Pte Ltd.	SGD	0.06%	2,020.4	0.00%	0.9
14	NatSteel Trade International (Shanghai) Company Ltd.	CNY	0.00%	(2.2)	0.00%	(0.9)
15	NatSteel Trade International Pte. Ltd.	USD	0.03%	942.7	(0.03%)	29.8
16	NatSteel Vina Co. Ltd.	VND	0.02%	725.2	(0.18%)	201.4
17	The Siam Industrial Wire Company Ltd.	THB	0.25%	9,175.8	(0.89%)	1,015.7
18	TSN Wires Co., Ltd.	THB	0.00%	5.9	0.18%	(201.4)
19	Tata Steel Europe Limited	GBP	6.63%	2,39,615.3	3.94%	(4,516.0)
20	Almana Steel Dubai (Jersey) Limited	AED	0.02%	604.8	0.00%	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

45. Statement of Net Assets and Profit or Loss Attributable to Owners and Minority Interest (contd.)

Name of the Entity		Reporting Currency	As % of consolidated net assets	Net Assets, i.e. total assets minus total liabilities Amount (₹ in million)	As % of consolidated profit or loss	Share in profit or (loss) Amount (₹ in million)
21	Apollo Metals Limited	USD	0.00%	59.5	(0.17%)	200.2
22	Augusta Grundstucks GmbH	EUR	0.00%	(11.3)	(0.02%)	19.7
23	Automotive Laser Technologies Limited	GBP	0.00%	-	0.00%	-
24	B S Pension Fund Trustee Limited	GBP	0.01%	210.7	0.00%	-
25	Beheermaatschappij Industriele Produkten B.V.	EUR	(0.01%)	(516.9)	0.00%	4.3
26	Bell & Harwood Limited	GBP	0.00%	(120.2)	0.00%	-
27	Blastmega Limited	GBP	0.24%	8,848.7	0.00%	-
28	Blume Stahlservice GmbH	EUR	0.01%	465.7	(0.03%)	31.3
29	Blume Stahlservice Polska Sp.Z.O.O	PLN	0.00%	0.2	(0.01%)	15.8
30	Bore Samson Group Limited	GBP	0.04%	1,427.8	0.00%	-
31	Bore Steel Limited	GBP	0.04%	1,622.0	0.00%	-
32	British Guide Rails Limited	GBP	0.01%	462.2	0.00%	-
33	British Steel Corporation Limited	GBP	0.08%	2,902.0	0.00%	-
34	British Steel Directors (Nominees) Limited	GBP	0.00%	-	0.00%	-
35	British Steel Engineering Steels (Exports) Limited	GBP	0.00%	-	0.00%	-
36	British Steel Nederland International B.V.	EUR	0.17%	6,091.1	(0.96%)	1,096.1
37	British Steel Samson Limited	GBP	0.00%	95.1	0.00%	-
38	British Steel Service Centres Limited	GBP	0.14%	5,087.4	0.00%	-
39	British Tubes Stockholding Limited	GBP	0.03%	1,001.9	0.00%	-
40	C V Benine	EUR	0.00%	163.3	0.00%	1.7
41	C Walker & Sons Limited	GBP	0.04%	1,545.8	0.00%	-
42	Catnic GmbH	EUR	0.01%	397.9	(0.01%)	16.3
43	Catnic Limited	GBP	0.00%	(5.8)	0.00%	-
44	CBS Investissements SAS	EUR	0.00%	16.1	0.00%	0.1
45	Cladding & Decking (UK) Limited	GBP	0.00%	47.9	0.00%	-
46	Cogent Power Inc.	CAD	0.04%	1,468.1	0.01%	(13.8)
47	Cogent Power Inc.	USD	0.01%	285.7	0.00%	-
48	Cogent Power Limited	GBP	0.11%	4,114.3	0.01%	(11.4)
49	Cogent Power SA DE CV	USD	0.00%	(71.8)	0.00%	-
50	Color Steels Limited	GBP	0.02%	557.8	0.00%	-
51	Corbeil Les Rives SCI	EUR	0.00%	92.7	0.00%	-
52	Corby (Northants) & District Water Co.	GBP	0.00%	54.4	0.00%	-
53	Cordor (C& B) Limited	GBP	0.00%	30.9	0.00%	-
54	Corus Aluminium Verwaltungsgesellschaft Mbh	EUR	0.00%	(50.5)	(0.01%)	9.5
55	Corus Beteiligungs GmbH	EUR	0.01%	219.1	0.00%	(1.5)
56	Corus Building Systems Bulgaria AD	LEV	(0.01%)	(235.2)	(0.04%)	43.8
57	Corus Building Systems SAS	EUR	0.00%	76.5	(0.01%	11.1
58	Corus CNBV Investments	GBP	0.00%	-	0.00%	-
59	Corus Cold drawn Tubes Limited	GBP	(0.01%)	(207.2)	0.00%	-
60	Corus Engineering Steels (UK) Limited	GBP	0.12%	4,358.0	0.00%	-
61	Corus Engineering Steels Holdings Limited	GBP	1.18%	42,634.9	0.00%	-
62	Corus Engineering Steels Limited	GBP	1.25%	45,227.6	0.00%	-
63	Corus Engineering Steels Overseas Holdings Limited	GBP	0.00%	94.6	0.00%	-
64	Corus Engineering Steels Pension Scheme Trustee Limited	GBP	0.00%	-	0.00%	-
65	Corus Group Limited	GBP	1.54%	55,745.9	2.72%	(3,116.0)
66	Corus Holdings Limited	GBP	0.00%	33.2	0.00%	-
67	Corus International (Overseas Holdings) Limited	GBP	1.22%	43,973.0	(0.60%)	682.9
68	Corus International Limited	GBP	0.79%	28,648.1	(0.09%)	103.9
69	Corus International Romania SRL.	RON	0.00%	4.3	0.00%	(2.0)
70	Corus Investments Limited	GBP	0.06%	2,157.7	0.00%	-
71	Corus Ireland Limited	EUR	0.00%	46.3	0.00%	(0.7)
72	Corus Large Diameter Pipes Limited	GBP	0.19%	6,920.5	0.00%	-
73	Corus Liaison Services (India) Limited	GBP	0.00%	0.3	0.00%	-
74	Corus Management Limited	GBP	(0.12%)	(4,313.8)	0.00%	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

45. Statement of Net Assets and Profit or Loss Attributable to Owners and Minority Interest (contd.)

	Name of the Entity	Reporting Currency	As % of consolidated net assets	Net Assets, i.e. total assets minus total liabilities Amount (₹ in million)	As % of consolidated profit or loss	Share in profit or (loss) Amount (₹ in million)
75	Corus Primary Aluminium B.V.	EUR	(0.04%)	(1,296.4)	0.02%	(23.6)
76	Corus Properties (Germany) Limited	GBP	0.00%	(3.5)	0.00%	-
77	Corus Property	GBP	0.00%	-	0.00%	-
78	Corus Republic Of Ireland Subsidiaries Pension Scheme Trustee Limited	EUR	0.00%	-	0.00%	-
79	Corus Service Centre Limited	GBP	0.04%	1,518.5	0.00%	-
80	Corus Steel Service STP LLC	RUB	0.00%	(16.0)	0.01%	(7.6)
81	Corus Tubes Poland Spolka Z.O.O	EUR	0.00%	3.3	0.00%	-
82	Corus UK Healthcare Trustee Limited	GBP	0.00%	-	0.00%	-
83	Corus Ukraine LLC	UAH	0.00%	0.2	0.00%	-
84	CPN (85) Limited	GBP	0.00%	(8.0)	0.00%	-
85	Crucible Insurance Company Limited	GBP	0.07%	2,702.3	0.29%	(337.2)
86	Degels GmbH	EUR	(0.01%)	(319.7)	0.26%	(300.8)
87	Demka B.V.	EUR	0.02%	663.2	0.01%	(8.2)
88	DSRM Group Plc.	GBP	0.05%	1,887.9	0.00%	-
89	Eric Olsson & Soner Forvaltnings AB	SEK	0.00%	1.4	0.03%	(36.8)
90	Esmil B.V.	EUR	0.01%	202.1	0.00%	1.2
91	Europressings Limited	GBP	0.00%	60.8	0.00%	-
92	Firsteel Group Limited	GBP	0.05%	1,705.7	0.00%	-
93	Firsteel Holdings Limited	GBP	0.02%	736.4	0.00%	-
94	Firsteel Strip Mill Products Limited	GBP	0.03%	972.6	0.00%	-
95	Fischer Profil GmbH	EUR	0.00%	(155.3)	0.11%	(129.2)
96	Gamble Simms Metals Limited	EUR	0.00%	(21.2)	0.00%	-
97	Grant Lyon Eagre Limited	GBP	0.02%	560.4	0.00%	-
98	H E Samson Limited	GBP	0.01%	496.9	0.00%	-
99	Hadfields Holdings Limited	GBP	(0.02%)	(764.5)	0.00%	-
100	Halmstad Steel Service Centre AB	SEK	0.01%	433.3	0.14%	(156.8)
101	Hammermega Limited	GBP	0.01%	214.1	0.00%	-
102	Harrowmills Properties Limited	GBP	0.05%	1,811.9	0.00%	-
103	Hille & Muller GmbH	EUR	0.03%	960.9	0.07%	(80.8)
104	Hille & Muller USA Inc.	USD	0.03%	1,128.6	(0.01%)	6.0
105	Hoogovens (UK) Limited	GBP	0.00%	44.3	0.00%	-
106	Hoogovens Aluminium UK Limited	GBP	0.00%	23.1	0.00%	-
107	Hoogovens Finance B.V.	EUR	0.43%	15,382.9	(0.02%)	28.3
108	Hoogovens USA Inc.	USD	0.13%	4,849.2	0.00%	3.8
109	Huizenbezit "Breesaap" B.V.	EUR	0.00%	(82.1)	0.00%	0.6
110	Ickles Cottage Trust Limited	GBP	0.00%	15.9	0.00%	2.0
111	Inter Metal Distribution SAS	EUR	0.01%	346.5	(0.07%)	83.5
112	Kalzip Guangzhou Limited	CNY	0.01%	533.8	(0.08%)	92.6
113	Kalzip Asia Pte Limited	SGD	(0.03%)	(939.8)	0.11%	(127.7)
114	Kalzip FZE	AED	0.00%	39.2	(0.01%)	8.9
115	Kalzip GmbH	EUR	0.00%	10.4	0.00%	0.2
116	Kalzip GmbH	EUR	0.00%	(44.2)	(0.02%)	27.7
117	Kalzip Inc	USD	(0.01%)	(463.6)	0.00%	(4.1)
118	Kalzip Italy SRL	EUR	0.00%	2.8	0.00%	0.9
119	Kalzip Limited	GBP	0.00%	161.0	0.01%	(12.3)
120	Kalzip Spain S.L.U.	EUR	0.00%	112.1	0.00%	1.2
121	Layde Steel S.L.	EUR	0.02%	579.4	0.28%	(321.3)
122	Lister Tubes Limited	EUR	0.00%	122.1	0.00%	-
123	London Works Steel Company Limited	GBP	(0.03%)	(980.5)	0.00%	-
124	Longs Steel UK Limited	GBP	(0.32%)	(11,517.0)	10.00%	(11,459.5)
125	Midland Steel Supplies Limited	GBP	0.00%	-	0.00%	-
126	Mistbury Investments Limited	GBP	0.00%	7.2	0.00%	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

45. Statement of Net Assets and Profit or Loss Attributable to Owners and Minority Interest (contd.)

Name of the Entity		Reporting Currency	As % of consolidated net assets	Net Assets, i.e. total assets minus total liabilities Amount (₹ in million)	As % of consolidated profit or loss	Share in profit or (loss) Amount (₹ in million)
127	Montana Bausysteme AG	CHF	0.02%	811.7	(0.06%)	63.6
128	Naantali Steel Service Centre OY	EUR	0.01%	376.0	0.10%	(118.1)
129	Nationwide Steelstock Limited	GBP	0.00%	(107.9)	0.00%	-
130	Norsk Stal Tynnplater AS	NOK	0.01%	522.1	(0.08%)	93.3
131	Orb Electrical Steels Limited	GBP	0.00%	-	0.00%	-
132	Ore Carriers Limited	GBP	0.01%	271.0	0.00%	-
133	Oremco Inc.	USD	0.00%	(88.9)	0.01%	(8.9)
134	Plated Strip (International) Limited	GBP	0.00%	165.8	0.00%	-
135	Precoat International Limited	GBP	0.02%	737.5	0.00%	-
136	Precoat Limited	GBP	(0.01%)	(201.8)	0.00%	-
137	Rafferty-Brown Steel Co Inc Of Conn.	USD	0.01%	272.6	0.00%	(0.5)
138	Round Oak Steelworks Limited	GBP	(0.13%)	(4,558.3)	0.00%	-
139	Runblast Limited	GBP	0.14%	4,950.7	0.00%	-
140	Runmega Limited	GBP	0.00%	41.4	0.00%	-
141	S A B Profiel B.V.	EUR	0.18%	6,380.1	(0.31%)	353.5
142	S A B Profil GmbH	EUR	0.03%	1,234.0	(0.02%)	26.8
143	Seamless Tubes Limited	GBP	0.05%	1,766.6	0.00%	-
144	Service Center Gelsenkirchen Gmbh	EUR	0.17%	6,122.5	0.06%	(73.8)
145	Service Centre Maastricht B.V.	EUR	0.00%	35.8	0.17%	(194.3)
146	Skruv Erik AB	SEK	0.00%	5.6	0.02%	(17.5)
147	Societe Europeenne De Galvanisation (Segal) Sa	EUR	0.06%	2,007.6	(0.06%)	68.5
148	Staalverwerking en Handel B.V.	EUR	0.25%	8,947.6	0.07%	(83.3)
149	Stainless Velsen-Noord BV	EUR	0.00%	7.7	0.00%	-
150	Steel StockHoldings Limited	GBP	0.01%	435.8	0.00%	-
151	Steelstock Limited	GBP	0.00%	1.9	0.00%	-
152	Stewarts & Lloyds Of Ireland Limited	EUR	0.00%	(17.5)	0.00%	-
153	Stewarts And Lloyds (Overseas) Limited	GBP	0.05%	1,947.1	0.00%	-
154	Stocksbridge Works Cottage Trust Limited	GBP	0.00%	10.9	0.00%	2.0
155	Surahammar Bruks AB	SEK	0.04%	1,515.9	(1.14%)	1,300.7
156	Swinden Housing Association Limited	GBP	0.00%	61.5	(0.02%)	19.4
157	Tata Steel Belgium Packaging Steels N.V.	EUR	0.06%	2,012.9	(0.07%)	77.0
158	Tata Steel Belgium Services N.V.	EUR	0.11%	3,836.7	(0.13%)	144.3
159	Tata Steel Denmark Byggsystemer A/S	DKK	0.01%	233.2	0.02%	(24.4)
160	Tata Steel Europe Distribution BV	EUR	(0.01%)	(250.9)	0.00%	(0.1)
161	Tata Steel Europe Metals Trading BV	EUR	0.07%	2,434.0	(0.29%)	327.0
162	Tata Steel France Batiment et Systemes SAS	EUR	0.01%	308.8	0.15%	(172.2)
163	Tata Steel France Holdings SAS	EUR	0.49%	17,801.2	(0.31%)	359.1
164	Tata Steel France Rail SAS	EUR	0.13%	4,773.9	(0.79%)	909.0
165	Tata Steel Germany GmbH	EUR	0.11%	4,109.4	1.22%	(1,401.1)
166	Tata Steel Ijmuiden BV	EUR	4.48%	1,61,953.9	(6.78%)	7,768.1
167	Tata Steel International (Americas) Holdings Inc	USD	0.16%	5,803.3	(0.10%)	118.5
168	Tata Steel International (Americas) Inc	USD	0.30%	10,738.5	(0.11%)	123.5
169	Tata Steel International (Benelux) BV	EUR	0.00%	93.8	(0.02%)	25.2
170	Tata Steel International (Canada) Holdings Inc	CAD	0.00%	18.3	0.00%	-
171	Tata Steel International (Czech Republic) S.R.O	CZK	0.00%	61.4	(0.05%)	54.2
172	Tata Steel International (Denmark) A/S	DKK	0.00%	8.2	0.00%	(0.2)
173	Tata Steel International (Finland) OY	EUR	0.00%	19.2	(0.01%)	8.1
174	Tata Steel International (France) SAS	EUR	0.01%	341.2	(0.01%)	9.9
175	Tata Steel International (Germany) GmbH	EUR	0.00%	(21.1)	(0.05%)	56.7
176	Tata Steel International (Italia) SRL	EUR	0.00%	93.5	(0.05%)	62.0
177	Tata Steel International (Middle East) FZE	AED	0.04%	1,457.4	(0.04%)	41.9
178	Tata Steel International (Nigeria) Ltd.	NGN	0.00%	-	0.00%	-
179	Tata Steel International (Poland) sp Zoo	PLN	0.00%	12.4	(0.03%)	34.2

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

45. Statement of Net Assets and Profit or Loss Attributable to Owners and Minority Interest (contd.)

Name of the Entity		Reporting Currency	As % of consolidated net assets	Net Assets, i.e. total assets minus total liabilities Amount (₹ in million)	As % of consolidated profit or loss	Share in profit or (loss) Amount (₹ in million)
180	Tata Steel International (Schweiz) AG	CHF	0.00%	51.0	(0.01%)	7.6
181	Tata Steel International (South America) Representações LTDA	USD	0.00%	1.4	0.00%	(1.1)
182	Tata Steel International (Sweden) AB	SEK	0.00%	45.8	(0.04%)	42.5
183	Tata Steel International Hellas SA	EUR	0.00%	11.0	0.00%	-
184	Tata Steel International Iberica SA	EUR	0.00%	99.0	(0.07%)	85.3
185	Tata Steel Istanbul Metal Sanayi ve Ticaret AS	USD	0.01%	181.6	0.09%	(107.9)
186	Tata Steel Latvia Building Systems SIA	EUR	0.00%	0.9	0.00%	2.0
187	Tata Steel Maubeuge SAS	EUR	0.02%	738.6	0.14%	(162.7)
188	Tata Steel Nederland BV	EUR	3.50%	1,26,642.4	(8.27%)	9,478.6
189	Tata Steel Nederland Consulting & Technical Services BV	EUR	0.01%	414.2	(1.40%)	1,600.4
190	Tata Steel Nederland Services BV	EUR	0.11%	3,974.6	0.20%	(228.1)
191	Tata Steel Nederland Star-Frame BV	EUR	0.00%	1.9	(0.01%)	11.6
192	Tata Steel Nederland Technology BV	EUR	0.14%	4,988.2	(0.35%)	397.1
193	Tata Steel Nederland Tubes BV	EUR	(0.02%)	(743.7)	(0.03%)	29.1
194	Tata Steel Netherlands Holdings B.V.	EUR	2.82%	1,01,929.7	2.15%	(2,466.1)
195	Tata Steel Norway Byggsystemer A/S	NOK	0.01%	404.1	(0.03%)	35.1
196	Tata Steel Speciality Service Centre Suzhou Co. Limited	USD	0.00%	(8.3)	0.03%	(28.6)
197	Tata Steel Speciality Service Centre Xian Co. Limited	USD	0.00%	57.3	(0.01%)	7.2
198	Tata Steel Sweden Byggsystem AB	SEK	0.00%	(15.4)	0.10%	(113.6)
199	Tata Steel UK Consulting Limited	GBP	0.00%	29.9	(0.03%)	36.2
200	Tata Steel UK Holdings Limited	GBP	8.04%	2,90,854.1	(2.71%)	3106.0
201	Tata Steel UK Limited	GBP	(1.64%)	(59,255.6)	47.17%	(54,029.1)
202	Tata Steel UK Rail Consultancy Limited	GBP	0.06%	2,087.0	(0.65%)	742.9
203	Tata Steel USA Inc.	USD	0.02%	746.9	(0.01%)	6.6
204	The Newport And South Wales Tube Company Limited	GBP	0.00%	1.5	0.00%	-
205	The Stanton Housing Company Limited	GBP	0.00%	91.6	0.00%	-
206	The Steel Company Of Ireland Limited	EUR	0.01%	234.2	0.00%	(0.4)
207	The Templeborough Rolling Mills Limited	GBP	0.04%	1,510.1	0.00%	-
208	Thomas Processing Company	USD	0.04%	1,403.0	0.01%	(13.1)
209	Thomas Steel Strip Corp.	USD	(0.09%)	(3,167.5)	(0.24%)	279.0
210	Toronto Industrial Fabrications Limited	GBP	0.00%	(47.2)	0.00%	-
211	Trierer Walzwerk GmbH	EUR	0.01%	232.2	0.00%	3.0
212	Ts South Africa Sales Office Proprietary Limited	ZAR	0.00%	-	0.00%	-
213	Tulip UK Holdings (No.2) Limited	GBP	5.42%	1,95,856.3	0.00%	-
214	Tulip UK Holdings (No.3) Limited	GBP	5.35%	1,93,329.5	3.17%	(3,633.5)
215	Tuscaloosa Steel Corporation	USD	0.00%	4.4	0.00%	0.5
216	U.E.S. Bright Bar Limited	GBP	0.00%	142.7	0.00%	-
217	UK Steel Enterprise Limited	GBP	0.04%	1,412.5	0.02%	(18.4)
218	UKSE Fund Managers Limited	GBP	0.00%	4.3	0.00%	-
219	Unitol SAS	EUR	0.01%	368.6	0.22%	(252.7)
220	Walker Manufacturing And Investments Limited	GBP	0.04%	1,469.8	0.00%	-
221	Walkersteelstock Ireland Limited	EUR	0.00%	36.8	0.99%	(1,133.0)
222	Walkersteelstock Limited	GBP	0.00%	95.1	0.00%	-
223	Westwood Steel Services Limited	GBP	0.06%	2,235.7	0.00%	-
224	Whitehead (Narrow Strip) Limited	GBP	0.03%	1,091.1	0.00%	-
225	T S Global Minerals Holdings Pte Ltd.	USD	1.00%	36,229.8	3.64%	(4,173.3)
226	Al Rimal Mining LLC	OMR	0.00%	63.0	0.00%	-
227	Black Ginger 461 (Proprietary) Ltd	ZAR	0.01%	375.4	0.03%	(38.9)
228	Kalimati Coal Company Pty. Ltd.	AUD	(0.05%)	(1,956.0)	0.00%	(2.8)
229	Sedibeng Iron Ore Pty. Ltd.	ZAR	0.01%	285.9	(0.12%)	139.2

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

45. Statement of Net Assets and Profit or Loss Attributable to Owners and Minority Interest (contd.)

Name of the Entity		Reporting Currency	As % of consolidated net assets	Net Assets, i.e. total assets minus total liabilities Amount (₹ in million)	As % of consolidated profit or loss	Share in profit or (loss) Amount (₹ in million)
230	Tata Steel Cote D' Ivoire S.A	FCFA	0.02%	685.1	0.06%	(66.5)
231	Tata Steel Minerals UK Limited	USD	0.79%	28,679.7	0.00%	(0.4)
232	Tata Steel Minerals Canada Limited	USD	0.39%	14,255.6	11.91%	(13,641.0)
233	T S Canada Capital Ltd	USD	0.01%	331.0	(0.01%)	12.0
234	Howse Minerals Ltd.	USD	0.04%	1,372.8	0.01%	(8.8)
235	Tata Steel International (Singapore) Holdings Pte. Ltd.	HKD	0.11%	3,909.6	0.00%	-
236	TSIA Holdings (Thailand) Limited	THB	0.00%	(1.0)	0.00%	(0.2)
237	Tata Steel International (Shanghai) Ltd.	CNY	0.00%	77.0	0.00%	(2.6)
238	Tata Steel International (Thailand) Limited	THB	0.00%	(0.8)	0.00%	(2.5)
239	Tata Steel International (Singapore) Pte. Ltd.	SGD	0.01%	305.3	0.07%	(74.7)
240	Tata Steel International (Asia) Limited	HKD	0.16%	5,835.0	0.16%	(177.7)
241	Tata Steel (Thailand) Public Company Ltd.	THB	0.66%	23,975.0	(0.09%)	102.3
242	N.T.S Steel Group Plc.	THB	0.06%	2,046.9	0.02%	(26.9)
243	The Siam Construction Steel Co. Ltd.	THB	0.11%	3,899.0	(0.44%)	508.2
244	The Siam Iron And Steel (2001) Co. Ltd.	THB	0.06%	2,072.4	(0.23%)	267.1
245	T S Global Procurement Company Pte. Ltd.	USD	0.62%	22,461.6	(1.09%)	1,244.4
246	ProCo Issuer Pte. Ltd.	GBP	0.88%	31,665.3	(2.72%)	3,118.9
247	International Shipping and Logistics FZE	USD	0.06%	2,074.5	0.10%	(114.3)
248	TKM Global China Ltd	CNY	0.00%	36.0	0.00%	(1.8)
249	TKM Global GmbH	EUR	0.04%	1,265.3	(0.03%)	38.8
C.	**JOINT VENTURES**					
a)	**Indian**					
1.	Bhubaneshwar Power Private Limited	INR	0.02%	586.6	0.00%	(5.6)
2.	Himalaya Steel Mill Services Private Limited	INR	0.00%	21.4	0.00%	(2.7)
3.	mjunction services limited	INR	0.03%	940.3	(0.19%)	213.8
4	S & T Mining Company Private Limited	INR	0.00%	20.3	0.02%	(20.7)
5	Tata BlueScope Steel Limited	INR	0.04%	1,599.6	(0.17%)	191.3
b)	**Foreign**					
1	Tata NYK Shipping Pte Ltd.	USD	0.01%	308.7	0.29%	(327.4)
	Total		**100.00%**	**36,16,501.4**	**100.00%**	**(1,14,552.9)**
A.	**ADJUSTMENT DUE TO CONSOLIDATION**			(33,30,210.8)		82,762.9
B.	**MINORITY INTERESTS IN SUBSIDIARIES**					
a)	**Indian Subsidiary**					
1	The Tinplate Company of India Ltd.	INR		1,547.7		166.0
2	Indian Steel & Wire Products Ltd	INR		29.3		2.9
3	Jamshedpur Continuous Annealing & Processing Company Private Limited	INR		3,295.7		(1,083.5)
4	Tata Metaliks Ltd.	INR		489.5		489.5
5	TM International Logistics Limited	INR		2,760.4		195.3
6	Adityapur Toll Bridge Company Limited	INR		44.5		(3.1)
7	Tata Sponge Iron Limited	INR		3,778.0		128.8
8	Jamshedpur Utilities & Services Company Limited	INR		33.8		5.8
9	T M Mining Company Limited	INR		-		(0.1)
b)	**Foreign Subsidiary**					
1	Tata Steel (Thailand) Public Company Ltd.	THB		3,077.9		84.7
2	Tata Steel Europe Limited	GBP		77.6		15.1
3	Natsteel Holdings Pte. Ltd.	SGD		318.9		7.7
4	T S Global Minerals Holdings Pte Ltd.	USD		1,089.1		(1,098.5)
				16,542.4		**(1,089.4)**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

45. Statement of Net Assets and Profit or Loss Attributable to Owners and Minority Interest (contd.)

	Name of the Entity	Reporting Currency	As % of consolidated net assets	Net Assets, i.e. total assets minus total liabilities Amount (₹ in million)	As % of consolidated profit or loss	Share in profit or (loss) Amount (₹ in million)
C.	**ASSOCIATES**					
a)	**Indian**					
1.	Industrial Energy Limited	INR		2,008.9		89.4
2.	Jamipol Limited	INR		464.8		75.2
3	Rujuvalika Investments Limited*	INR		-		0.4
4	Strategic Energy Technology Systems Private Limited	INR		-		(9.0)
5	TRF Limited	INR		-		(124.0)
6	TRL Krosaki Refractories Limited	INR		772.2		44.9
b)	**Foreign**					
1	Tata Steel Europe Limited	GBP		1,566.5		213.8
2	European Profiles (M) Sdn. Bhd.	MYR		93.2		18.5
3	New Millenium Iron Corp.	CAD		-		(101.8)
				4,905.6		**207.4**
	Consolidated Net Asset / Profit after Tax			**3,07,738.6**		**(30,493.2)**

* Part of the Year

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	Albi Profils SRL	The operations of the companies are not significant and hence are immaterial for consolidation
5	Appleby Frodingham Cottage Trust Limited	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 and Engineering Limited	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 Limited	Not Consolidated as the financials were not available
16	Medica TS Hospital Pvt. Ltd.	Not Consolidated as the financials were not available

46. Figures pertaining to the subsidiaries and joint ventures have been reclassified where necessary to bring them in line with the Group's financial statements.

47. Previous year's figures have been recast/restated where necessary.

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 ₹6,05,144.9 million as at March 31, 2017, total revenues of ₹6,22,376.2 million and net cash outflows amounting to ₹ 5,684.2 million 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 ₹ 241.0 million 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 ₹ 6,475.1 million as at March 31, 2017, total revenues of ₹ 6,502.0 million and net cash inflows amounting to ₹ 407.4 million 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 ₹ 106.4 million 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 SHEETAS AT MARCH 31, 2017, 2016 AND APRIL 1, 2015

	Note	As at March 31, 2017 (US$ million)	As at March 31, 2017 (₹ in million)	As at March 31 2016 (₹ in million)	As at April 1, 2015 (₹ in million)
ASSETS					
I Non-current assets					
(a) Property, plant and equipment	3	13,398.2	8,68,805.9	6,65,692.4	6,71,495.5
(b) Capital work-in-progress		2,392.5	1,55,143.7	3,57,933.2	2,80,994.3
(c) Goodwill on consolidation	5	538.9	34,947.3	40,675.6	39,608.5
(d) Other Intangible assets	6	251.6	16,312.3	15,629.6	29,871.6
(e) Intangible assets under development		41.6	2,697.6	2,027.7	819.8
(f) Equity accounted investments	7	245.8	15,936.8	16,204.1	17,196.1
(g) Financial assets					
(i) Investments	8	800.4	51,903.1	44,297.5	1,11,587.7
(ii) Loans	9	57.5	3,730.6	4,122.3	2,900.9
(iii) Derivative assets		12.8	831.7	328.2	881.7
(iv) Other financial assets	10	13.2	855.8	410.4	705.1
(h) Retirement benefit assets	11	270.3	17,526.4	1,14,774.4	13,306.3
(i) Income tax assets		151.3	9,812.3	10,402.6	8,490.2
(j) Deferred tax assets	12	136.6	8,858.7	6,274.5	8,122.0
(k) Other assets	13	566.7	36,749.6	38,422.3	33,544.3
Total non-current assets		**18,877.4**	**12,24,111.8**	**13,17,194.8**	**12,19,524.0**
II Current assets					
(a) Inventories	14	3,825.1	2,48,038.2	2,00,133.3	2,45,933.6
(b) Financial assets					
(i) Investments	8	874.9	56,731.3	46,635.5	12,146.0
(ii) Trade receivables	15	1,786.8	1,15,868.2	1,20,662.2	1,35,797.7
(iii) Cash and cash equivalents	16	745.2	48,322.9	61,090.5	81,771.3
(iv) Other balances with bank	17	13.7	887.6	772.9	713.4
(v) Loans	9	34.6	2,245.0	2,074.2	2,155.2
(vi) Derivative assets		16.0	1,040.4	3,096.2	14,973.4
(vii) Other financial assets	10	59.8	3,878.2	2,413.0	3,516.7
(c) Income tax assets		5.4	350.8	502.0	446.9
(d) Other assets	13	338.4	21,943.8	20,278.7	19,580.6
Total current assets		**7,699.9**	**4,99,306.4**	**4,57,658.5**	**5,17,034.8**
III Assets held for sale	18	**152.9**	**9,914.2**	**261.1**	**1,454.2**
TOTAL ASSETS		**26,730.2**	**17,33,332.4**	**17,75,114.4**	**17,38,013.0**

CONSOLIDATED
BALANCE SHEET (CONTD.) AS AT MARCH 31, 2017, 2016 AND APRIL 1, 2015

	Note	As at March 31, 2017		As at March 31 2016	As at April 1, 2015
		(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
EQUITY AND LIABILITIES					
IV Equity					
(a) Equity share capital	19	149.6	9,702.4	9,702.4	9,714.1
(b) Hybrid Perpetual Securities	20	350.8	22,750.0	22,750.0	22,750.0
(c) Other equity	21	5,331.8	3,45,740.8	4,04,873.1	4,38,672.2
Equity attributable to shareholders of the Company		**5,832.2**	**3,78,193.2**	**4,37,325.5**	**4,71,136.3**
Non controlling interest		247.0	16,017.0	7809.4	8,541.8
Total equity		**6,079.2**	**3,94,210.2**	**44,5134.9**	**4,79,678.1**
V Non-current liabilities					
(a) Financial liabilities					
(i) Borrowings	22	9,873.1	6,40,222.7	6,48,727.8	6,22,515.6
(ii) Derivative liabilities		27.8	1,799.8	1,654.7	1,749.1
(iii) Other financial liabilities	23	16.8	1,087.8	4,544.2	9,005.5
(b) Provisions	24	660.0	42,796.9	44,404.8	29,734.9
(c) Retirement benefit obligations	11	411.2	26,662.7	29,294.8	33,533.7
(d) Deferred income	25	317.3	20,575.9	24,314.1	23,351.9
(e) Deferred tax liabilities	12	1,546.8	1,00,300.8	94,208.9	99,377.1
(f) Other liabilities	26	34.9	2,265.1	3,290.5	3,204.9
Total non-current liabilities		**12,887.9**	**8,35,711.7**	**8,50,439.8**	**8,22,472.7**
VI Current liabilities					
(a) Financial liabilities					
(i) Borrowings	22	2,826.4	1,83,281.0	1,57,221.2	96,932.5
(ii) Trade payables	27	2,864.4	1,85,744.6	1,85,567.0	1,80,666.6
(iii) Derivative liabilities		103.9	6,736.7	4,982.8	7,366.3
(iv) Other financial liabilities	23	973.9	63,155.1	69,011.2	1,05,285.6
(b) Provisions	24	152.3	9,873.8	15,218.6	8,164.8
(c) Retirement benefit obligations	11	14.7	952.0	1,110.8	1,103.1
(d) Deferred income	25	3.4	225.2	37.0	30.8
(e) Income tax liabilities		113.9	7,391.8	10,011.0	7,944.9
(f) Other liabilities	26	665.5	43,152.7	36,380.1	28,367.6
Total current liabilities		**7,718.4**	**5,00,512.9**	**4,79,539.7**	**4,35,862.2**
VII Liabilities held for sale	18	**44.7**	**2,897.6**	**-**	**-**
TOTAL EQUITY AND LIABILITIES		**26,730.2**	**17,33,332.4**	**17,75,114.4**	**17,38,013.0**
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	1-48				

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEARS ENDED MARCH 31, 2017 AND 2016

		Note	Year ended March 31, 2017 (US$ million)	Year ended March 31, 2017 (₹ in million)	Year ended March 31, 2016 (₹ in million)
I	Revenue from Operations	28	18,107.8	11,74,199.4	10,63,399.2
II	Other income	29	81.3	5,274.7	4,122.2
III	**Total Income**		**18,189.1**	**11,79,474.1**	**10,67,521.4**
IV	**Expenses**				
	(a) Raw materials consumed		4,999.3	3,24,180.9	2,81,149.0
	(b) Purchases of finished, semi-finished and other products		1,761.9	1,14,249.4	1,05,813.7
	(c) Changes in stock of finished goods, work-in-progress and stock-in-trade		(699.8)	(45,381.3)	19,251.9
	(d) Employee benefit expenses	30	2,660.5	172,522.2	1,75,876.3
	(e) Finance costs	31	782.2	50,722.0	42,214.1
	(f) Depreciation and amortisation expense	32	874.8	56,728.8	53,063.5
	(g) Other expenses	33	6,881.0	4,46,197.1	4,12,554.7
			17,259.9	11,19,219.1	10,89,923.2
	(h) Less: Expenditure (other than interest) transferred to capital and other accounts		117.9	7,647.1	10,929.7
	Total Expenses		**17,142.0**	**11,11,572.0**	**10,78,993.5**
V	**Share of profit/(loss) of joint ventures and associates**		1.2	76.5	(1,104.2)
VI	**Profit before exceptional items and tax (III-IV+V)**		**1,048.3**	**67,978.6**	**(12,576.3)**
VII	**Exceptional Items**	34			
	(a) Profit on sale of non-current investments		3.5	227.0	471.7
	(b) Profit on sale of non-current asset		13.2	858.7	-
	(c) Provision for diminution in value of investments/doubtful advances		(19.3)	(1,254.5)	(729.9)
	(d) Provision for impairment of non-current assets		(41.3)	(2,679.3)	(15,301.7)
	(e) Provision for demands and claims		(33.7)	(2,182.5)	(8,800.5)
	(f) Employee separation compensation		(32.0)	(2,073.7)	(5,562.5)
	(g) Restructuring and other provisions		(557.3)	(36,138.0)	69,826.7
	Total exceptional items		(666.9)	(43,242.3)	39,903.8
VIII	**Profit/(loss) before tax (VI+VII)**		**381.4**	**24,736.3**	**27,327.5**
IX	**Tax expense:**				
	(a) Current tax		268.6	17,417.0	13,210.2
	(b) Deferred tax		159.8	10,363.1	(6,310.6)
	Total tax expense		**428.4**	**27,780.1**	**6,899.6**
X	**Profit/(loss) after tax from continuing operations**		**(47.0)**	**(3,043.8)**	**20,427.9**
XI	**Profit/(loss) after tax from discontinued operations**	35			
	(a) Profit/(loss) after tax from discontinued operations		(120.1)	(7,788.7)	(25,398.8)
	(b) Profit/(loss) on disposal of discontinued operations		(475.8)	(30,853.2)	-
	Profit/(loss) after tax from discontinued operations		**(595.9)**	**(38,641.9)**	**(25,398.8)**
XII	**Profit/(loss) for the year (A)**		**(642.9)**	**(41,685.7)**	**(4,970.9)**

CONSOLIDATED STATEMENT OF PROFIT AND LOSS (CONTD.) FOR THE YEARS ENDED MARCH 31, 2017 AND 2016

			Year ended March 31, 2017		Year ended March 31, 2016
		Note	(US$ million)	(₹ in million)	(₹ in million)
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		(668.4)	(43,345.4)	19,793.0
	b) Fair value changes of investments in equity shares		129.1	8,369.2	(31,672.7)
	c) Share of equity accounted investees		5.0	33.7	(2.7)
	(ii) Income tax on Items that will not be reclassified subsequently to the consolidated statement of profit and loss		120.6	7,823.4	(5,760.2)
	B) **(i) Items that will be reclassified subsequently to the consolidated statement of profit and loss**				
	a) Foreign currency translation differences		315.4	20,451.4	(2,635.9)
	b) Fair value changes of cash flow hedges		22.4	1,453.3	1,169.1
	c) Share of equity accounted investees		(0.3)	(21.7)	276.9
	(ii) Income tax on items that will be reclassified subsequently to the consolidated statement of profit and loss		(6.1)	(394.5)	(149.2)
	Total Other Comprehensive Income/(loss) (B)		**(86.8)**	**(5,630.6)**	**(18,981.7)**
XIV	**Profit/(loss) from continuing operations for the year:**				
	Shareholders of the Company		(58.1)	(3,766.1)	21,571.0
	Non controlling interests		11.1	722.3	(1,143.1)
			(47.0)	(3,043.8)	20,427.9
XV	**Profit/(loss) from discontinued operations for the year:**				
	Shareholders of the Company		595.9	(38,641.9)	(25,398.8)
	Non controlling interests		-	-	-
			595.9	(38,641.9)	(25,398.8)
XVI	**Total Comprehensive Income for the year: (A+B)**				
	(i) Shareholders of the Company		(740.3)	(48,003.2)	(22,832.1)
	(ii) Non controlling interests		10.6	686.9	(1,120.5)
			(729.7)	**(47,316.3)**	**(23,952.6)**
XVII	**Earnings per equity share (from continuing operations)**				
	Basic & Diluted (₹)	37	(0.1)	(4.93)	19.26
XVIII	**Earnings per equity share (from discontinued operations)**				
	Basic & Diluted (₹)	37	(0.6)	(39.84)	(26.18)
XIX	**Earnings per equity share (from continuing and discontinued operations)**				
	Basic & Diluted (₹)	37	(0.7)	(44.77)	(6.92)
XX	**Notes forming part of the financial statements**	1-48			

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEARS ENDED MARCH 31, 2017 AND 2016

A. EQUITY SHARE CAPITAL

Balance as at April 1, 2016	Changes during the year	Balance as at March 31, 2017 (₹ in million)	(US$ million)
9,702.4	-	**9,702.4**	**149.6**

Balance as at April 1, 2015	Changes during the year	Balance as at March 31, 2016 (₹ in million)
9,714.1	(11.7)	**9,702.4**

(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

Balance as at April 1, 2016	Changes during the year	Balance as at March 31, 2017 (₹ in million)	(US$ million)
22,750.0	-	**22,750.0**	**350.8**

Balance as at April 1, 2015	Changes during the year	Balance as at March 31, 2016 (₹ in million)
22,750.0	-	**22,750.0**

C. OTHER EQUITY

	Retained earnings	Other comprehensive income reserves	Other consolidated reserves	Share application money pending allotment	Equity attributable to share holders of the Group	Non-controlling interest	Total Equity (₹ in million)	Total Equity (US$ million)
Balance as at April 1, 2016	(24,154.9)	94,407.0	3,34,621.0	-	**4,04,873.1**	7,809.4	**4,12,682.5**	**6,364.0**
Profit /(loss) for the year	(42,408.0)	-	-	-	**(42,408.0)**	722.3	**(41,685.7)**	**(642.90)**
Other comprehensive income	(35,494.3)	29,899.1	-	-	**(5,595.2)**	(35.4)	**(5,630.6)**	**(86.80)**
Total comprehensive income	**(77,902.3)**	**29,899.1**	**-**	**-**	**(48,003.2)**	**686.9**	**(47,316.3)**	**(729.70)**
Dividend	(7,769.7)	-	-	-	**(7,769.7)**	(147.7)	**(7,917.4)**	**(122.10)**
Tax on dividend	(1,477.4)	-	-	-	**(1,477.4)**	-	**(1,477.4)**	**(22.80)**
Additions during the year	-	-	1,913.9	-	**1,913.9**	-	**1,913.9**	**29.50**
Transfer to consolidated statement of profit and loss	-	-	(402.2)	-	**(402.2)**	-	**(402.2)**	**(6.20)**
Distribution on Hybrid Perpetual Securities	(2,661.0)	-	-	-	**(2,661.0)**	-	**(2,661.0)**	**(41.00)**
Tax on distribution on Hybrid Perpetual Securities	920.9	-	-	-	**920.9**	-	**920.9**	**14.20**
Transfers within equity	(37.6)	(17.5)	(75.2)	-	**(130.3)**	130.3	**-**	**0**
Adjustment for change in ownership interests/ capital contributions received	(1,330.1)	-	17.5	00.1	**(1,312.5)**	7,831.5	**6,519.0**	**100.50**
Other movements	(58.0)	-	(152.8)	-	**(210.8)**	(293.4)	**(504.2)**	**(7.8)**
Balance as at March 31, 2017	**(1,14,470.1)**	**1,24,288.6**	**3,35,922.2**	**00.1**	**3,45,740.8**	**16,017.0**	**3,61,757.8**	**5,578.8**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTD.) FOR THE YEARS ENDED MARCH 31, 2017 AND 2016

(₹ in million)

	Retained earnings	Other comprehensive income reserves	Other consolidated reserves	Share application money pending allotment	Equity attributable to share holders of the Group	Non-controlling interest	Total Equity
Balance as at April 1, 2015	(59,257.5)	1,63,461.9	3,34,467.8	-	**4,38,672.2**	8,541.8	**4,47,214.0**
Profit /(loss) for the year	(3,827.8)	-	-	-	**(3,827.8)**	(1,143.1)	**(4,970.9)**
Other comprehensive income	16,449.3	(35,453.7)	-	-	**(19,004.4)**	22.7	**(18,981.7)**
Total comprehensive income	**12,621.5**	**(35,453.7)**	**-**	**-**	**(22,832.2)**	**(1,120.4)**	**(23,952.6)**
Dividend	(7,769.7)	-	-	-	**(7,769.7)**	(111.9)	**(7,881.6)**
Tax on dividend	(1,493.0)	-	-	-	**(1,493.0)**	-	**(1,493.0)**
Additions during the year	-	-	420.4	-	**420.4**	-	**420.4**
Transfer to consolidated statement of profit and loss	-	-	(81.8)	-	**(81.8)**	-	**(81.8)**
Distribution on Hybrid Perpetual Securities	(2,661.7)	-	-	-	**(2,661.7)**	-	**(2,661.7)**
Tax on distribution on Hybrid Perpetual Securities	921.1	-	-	-	**921.1**	-	**921.1**
Transfers within equity	33,484.4	(33,711.5)	187.5	-	**(39.6)**	39.6	**-**
Capital contributions received	-	-	-	-	**-**	426.0	**426.0**
Adjustments for cross holdings	-	-	(372.9)	-	**(372.9)**	-	**(372.9)**
Other movements	-	110.3	-	-	**110.3**	34.3	**144.6**
Balance as at March 31, 2016	**(24,154.9)**	**94,407.0**	**3,34,621.0**	**-**	**4,04,873.1**	**7,809.4**	**4,12,682.5**

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEARS ENDED MARCH 31, 2017 AND 2016

		Year ended March 31, 2017			Year ended March 31, 2016	
		(US$ million)		(₹ in million)		(₹ in million)
(A)	**CASH FLOWS FROM OPERATING ACTIVITIES:**					
	Profit before taxes	(213.2)		**(13,825.5)**		**2,473.0**
	Adjustments for:					
	Depreciation and amortisation expense	877.5	56,904.4		53,840.7	
	(Profit)/loss on sale of non-current investments	(0.1)	(9.7)		-	
	Income from non-current investments	(8.8)	(571.7)		(499.5)	
	(Profit)/loss on assets sold/discarded/written off	0.0	(1.5)		(314.2)	
	Exceptional Income/(Expenses)	666.9	43,242.1		(30,943.9)	
	(Gain)/loss on cancellation of forwards, swaps and options	10.5	679.5		12.3	
	Interest and income from current investments and guarantees	(79.8)	(5,176.2)		(3,195.4)	
	Finance costs	782.2	50,722.0		4,2214.1	
	Exchange (gain) /loss on revaluation of foreign currency loans and swaps	219.4	14,225.0		1646.1	
	Share of profit or loss of joint ventures and associates	(1.2)	(76.5)		1,104.2	
	(Profit)/loss on disposal of discontinued operation	475.8	30,853.2		-	
	Other non cash items	(17.7)	(1,150.7)		1,902.7	
		2,924.5		**1,89,639.9**		**65,767.1**
	Operating profit before working capital changes	**2,711.3**		**1,75,814.4**		**68,240.1**
	Adjustments for:					
	Non-current/current financial and other assets	(80.9)	(5,242.9)		2,6408.8	
	Inventories	(1,271.2)	(82,431.7)		5,6178.5	
	Non-current/current financial and other liabilities/provisions	597.8	38,767.5		(2,0931.1)	
		(754.2)		**(48,907.1)**		**61,656.2**
	Cash generated from operations	**1,957.1**		**1,26,907.3**		**1,29,896.3**
	Direct taxes paid	**(284.2)**		**(18,426.6)**		**(15,342.8)**
	Net cash from/(used in) operating activities	**1,672.9**		**1,08,480.7**		**1,14,553.5**
(B)	**CASH FLOWS FROM INVESTING ACTIVITIES:**					
	Purchase of fixed assets	(1,189.9)	(77,156.4)		(1,01,634.4)	
	Sale of fixed assets	44.5	2,887.2		2,306.3	
	Purchase of non-current investments	(3.8)	(247.4)		(5,535.8)	
	Sale of non-current investments	14.1	912.4		42,750.7	
	(Purchase)/sale of current investments (net)	(106.8)	(6,926.3)		(32,419.4)	
	Loans given (net of repayments)	(23.2)	(1,501.4)		373.2	
	Fixed/Restricted deposits with banks (placed)/realised	(4.2)	(272.2)		(12.9)	
	Interest received	21.6	1,401.2		1,330.6	
	Dividend received from associates and joint ventures	8.2	532.9		407.1	
	Dividend received from others	5.0	321.4		670.9	
	Acquisition of subsidiaries/undertakings	0	-		(775.1)	
	Sale of subsidiaries/undertakings	(166.8)	(1,0813.6)		0.6	
	Net cash from/(used in) investing activities	**(1,401.2)**		**(90,862.2)**		**(92,538.2)**

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTD.) FOR THE YEARS ENDED MARCH 31, 2017 AND 2016

	Year ended March 31, 2017			Year ended March 31, 2016	
	(US$ million)		(₹ in million)		(₹ in million)
(C) CASH FLOWS FROM FINANCING ACTIVITIES:					
Capital contributions received	100.5	6,518.9		-	
Proceeds from borrowings	3,004.8	194,845.5		1,40,477.0	
Repayment of borrowings	(2,528.2)	(1,63,940.7)		(1,27,093.9)	
Repayment of finance lease obligations	(32.1)	(2,082.3)		(2,004.8)	
Amount received/(paid) on utilisation/cancellation of derivatives	(27.5)	(1,781.8)		8,291.2	
Distribution on Hybrid Perpetual Securities	(41.0)	(2,661.0)		(2,664.9)	
Interest paid	(729.8)	(47,324.6)		(54,833.1)	
Dividend paid	(122.0)	(7,913.2)		(7,881.7)	
Tax on dividend paid	(24.5)	(1,585.2)		(1,581.0)	
Net cash from/(used in) financing activities	**(399.8)**		**(25,924.4)**		**(47,291.2)**
Net increase /(decrease) in cash or cash equivalents	**(128.1)**		**(8,305.9)**		**(25,275.9)**
Opening cash and cash Equivalents (1)	**937.1**		**60,769.4**		**81,771.3**
Effect of exchange rate on translation of foreign currency cash and cash equivalents	(63.8)		(4,140.6)		4,595.1
Closing cash and cash Equivalents	**745.2**		**48,322.9**		**61,090.5**

(1) Excludes ₹**321.1** million (US$ **4.95** million) in respect of subsidiaries disposed off/ held for sale during the year (2015-16: Includes ₹0.7 million in respect of subsidiaries acquired off during the year)

(2) The Group has acquired property, plant and equipment of ₹ **7,902.1** million (US$ **121.9** million) (2015-16: ₹ 2,219.7 million) on finance lease.

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 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 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 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 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 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 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 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 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 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

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 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 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

	Land including roads	Buildings	Plant and Machinery	Furniture, Fixtures and Office Equipments (FFOE)	Vehicles	Leased FFOE and Vehicles	Railway Sidings	Total (₹ in million)	**(US$ million)**
Cost/Deemed cost as at April 1, 2016	1,64,991.2	1,10,577.3	7,38,650.3	4,143.5	3,353.5	03.3	7,568.4	10,29,287.5	15,873
Additions	2,999.8	9,777.4	2,57,800.3	1,571.3	268.0	03.8	6,092.8	2,78,513.4	42,951.0
Disposals	(202.6)	(1,302.2)	(10,131.1)	(44.3)	(89.1)	-	-	(11,769.3)	(181.5)
Disposal of group undertakings	(157.7)	(2,900.7)	(15,769.2)	(31.4)	(12.2)	-	-	(18,871.2)	(291.0)
Re-classified as held for sale	-	-	(4,572.9)	-	-	-	-	(4,572.9)	(70.5)
Other re-classifications	80.2	01.4	448.3	30.0	-	-	-	559.9	8.6
Exchange differences on consolidation	(2,256.6)	(4,742.5)	(31,808.0)	(234.8)	(03.4)	(00.2)	(165.9)	(39,211.4)	(604.7)
Cost /Deemed cost as at March 31, 2017	**1,65,454.3**	**1,11,410.7**	**9,34,617.7**	**5,434.3**	**3,516.8**	**06.9**	**13,495.3**	**12,33,936.0**	**19,029.0**
Accumulated Impairment as at April 1, 2016	3,023.6	2,506.7	23,234.2	39.1	04.0	-	181.3	28,988.9	447.0
Charge for the year	101.6	222.1	2,458.2	(01.0)	(00.9)	-	-	2,780.0	42.9
Disposals	-	(00.1)	(475.1)	-	-	-	-	(475.2)	(7.3)
Re-classified as held for sale	-	-	(2,551.2)	-	-	-	-	(2,551.2)	(39.3)
Other re-classifications	(07.8)	(00.2)	(559.7)	-	-	-	-	(567.7)	(8.8)
Exchange differences on consolidation	(382.9)	(231.2)	(2,301.8)	(01.4)	(00.5)	-	(27.0)	(2,944.8)	(45.4)
Accumulated impairment as at March 31, 2017	**2,734.5**	**2,497.3**	**19,804.6**	**36.7**	**02.6**	**-**	**154.3**	**25,230.0**	**389.1**
Accumulated Depreciation as at April 1, 2016	2,893.4	38,284.8	2,88,318.2	2,662.9	1,432.5	00.5	1013.9	3,34,606.2	5160.1
Charge for the year	1,083.9	4,320.2	46,986.2	915.5	340.7	02.6	512.4	54,161.5	835.2
Disposals	-	(835.9)	(8,498.3)	(40.3)	(65.0)	-	-	(9,439.5)	(145.6)
Disposal of group undertakings	-	(1,581.8)	(11,224.8)	(00.4)	-	-	-	(12,807.0)	(197.5)
Re-classified as held for sale	-	-	(1,027.2)	-	-	-	-	(1,027.2)	(15.8)
Other re-classifications	(00.2)	(21.7)	299.7	(30.7)	(00.2)	-	-	246.9	3.8
Exchange differences on consolidation	(01.7)	(3,184.2)	(22,394.5)	(181.2)	00.5	(00.2)	(79.5)	(25,840.8)	(398.5)
Accumulated depreciation as at March 31, 2017	**3,975.4**	**36,981.4**	**2,92,459.3**	**3,325.8**	**1,708.5**	**02.9**	**1,446.8**	**3,39,900.1**	**5,241.7**
Net carrying value as at April 1, 2016	1,59,074.2	69,785.8	4,27,097.9	1,441.5	1,917.0	02.8	6,373.2	6,65,692.4	10,265.9
Net carrying value as at March 31, 2017	**1,58,744.4**	**71,932.0**	**6,22,353.8**	**2,071.8**	**1,805.7**	**04.0**	**11,894.2**	**8,68,805.9**	**13,398.2**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

3. PROPERTY, PLANT & EQUIPMENT (CONTD.)

(₹ in million)

	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	1,61,517.3	1,02,473.0	6,85,831.5	3,873.9	3,070.2	1.7	6,996.6	9,63,764.2
Additions	1,636.1	4,515.6	30,775.0	444.5	340.4	1.5	383.5	38,096.6
Disposals	(150.4)	(807.5)	(9,132.6)	(133.8)	(100.0)	-	-	(10,324.3)
Re-classified as held for sale	-	-	217.7	-	-	-	-	217.7
Other re-classifications	(174.5)	(268.7)	1,113.5	93.7	32.0	-	17.9	813.9
Exchange differences on consolidation	2,162.7	4,664.9	29,845.2	(134.8)	10.9	0.1	170.4	36,719.4
Cost/Deemed cost as at March 31, 2016	**1,64,991.2**	**1,10,577.3**	**7,38,650.3**	**4,143.5**	**3,353.5**	**3.3**	**7,568.4**	**10,29,287.5**
Accumulated Impairment as at April 1, 2015	2,858.5	2,221.0	18,616.5	8.7	2.3	-	176.1	23,883.1
Charge for the year	45.0	84.4	3,140.1	36.6	11.8	-	-	3,317.9
Disposals	-	(3.2)	(9.4)	(3.0)	(10.2)	-	-	(25.8)
Other re-classifications	-	(.4)	1,176.7	(5.3)	-	-	-	1,171.0
Exchange differences on consolidation	120.1	204.9	310.3	2.1	0.1	-	5.2	642.7
Accumulated impairment as at March 31, 2016	**3,023.6**	**2,506.7**	**23,234.2**	**39.1**	**04.0**	**-**	**181.3**	**28,988.9**
Accumulated Depreciation as at April 1, 2015	2,341.0	30,893.1	2,31,194.2	2,303.9	1,182.9	-	470.5	2,68,385.6
Charge for the year	551.8	4,915.7	4,5400.2	652.0	313.5	0.5	510.7	52,344.4
Disposals	-	(414.2)	(8,091.0)	(105.2)	(68.8)	-	-	(8,679.2)
Re-classified as held for sale	-	-	7.2	-	-	-	-	7.2
Other re-classifications	-	10.9	10.4	4.8	0.6	-	-	26.7
Exchange differences on consolidation	0.6	2,879.3	19,797.2	(192.6)	4.3	-	32.7	22,571.5
Accumulated depreciation as at March 31, 2016	**2,893.4**	**38,284.8**	**2,88,318.2**	**2,662.9**	**1,432.5**	**0.5**	**1,013.9**	**3,34,606.2**
Net carrying value as at April 1, 2015	1,56,317.8	69,358.9	4,36,020.8	1,561.3	1,885.0	1.7	6,350.0	6,71,495.5
Net carrying value as at March 31, 2016	**1,59,074.2**	**69,785.8**	**4,27,097.9**	**1,441.5**	**1,917.0**	**2.8**	**6,373.2**	**6,65,692.4**

(i) The net carrying value of land comprises of:

	As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
	(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
Leasehold land				
Cost/Deemed cost	4.1	268.4	464.9	433.0
Accumulated depreciation and impairment losses	0.2	12.2	10.2	0.7
	3.9	**256.2**	**454.7**	**432.3**
Freehold land	2,444.1	1,58,488.2	1,58,619.5	1,55,885.5
	2,448.0	**1,58,744.4**	**1,59,074.2**	**1,56,317.8**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

3. PROPERTY, PLANT & EQUIPMENT (CONTD.)

(ii) The net carrying value of building comprises of:

	As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
	(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
Leasehold building				
Cost/Deemed cost	55.4	3,591.1	4,456.8	3,819.0
Accumulated depreciation and impairment losses	27.1	1,759.2	1,676.9	1,249.9
	28.3	**1,831.9**	**2,779.9**	**2,569.1**
Freehold building	1081.0	70,100.1	67,005.9	66,789.8
	1,109.3	**71,932.0**	**69,785.8**	**69,358.9**

(iii) The net carrying value of plant and machinery comprises of:

	As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
	(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
Assets held under finance leases				
Cost/Deemed cost	661.0	42,860.6	36,199.8	33,991.7
Accumulated depreciation and impairment losses	318.7	20,665.5	20,259.4	18,955.8
	342.3	**22,195.1**	**15,940.4**	**15,035.9**
Owned assets	**9,255.3**	**6,00,158.7**	**4,11,157.5**	**4,20,984.9**
	9,597.6	**6,22,353.8**	**4,27,097.9**	**4,36,020.8**

(iv) The net carrying value of furniture, fixtures and office equipments comprises of:

	As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
	(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
Furniture and fixtures				
Cost/Deemed cost	22.0	1,423.8	1,407.2	1,549.3
Accumulated depreciation and impairment losses	15.7	1,018.8	903.9	955.6
	6.2	**405.0**	**503.3**	**593.7**
Office equipments				
Cost/Deemed cost	61.8	4,010.5	2,736.3	2,324.6
Accumulated depreciation and impairment losses	36.1	2,343.7	1,798.1	1,357.0
	25.7	**1,666.8**	**938.2**	**967.6**
	32.0	**2,071.8**	**1,441.5**	**1,561.3**

(v) ₹**2,842.2** million (US$ **43.8** million) (2015-16: ₹12,833.5 million) 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 ₹**1,362.2** million (US$ **21.0** million) (2015-16: ₹1,106.3 million) 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 ₹**36.0** million (2015-16: ₹69.0 million) on account of this adjustment.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

3. PROPERTY, PLANT & EQUIPMENT (CONTD.)

(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 ₹**6,534.4** million (US$ **100.8** million).

(viii) During the year, the Group recognised an impairment charge of ₹**5,034.6** million (US$ **77.6** million) (2015-16:19,097.4 million) 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 ₹**4,108.7** million (US$ **63.4** million) (2015-16: ₹ 4,385.5 million) was recognised which was contained in the following units : Strip Products MLE ₹**790.4** million (US$ **12.2** million) (2015-16: ₹ Nil million), Longs UK ₹**351.3** million (US$ **5.4** million) (2015-16: ₹ 3,235.7 million), Speciality and bar business ₹**1,229.5** million (US$ **19** million) (2015-16: ₹ 240.2 million), Packaging ₹ **790.4** million (US$ **12.2** million) (2015-16: ₹ 176.5 million), tubes ₹**175.6** (US$ **2.7** million) (2015-16: ₹117.7 million) and other smaller UK downstream business ₹**771.5** million (US$ **11.9** million) (2015-16: ₹ 615.4 million).

Out of the total impairment recognised during the year, ₹**1,483.7** million (US$ **22.9** million) 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 ₹**905.2** million (US$ **14.0** million) (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 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 ₹**20.7** million (US$ **0.3** million) (2015-16: ₹1,646.5 million) 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.

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

3. PROPERTY, PLANT & EQUIPMENT (CONTD.)

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:

	As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
	(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
Not later than one year	103.9	6,735.0	9,203.6	9,542.5
Later than one year but not later than five years	228.2	14,798.0	29,805.2	30,525.9
Later than five years	399.4	25,897.6	24,248.8	27,981.7
	731.4	**47,430.6**	**63,257.6**	**68,050.1**

During the year ended March 31, 2017, total operating lease rental recognised in the consolidated statement of profit and loss was ₹**9,496.2**million (US$ **146.4** million), (2015-16: ₹9,646.9 million) including contingent rent of ₹**370.7** million (US$ **5.7** million) (2015-16: ₹372.4 million).

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:

(₹ in million)

	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
	(US$ million)	(₹ in million)	(US$ million)	(₹ in million)				
Not later than one year	91.4	5,925.6	33.7	2,182.7	5,554.2	2,425.4	5,150.0	2,032.6
Later than one year but not later than five years	311.5	20,199.3	116.9	7,583.6	17,888.6	7,547.9	17,048.3	6,606.0
Later than five years	731.0	47,398.6	319.0	20,688.3	39,453.3	17,428.7	41,484.9	17,698.6
Total future minimum lease commitments	**1,133.8**	**73,523.5**	**469.7**	**30,454.6**	**62,896.1**	**27,402.0**	**63,683.2**	**26,337.2**
Less: future finance charges	664.2	43,068.9			35,494.1		37,346.0	
Present value of minimum lease payments	**469.7**	**30,454.6**			**27,402.0**		**26,337.2**	
Disclosed as:								
Non-current borrowings	435.9	28,268.3			25,136.2		24,386.2	
Other financial liabilities - Current	33.7	2,186.3			2,265.8		1,951.0	
	469.7	**30,454.6**			**27,402.0**		**26,337.2**	

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

5. GOODWILL ON CONSOLIDATION

	As at March 31, 2017		As at March 31, 2016
	(US$ million)	(₹ in million)	(₹ in million)
Cost as at beginning of the year	852.7	55,290.7	53,802.8
Exchange differences on consolidation	(121.6)	(7,887.7)	1,487.9
Cost as at end of the year	**731.0**	**47,403.0**	**55,290.7**
Impairment as at beginning of year	225.4	14,615.1	14,194.3
Exchange differences on consolidation	(33.3)	(2,159.4)	420.8
Impairment as at end of the year	**192.1**	**12,455.7**	**14,615.1**
Net carrying value as at beginning of the year	**627.3**	**40,675.6**	**39,608.5**
Net carrying value as at end of the year	**538.9**	**34,947.3**	**40,675.6**

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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

6. OTHER INTANGIBLE ASSETS

(₹ in million)

	Patents and Trademarks	Development costs	Software costs	Mining assets	Other intangible assets	Total	
						(₹ in million)	(US$ million)
Cost/Deemed cost as at April 1, 2016	92.7	4,880.8	3,148.5	22,042.8	26,342.3	56,507.1	871.4
Additions	0.8	352.3	1,418.1	8,004.6	12.2	9,788.0	150.9
Disposals	-	(2,571.3)	(145.6)	-	(23,461.0)	(26,177.9)	(403.7)
Disposal of group undertakings	(4.0)	(6.8)	(51.2)	-	-	(62.0)	(1.0)
Other re-classifications	-	-	(17.8)	(6,093.5)	-	(6,111.3)	(94.2)
Exchange differences on consolidation	12.1	(262.8)	(99.1)	40.6	(1,954.1)	(2,263.3)	(34.9)
Cost/Deemed cost as at March 31, 2017	**101.6**	**2,392.2**	**4,252.9**	**23,994.5**	**939.4**	**31,680.6**	**488.6**
Accumulated impairment as at April 1, 2016	-	-	5.0	1,244.5	14,017.9	15,267.4	235.4
Charge for the year	-	-	2.0	11.3	-	13.3	0.2
Disposals	-	-	-	-	(12,657.2)	(12,657.2)	(195.2)
Other re-classifications	-	-	(2.1)	-	-	(2.1)	0
Exchange differences on consolidation	-	-	(0.7)	(30.1)	(1,054.2)	(1,085.0)	(16.7)
Accumulated impairment as at March 31, 2017	**-**	**-**	**04.2**	**1,225.7**	**306.5**	**1,536.4**	**23.7**
Accumulated amortisation as at April 1, 2016	59.7	3,907.3	2,132.4	7,585.5	11,925.2	25,610.1	394.9
Charge for the year	7.1	454.3	474.0	1,883.1	45.6	2864.1	44.2
Disposals	-	(2,571.3)	(145.2)	-	(10,803.9)	(13,520.4)	(208.5)
Disposal of group undertakings	(4.0)	(6.8)	(16.6)	-	-	(27.4)	(0.4)
Other re-classifications	-	-	(14.7)	-	-	(14.7)	(0.2)
Exchange differences on consolidation	14.3	(190.6)	(16.3)	12.6	(899.8)	(1,079.8)	(16.7)
Accumulated amortisation as at March 31, 2017	**77.1**	**1,592.9**	**2,413.6**	**9,481.2**	**267.1**	**13,831.9**	**213.3**
Net carrying value as at April 1, 2016	33.0	973.5	1,011.1	13,212.8	399.2	15,629.6	241.0
Net carrying value as at March 31, 2017	**24.5**	**799.3**	**1,835.1**	**13,287.6**	**365.8**	**16,312.3**	**251.6**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

6. OTHER INTANGIBLE ASSETS (CONTD.)

(₹ million)

	Patents and Trademarks	Development costs	Software costs	Mining assets	Other intangible assets	Total
Cost/Deemed cost as at April 1, 2015	49.9	3,970.3	2,757.0	34,402.8	25,588.0	66,768.0
Additions	0.6	426.0	352.7	14,823.7	0.3	15,603.3
Disposals	(1.9)	-	(87.5)	(64.6)	-	(154.0)
Other re-classifications	-	-	4.8	(27,790.2)	27.4	(27,758.0)
Exchange differences on consolidation	44.1	484.5	121.5	671.1	726.6	2,047.8
Cost/Deemed cost as at March 31, 2016	**92.7**	**4,880.8**	**3,148.5**	**22,042.8**	**26,342.3**	**56,507.1**
Accumulated impairment as at April 1, 2015	-	-	0.2	-	13,643.8	13,644.0
Charge for the year	-	-	5.0	1,260.7	-	1,265.7
Reversals during the year	-	-	(0.1)	-	(17.9)	(18.0)
Exchange differences on consolidation	-	-	(0.1)	(16.2)	392.0	375.7
Accumulated impairment as at March 31, 2016	**-**	**-**	**5.0**	**1,244.5**	**14,017.9**	**15,267.4**
Accumulated amortisation as at April 1, 2015	14.5	3,072.5	1,799.1	6,838.5	11,527.8	23,252.4
Additions through business combinations	-	-	-	-	-	-
Charge for the period	4.9	453.7	340.9	783.1	62.9	1,645.5
Disposals	-	-	(86.8)	(26.8)	-	(113.6)
Exchange differences on consolidation	40.3	381.1	79.2	(9.3)	334.5	825.8
Accumulated amortisation as at March 31, 2016	**59.7**	**3,907.3**	**2,132.4**	**7,585.5**	**11,925.2**	**25,610.1**
Net carrying value as at April 1, 2015	35.4	897.8	957.7	27,564.3	416.4	29,871.6
Net carrying value as at March 31, 2016	**33.0**	**973.5**	**1,011.1**	**13,212.8**	**399.2**	**15,629.6**

(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 ₹ **11.3** million (US$ **0.2** million) (2015-16: ₹ 359.2 million) 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 ₹ **901.5** million (US$ **13.9** million) 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

7. EQUITY ACCOUNTED INVESTMENTS

(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:

	As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
	(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
Carrying value of the Group's interest in associates*	**35.7**	**2,316.2**	**2,207.4**	**2,254.8**

	Year ended March 31, 2017		Year ended March 31, 2016
	(US$ million)	(₹ in million)	(₹ in million)
Group's share of profit/(loss) in associates*	6.8	440.0	114.9
Group's share of other comprehensive income in associates	(0.8)	(50.2)	(03.0)
Group's share of total comprehensive income in associates	**6.0**	**389.8**	**111.9**

(ii) Fair value of investments in equity accounted associates for which published price quotation is available, which is a level 1 input, was ₹**1,303.5** million (US$ **20.1** million) (March 31, 2016: ₹1,363.0 million and April 1, 2015: ₹1,672.3 million). The carrying value of such investments is **Nil** (March 31, 2016: Nil; April 1, 2015: ₹227.1 million) 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 ₹**1,051.7** million (US$ **16.2** million) for the year ended March 31, 2017 (2015-16: ₹595.3 million). Cumulative shares of unrecognised losses in respect of equity accounted associates as at March 31, 2017 amounted to ₹**2,090.8** million (US$ **32.2** million). (March 31, 2016: ₹1,088.4 million; April 1, 2015: ₹459.6 million)

(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:

	As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
	(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
Carrying value of the Group's interest in joint ventures*	**210.0**	**1,3620.6**	**1,3996.7**	**14,941.3**

	Year ended March 31, 2017		Year ended March 31, 2016
	(US$ million)	(₹ in million)	(₹ in million)
Group's share of profit/(loss) in joint ventures*	(5.6)	(363.5)	(1,219.1)
Group's share of other comprehensive income in joint ventures	1.0	62.2	277.1
Group's share of total comprehensive income in joint ventures	**(4.6)**	**(301.3)**	**(942.0)**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

7. EQUITY ACCOUNTED INVESTMENTS (CONTD.)

(iii) Share of unrecognised losses in respect of equity accounted joint ventures amounted to ₹**261.2** million (US$ **4.0** million) for the year ended March 31, 2017 (2015-16: ₹2,886.3 million). Cumulative shares of unrecognised losses in respect of equity accounted joint ventures as at March 31, 2017 amounted to ₹**9,743.2** million (US$ **150.3** million). (March 31, 2016: ₹13,098.9 million; April 1, 2015: ₹9,626.5 million).

(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.

(c) Summary of carrying value of the Group's interest in equity accounted investees:

	As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
	(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
Carrying value in immaterial associates	35.8	2,316.2	2,207.4	2,254.8
Carrying value in immaterial joint ventures	210.0	13,620.6	13,996.7	14,941.3
	245.8	**15,936.8**	**16,204.1**	**17,196.1**

(d) Summary of Group's share of profit/(loss) in equity accounted investees:

	Year ended March 31, 2017		Year ended March 31, 2016
	(US$ million)	(₹ in million)	(₹ in million)
Share of profit/(loss) in immaterial associates	6.8	440.0	114.9
Share of profit/(loss) in immaterial joint ventures	(5.6)	(363.5)	(1,219.1)
	1.2	**76.5**	**(1,104.2)**

(e) Summary of Group's share of other comprehensive income in equity accounted investees:

	Year ended March 31, 2017		Year ended March 31, 2016
	(US$ million)	(₹ in million)	(₹ in million)
Share of other comprehensive income in immaterial associates	(0.8)	(50.2)	(03.0)
Share of other comprehensive income of immaterial joint venture	1.0	62.2	277.2
	0.2	**12.0**	**274.2**

* 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 FINANCIAL STATEMENTS

8. INVESTMENTS

(A) NON-CURRENT

		As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
		(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
(a)	**Investment carried at amortised cost:**				
	Investments in Government or Trust securities	-	00.2	00.2	0.2
	Investments in Bonds and Debentures	7.7	499.1	341.6	2.0
		7.7	**499.3**	**341.8**	**2.2**
(b)	**Investments carried at fair value through other comprehensive income:**				
	Investments in Equity shares	749.3	48,588.2	40,154.5	1,07,701.4
		749.3	**48,588.2**	**40,154.5**	**1,07,701.4**
(c)	**Investments carried at fair value through the consolidated statement of profit and loss:**				
	Investments in Bonds and Debentures	37.7	2,447.2	3,454.3	3,614.1
	Investments in Equity shares	5.7	368.4	346.9	270.0
		43.4	**2,815.6**	**3,801.2**	**3,884.1**
		800.4	**51,903.1**	**44,297.5**	**1,11,587.7**

(B) CURRENT

	As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
	(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
Investments carried at fair value through the consolidated statement of profit and loss:				
Investments in mutual funds	874.9	56,731.3	46,635.5	12,146.0
	874.9	**56,731.3**	**46,635.5**	**12,146.0**

(i) The carrying value and market value of quoted and unquoted investments is as follows:

		As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
		(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
(a)	**Quoted**				
	Carrying value	730.2	47,352.8	39,895.0	1,06,924.8
	Market value	730.2	47,352.8	39,895.0	1,06,924.8
(b)	**Unquoted#**				
	Carrying value				
	Market value	945.0	61,281.6	51,038.0	16,808.9

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

9. LOANS

A. NON-CURRENT

		As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
		(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
(a)	**Security deposits**				
	Unsecured, considered good	30.4	1,972.5	1,885.1	1,241.6
	Unsecured, considered doubtful	0.2	13.1	14.2	17.5
	Less: Allowance for credit losses	0.2	13.1	14.2	17.5
		30.4	**1,972.5**	**1,885.1**	**1,241.6**
(b)	**Loans to related parties**				
	Unsecured, considered good	2.1	135.3	152.9	87.8
	Unsecured, considered doubtful	26.0	1,687.8	1,982.8	1,907.6
	Less: Allowance for credit losses	26.0	1,687.8	1,982.8	1,907.6
		2.1	**135.3**	**152.9**	**87.8**
(c)	**Other loans**				
	Unsecured, considered good	25.0	1,622.8	2,084.3	1,571.5
	Unsecured, considered doubtful	185.3	12,014.7	837.2	805.3
	Less: Allowance for credit losses	185.3	12,014.7	837.2	805.3
		25.0	**1,622.8**	**2,084.3**	**1,571.5**
		57.5	**3,730.6**	**4,122.3**	**2,900.9**

B. CURRENT

		As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
		(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
(a)	**Security deposits**				
	Unsecured, considered good	5.4	347.7	278.4	335.9
	Unsecured, considered doubtful	0.0	02.3	-	-
	Less: Allowance for credit losses	0.0	02.3	-	-
		5.4	**347.7**	**278.4**	**335.9**
(b)	**Loans to related parties**				
	Unsecured, considered good	0.0	-	-	622.9
	Unsecured, considered doubtful	120.1	7,788.3	7,956.2	7,116.1
	Less: Allowance for credit losses	120.1	7,788.3	7,956.2	7,116.1
		-	**-**	**-**	**622.9**
(c)	**Other loans**				
	Unsecured, considered good	29.3	1,897.3	1,795.8	1,196.4
	Unsecured, considered doubtful	0.3	20.7	20.0	20.0
	Less: Allowance for credit losses	0.3	20.7	20.0	20.0
		29.3	**1,897.3**	**1,795.8**	**1,196.4**
		34.6	**2,245.0**	**2,074.2**	**2,155.2**

(i) Non-current security deposits include deposit with Tata Sons ₹**12.5** million (US$ **0.2** million) (March 31, 2016: ₹12.5 million; April 1, 2015: ₹12.5 million).

(ii) Non-current loans to related parties represent loans given to joint ventures ₹**1,727.6** million (US$ **26.6** million) (March 31, 2016: ₹2,023.5 million; April 1, 2015: ₹1,941.4 million) and associates ₹**95.5** million (US$ **1.5** million) (March 31, 2016: ₹112.2; April 1, 2015: ₹54.0 million).

(iii) Current loans to related parties represent loans given to joint ventures ₹**7,788.3** million (US$ **120.1** million) (March 31, 2016: ₹7,956.2; April 1, 2015: ₹ 7,116.1 million) and associates **Nil** (March 31, 2016: Nil; April 1, 2015: ₹622.9 million).

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

10. OTHER FINANCIAL ASSETS

A. NON-CURRENT

		As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
		(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
(a)	**Interest accrued on deposits, loans and advances**				
	Unsecured, considered good	0.4	24.3	27.9	67.4
	Unsecured, considered doubtful	0.0	02.7	02.7	-
	Less: Allowance for credit losses	0.0	02.7	02.7	-
		0.4	**24.3**	**27.9**	**67.4**
(b)	**Earmarked balances with bank**	**6.3**	**408.7**	**361.4**	**414.6**
(c)	**Other balances with banks**	**2.0**	**126.7**	**21.1**	**10.4**
(d)	**Other financial assets**				
	Unsecured, considered good	4.6	296.1	-	212.7
	Unsecured, considered doubtful	18.1	1,174.2	-	375.0
	Less: Allowance for credit losses	18.1	1,174.2	-	375.0
		4.6	**296.1**	**-**	**212.7**
		13.2	**855.8**	**410.4**	**705.1**

B. CURRENT

		As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
		(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
(a)	**Interest accrued on deposits and loans**				
	Unsecured, considered good	9.3	605.7	180.5	265.3
	Unsecured, considered doubtful	16.6	1,077.0	755.4	267.4
	Less: Allowance for credit losses	16.6	1,077.0	755.4	267.4
		9.3	**605.7**	**180.5**	**265.3**
(b)	**Other financial assets**				
	Unsecured, considered good	50.5	3,272.5	2,232.5	3,251.4
		50.5	**3,272.5**	**2,232.5**	**3,251.4**
		59.8	**3,878.2**	**2,413.0**	**3,516.7**

(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: ₹212.7 million).

(b) advance for repurchase of equity shares in Tata Teleservices Limited (TTSL) from NTT Docomo Inc, ₹**1,440.7** million (US$ **22.2** million) (March 31, 2016: Nil; April 1, 2015: Nil).

(iv) Current other financial assets include amount receivable from post-employment benefit fund ₹**2,470.4** million (US$ **38.1** million) (March 31, 2016: ₹976.1 million; April 1, 2015: ₹1,543.4 million) on account of retirement benefit obligations paid by the Group.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

11. RETIREMENT BENEFIT ASSETS AND OBLIGATIONS

(I) RETIREMENT BENEFIT ASSETS

A. NON-CURRENT

		As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
		(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
(a)	Pension	270.2	17,521.4	1,14,767.7	13,305.0
(b)	Retiring gratuities	0.1	5.0	6.7	1.3
		270.3	**17,526.4**	**1,14,774.4**	**13,306.3**

(II) RETIREMENT BENEFIT OBLIGATIONS

A. NON-CURRENT

		As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
		(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
(a)	Pension	155.0	10,050.3	15,002.9	15,629.1
(b)	Retiring gratuities	35.9	2,330.5	1,795.0	5,758.4
(c)	Post-retirement medical benefits	185.3	12,018.3	10,435.1	10,185.9
(d)	Other defined benefits	34.9	2,263.6	2,061.8	1,960.3
		411.2	**26,662.7**	**29,294.8**	**33,533.7**

B. CURRENT

		As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
		(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
(a)	Pension	4.1	264.3	409.5	477.4
(b)	Retiring gratuities	0.5	32.9	-	-
(c)	Post-retirement medical benefits	8.5	548.0	539.8	485.9
(d)	Other defined benefits	1.6	106.8	161.5	139.8
		14.7	**952.0**	**1,110.8**	**1,103.1**

(i) Detailed disclosure in respect post retirement defined benefit schemes is provided in Note 38

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

12. INCOME TAXES

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:

	Year ended March 31, 2 017		Year ended March 31, 2016
	(US$ million)	(₹ in million)	(₹ in million)
Profit/(loss) before tax	**381.5**	**24,736.3**	**27,327.5**
Income tax expense at applicable tax rates applicable to individual entities	**72.4**	**4,693.6**	**(15,186.0)**
(a) Tax on income at different rates	(4.9)	(320.1)	(22.9)
(b) Additional tax benefit for capital investment including research & development expenditures	(20.3)	(1,316.5)	(667.5)
(c) Items not deductible/income exempt from tax	1.3	12,925.5	26,864.5
(d) Undistributed earning of subsidiaries, joint ventures and equity accounted investees	199.3	82.6	53.5
(e) Deferred tax assets not recognised because realisation is not probable	273.6	17,741.6	8,841.8
(f) Adjustments to current tax in respect of prior periods	(1.8)	(118.6)	(290.7)
(g) Utilisation/credit of unrecognised tax losses unabsorbed depreciation and other tax benefits	(91.1)	(5,908.0)	(12,693.1)
Tax expense as reported	**428.4**	**27,780.1**	**6,899.6**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

12. INCOME TAXES (CONTD.)

B. DEFERRED TAX ASSETS/(LIABILITIES)

(a) Components of deferred tax assets and liabilities as at March 31, 2017 is as below:

(₹ in million)

	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	
								(₹ in million)	(US$ million)
Deferred tax assets / (liabilities)									
Tax-loss carry forwards	24,776.3	(12,907.6)	-	-	-	2.4	(1,779.1)	10,092.0	155.6
Provisions	16,704.7	5,131.9	-	-	-	(33.9)	(284.7)	21,518.0	331.8
MAT credit entitlement	2,758.1	12,439.2	-	-	-	(64.3)	-	15,133.0	233.4
Others	223.7	521.5	(2.5)	-	-	-	(9.0)	733.7	11.3
	44,462.8	**5,185.0**	**(2.5)**	**-**	**-**	**(95.8)**	**(2,072.8)**	**47,476.7**	**732.10**
Deferred tax liabilities /(assets)									
Property plant and equipment	1,07,716.7	23,869.8	-	(108.4)	-	-	349.6	1,31,827.7	2,033.0
Intangible assets	281.2	290.1	-	-	-	-	86.1	657.4	10.1
Retirement benefit assets/ liabilities	18,086.1	(8,483.6)	(7,038.4)	-	155.1	-	(1,815.2)	904.0	13.9
Trade and other receivables	5,012.9	1,650.6	4.6	-	-	-	(831.1)	5,837.0	90.0
Others	1,300.3	(1,778.8)	138.2	-	53.1	77.7	(97.8)	(307.3)	(4.7)
	1,32,397.2	**15,548.1**	**(6,895.6)**	**(108.4)**	**208.2**	**77.7**	**(2,308.4)**	**1,38,918.8**	**2,142.3**
Net Deferred tax assets/(liabilities)	**(87,934.4)**	**(10,363.1)**	**6,893.1**	**108.4**	**(208.2)**	**(173.5)**	**235.6**	**(91,442.1)**	**(1,410.2)**
Disclosed as :									
Deferred tax assets	**6,274.5**							**8,858.7**	**136.6**
Deferred tax liabilities	**94,208.9**							**1,00,300.8**	**1,546.8**
	(87,934.4)							**(91,442.1)**	**(1,410.2)**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

12. INCOME TAXES (CONTD.)

Components of deferred tax assets and liabilities as at March 31, 2016 is as below:

(₹ in million)

	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	16,189.4	7,720.1	-	-	-	(329.4)	1,196.2	24,776.3
Retirement benefit assets/ liabilities	62.9	(15,309.0)	(3,377.1)	-	-	-	537.1	(18,086.1)
Provisions	13,172.4	4,061.7	-	-	-	(567.8)	38.4	16,704.7
MAT credit entitlement	1,172.1	1,521.7	-	-	-	64.3	-	2,758.1
Others	221.0	(66.2)	(03.2)	-	-	-	-	151.6
	30,817.8	**(2,071.7)**	**(3,380.3)**	**-**	**-**	**(832.9)**	**1,771.7**	**26,304.6**
Deferred tax liabilities / (assets)								
Property plant and equipment	1,15,043.3	(7,959.2)	-	(158.9)	-	(04.7)	796.2	1,07,716.7
Intangible assets	816.7	(559.5)	-	-	31.3	-	(07.3)	281.2
Trade and other receivables	3,640.5	1,283.4	-	-	-	-	89.0	5,012.9
Others	2,572.4	(1,147.0)	(770.1)	-	(31.3)	255.9	348.3	1,228.2
	1,22,072.9	**(8,382.3)**	**(770.1)**	**(158.9)**	**-**	**251.2**	**1,226.2**	**1,14,239.0**
Net Deferred tax assets/ (liabilities)	**(91,255.1)**	**6,310.6**	**(2,610.2)**	**158.9**	**-**	**(1,084.1)**	**545.5**	**(87,934.4)**
Disclosed as :								
Deferred tax assets	**8,122.0**							**6,274.5**
Deferred tax liabilities	**99,377.1**							**94,208.9**
	(91,255.1)							**(87,934.4)**

(b) Deferred tax assets have not been recognised in respect of tax losses of ₹**4,80,419.1** million (US$ **7,408.7** million) (March 31, 2016: ₹5,65,419.5 million; April 1, 2015: ₹5,08,113.4 million) as its recovery is not considered probable in the foreseable future. These losses primarily relate to the Group's European operations.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

12. INCOME TAXES (CONTD.)

(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:

	(US$ million)	(₹ in million)
	As at March 31, 2017	**As at March 31, 2017**
Not later than one year	10.2	662.1
Later than one year but less than five years	836.5	54,240.9
Later than five years but less than ten years	437.6	28,377.8
Later than ten years but less than twenty years	4.7	306.1
No expiry	6,119.7	3,96,832.2
	7,408.7	**4,80,419.1**

(d) Deferred tax assets have also not been recognised in respect of deductible temporary differences and unused tax credits of ₹**68,675.3** million (US$ **1,059.1** million) (March 31,2016: ₹26,608.7 million; April 1, 2015: ₹25,323.8 million) 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 ₹**1,02,280.2** million (US$ **1,577.3** million) (March 31, 2016: ₹98,836.1million and April 1, 2015: ₹86,918.2 million). 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.

13. OTHER ASSETS

A. NON-CURRENT

		As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
		(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
(a)	Capital advances				
	Unsecured, considered good	95.3	6,181.6	8,351.8	10,525.0
	Unsecured, considered doubtful	13.7	886.1	758.8	24.5
	Less: Provision for doubtful advances	13.7	886.1	758.8	24.5
		95.3	**6,181.6**	**8,351.8**	**10,525.0**
(b)	Advance with public bodies				
	Unsecured, considered good	278.3	18,044.4	18,808.4	1,3537.9
	Unsecured, considered doubtful	2.0	127.6	172.6	178.3
	Less: Provision for doubtful advances	2.0	127.6	172.6	178.3
		278.3	**18,044.4**	**18,808.4**	**13,537.9**
(c)	Prepaid lease payments	**142.8**	**9,256.7**	**8,544.0**	**6,998.7**
(d)	Capital advances to related parties				
	Unsecured, considered good	**5.0**	**325.4**	**73.0**	**195.7**
(e)	Other assets				
	Unsecured, considered good	45.4	2,941.5	2,645.1	2,287.0
	Unsecured, considered doubtful	3.0	193.4	119.0	130.8
	Less: Provision for doubtful advances	3.0	193.4	119.0	130.8
		45.4	**2,941.5**	**2,645.1**	**2,287.0**
		566.7	**36,749.6**	**38,422.3**	**33,544.3**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

13. OTHER ASSETS (CONTD.)

B. CURRENT

		As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
		(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
(a)	Capital advances				
	Unsecured, considered good	**0.1**	**5.5**	**3.4**	**-**
(b)	Advance with public bodies				
	Unsecured, considered good	215.0	13,940.9	13,166.6	11,982.9
	Unsecured, considered doubtful	0.4	28.5	30.8	18.5
	Less: Provision for doubtful advances	0.4	28.5	30.8	18.5
		215.0	**13,940.9**	**13,166.6**	**11,982.9**
(c)	Prepaid lease payments	**0.1**	**5.9**	**5.7**	**5.6**
(d)	Advances to related parties				
	Unsecured, considered good	**0.8**	**51.4**	**53.8**	**10.0**
(e)	Other assets				
	Unsecured, considered good	122.4	7,940.1	7,049.2	7,582.1
	Unsecured, considered doubtful	21.5	1,391.3	1,517.5	2,884.0
	Less: Provision for doubtful advances	21.5	1,391.3	1,517.5	2,884.0
		122.4	**7,940.1**	**7,049.2**	**7,582.1**
		338.4	**21,943.8**	**20,278.7**	**19,580.6**

(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

		As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
		(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
(a)	Raw materials	1,236.8	80,202.3	51,529.4	79,013.3
(b)	Work-in-progress	675.3	43,787.5	43,010.9	46,522.4
(c)	Finished and semi-finished goods	1,394.9	90,453.1	72,524.9	84,408.8
(d)	Stock-in-trade	21.6	1,399.1	1,003.2	3,913.1
(e)	Stores and spares	496.5	32,196.2	32,064.9	32,076.0
		3,825.1	**2,48,038.2**	**2,00,133.3**	**2,45,933.6**
Included above, goods-in-transit:					
(i)	Raw materials	100.3	6,503.0	3,824.2	14,186.8
(ii)	Finished and semi-finished goods	21.4	1,385.5	302.9	2,105.6
(iii)	Stock-in-trade	15.0	970.9	653.1	238.5
(iv)	Stores and spares	22.0	1,428.5	1,607.0	1,513.1
		293.9	**10,287.9**	**6,387.2**	**18,044.0**

(i) The value of inventories above is stated after impairment of ₹**5,651.1** million (US$ **87.1** million) (March 31, 2016: ₹11,645.6 million; April 1, 2015: ₹10,378.4 million) for write-down to net realisable value and provision for slow moving and obsolete item.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

15. TRADE RECEIVABLES

	As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
	(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
(a) Unsecured considered good	1,786.8	1,15,868.2	1,20,662.2	1,35,797.7
(b) Unsecured considered doubtful	35.0	2,268.6	3,199.5	2,491.7
	1,821.8	**1,18,136.8**	**1,23,861.7**	**1,38,289.4**
Less: Allowance for credit losses	35.0	2,268.6	3,199.5	2,491.7
	1,786.8	**1,15,868.2**	**1,20,662.2**	**1,35,797.7**

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:

	Year ended March 31, 2 017		Year ended March 31, 2016
	(US$ million)	(₹ in million)	(₹ in million)
Balance at the beginning of the year	49.3	3,199.5	2,491.7
Change in consolidated statement of profit and loss	4.1	266.0	830.1
Utilised during the period	(6.5)	(424.4)	(74.4)
Disposal of group undertakings	(5.9)	(385.8)	-
Reclassified to assets held for sale	(0.2)	(10.9)	-
Exchange differences in consolidation	(5.8)	(375.8)	(47.9)
Balance at the end of the year	**35.0**	**2,268.6**	**3,199.5**

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

	As at March 31, 2017			Net credit risk	
	Gross credit risk	Subject to credit insurance cover	Impairment provision	(₹ million)	(US$ million)
Amounts not yet due	1,06,439.6	67,371.6	11.1	39,056.9	602.3.
One month overdue	4,714.7	2,117.9	3.7	2,593.1	40.0
Two months overdue	1,137.4	736.6	0.2	400.6	6.2
Three months overdue	777.9	221.4	28.1	528.4	8.1
Between three to six months overdue	1,262.1	532.0	138.5	591.6	9.1
Greater than six months overdue	3,805.1	721.8	2,087.0	996.3	15.4
	1,18,136.8	**71,701.3**	**2,268.6**	**44,166.9**	**681.1**

(₹ in million)

	As at March 31, 2016			
	Gross credit risk	Subject to credit insurance cover	Impairment provision	Net credit risk
Amounts not yet due	102,355.8	68,899.9	126.8	33,329.1
One month overdue	11,003.6	8,063.3	07.9	2,932.4
Two months overdue	1,212.2	686.5	02.0	523.7
Three months overdue	1,167.8	197.7	31.2	938.9
Between three to six months overdue	2,039.0	576.1	210.6	1,252.3
Greater than six months overdue	6,083.3	2,546.3	2,821.0	716.0
	1,23,861.7	**80,969.8**	**3,199.5**	**39,692.4**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

15. TRADE RECEIVABLES (CONTD.)

(iii) The Group considers its maximum exposure to credit risk with respect to customers as at March 31, 2017 to be ₹**44,166.9** million (US$ **681.1** million) (March 31, 2016: ₹39,692.4 million; April 1, 2015: ₹43,333.4 million), 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

		As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
		(US$ million)	**(₹ in million)**	**(₹ in million)**	**(₹ in million)**
(a)	Cash in hand	0.1	08.0	07.5	13.8
(b)	Cheques, drafts on hand	4.5	294.4	342.9	541.0
(c)	Remittance in-transits	9.1	592.7	44.9	44.5
(d)	Unrestricted balances with banks	731.4	47,427.8	60,695.2	81,172.0
		745.2	**48,322.9**	**61,090.5**	**81,771.3**

Currency profile of cash and cash equivalents is as below:

	As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
	(US$ million)	**(₹ in million)**	**(₹ in million)**	**(₹ in million)**
INR	222.7	14,441.6	12,847.0	7,929.5
GBP	94.8	6,146.3	(1,448.5)	14,356.0
EURO	(10.9)	(704.4)	20,029.2	13,002.9
USD	314.2	20,375.0	25,462.2	42,096.7
Others	124.4	8,064.4	4,200.6	4,386.2
Total	**745.2**	**48,322.9**	**61,090.5**	**81,771.3**

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.

17. OTHER BALANCES WITH BANK

	As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
	(US$ million)	**(₹ in million)**	**(₹ in million)**	**(₹ in million)**
Earmarked balances with bank	13.7	887.6	772.9	713.4
	13.7	**887.6**	**772.9**	**713.4**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(a) Currency profile of Earmarked balances is as below:

	As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
	(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
INR	11.4	741.6	704.3	643.6
USD	2.3	146.0	-	-
Others	-	-	68.6	69.8
Total	**13.7**	**887.6**	**772.9**	**713.4**

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.

18. ASSETS AND LIABILITIES HELD FOR SALE

(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 **₹ 1,813.2** million (US$ **28.0** million) 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The major classes of assets and liabilities held for sale as on the respective reporting dates is as below:

	As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
	(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
Assets classified as held for sale:				
Property, Plant and Equipment	0	-	210.5	-
Equity accounted investments	0	-	50.6	1,454.2
Inventories	120.0	7,781.2	-	-
Trade receivables	45.1	2,925.0	-	-
Cash and bank balances	0.2	10.3	-	-
Other financial assets	0.4	27.8	-	-
	165.7	10,744.3	261.1	1,454.2
Less: Write down to fair value less costs to sell	(28.0)	(1,813.2)	-	-
	137.7	**8,931.1**	**261.1**	**1,454.2**
Liabilities classified as held for sale:				
Non-current financial liabilities	1.4	88.9	-	-
Provisions	1.5	100.3	-	-
Other Non-current liabilities	0.0	00.1	-	-
Trade payables	35.2	2,285.1	-	-
Other financial liabilities	0.4	24.9	-	-
Short term provisions	4.2	271.6	-	-
Current tax liabilities	0.1	04.6	-	-
Other Current liabilities	1.9	122.1	-	-
	44.7	**2,897.6**	-	-

(b) As at March 31, 2017, the Group has also reclassified certain assets with carrying value of **₹ 983.1** million (US$ **15.2** million) 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 **₹ 904.8** million (US$ **14.0** million) 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 ₹ 1,674.7 million, of which ₹ 492.6 million 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 million. On classification as held for sale at March 31, 2015, the Group has recognised an impairment charge of ₹ 295.5 million 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 ₹ 250.1 million, 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 FINANCIAL STATEMENTS

19. EQUITY SHARE CAPITAL

		As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
		(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
Authorised:					
1,75,00,00,000	Ordinary Shares of ₹10 each	269.9	17,500.0	17,500.0	17,500.0
	(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	54.0	3,500.0	3,500.0	3,500.0
	(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	38.6	2,500.0	2,500.0	2,500.0
	(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	925.3	60,000.0	60,000.0	60,000.0
	(March 31, 2016: 60,00,00,000 Shares of ₹100 each)				
	(April 1, 2015: 60,00,00,000 Shares of ₹100 each)				
		1,287.7	**83,500.0**	**83,500.0**	**83,500.0**
Issued:					
97,21,26,020	Ordinary Shares of ₹10 each	149.9	9,721.3	9,721.3	9,721.3
	(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	149.6	9,700.4	9,700.4	9,712.1
	(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	02.0	02.0	2.0
	(March 31, 2016: 3,89,516 Shares of ₹10 each)				
	(April 1, 2015: 3,89,516 Shares of ₹10 each)				
		149.6	**9,702.4**	**9,702.4**	**9,714.1**

(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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

19. EQUITY SHARE CAPITAL (CONTD.)

(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	(US$ million)	(₹ in million)	No. of shares	(₹ in million)
Ordinary shares of ₹10 each					
Balance at the beginning of the year	**97,00,47,046**	149.6	9,702.4	97,12,15,439	9,714.1
Adjustment for cross holdings	-	-	-	11,68,393	11.7
Balance at the end of the year	**97,00,47,046**	**149.6**	**9,702.4**	**97,00,47,046**	**9,702.4**

(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.

(d) Details of shareholders holding more than 5 percent shares in the Company is as below:

	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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(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 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

The detail of movement in Hybrid Perpetual Securities is as below:

	As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
	(US$ million)	**(₹ in million)**	**(₹ in million)**	**(₹ in million)**
Balance at the beginning of the year	350.8	22,750.0	22,750.0	22,750.0
Balance at the end of the year	**350.8**	**22,750.0**	**22,750.0**	**22,750.0**

The Group had issued Hybrid Perpetual Securities of ₹7,750.0 million and ₹15,000.0 million 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

21. OTHER EQUITY

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:

	As at March 31, 2017		As at March 31, 2016
	(US$ million)	(₹ in million)	(₹ in million)
Balance at the beginning of the year	(1.6)	(103.4)	(1,273.5)
Other comprehensive income recognised during the year	17.9	1,163.3	1,170.1
Balance at the end of the year	**16.3**	**1,059.9**	**(103.4)**

The details of Other Comprehensive income recognised is as below:

	Year ended March 31, 2 017		Year ended March 31, 2016
	(US$ million)	(₹ in million)	(₹ in million)
Fair value changes recognised during the year	53.2	3447.4	2041.5
Fair value changes reclassified to the statement of profit and loss/cost of underlying items	(29.1)	(1,889.6)	(722.2)
Tax impact on above (net)	(6.1)	(394.5)	(149.2)
	17.9	**1,163.3**	**1,170.1**

During the year, ineffective portion of cash flow hedges recognised in the consolidated statement of profit and loss amounted to Nil (2015-16: ₹0.5 million).

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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

21. OTHER EQUITY (CONTD.)

(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:

	As at March 31, 2017		As at March 31, 2016
	(US$ million)	(₹ in million)	(₹ in million)
Balance at the beginning of the year	455.8	29,555.2	97,349.7
Other comprehensive income recognised during the year	128.7	8,346.3	(34,083.0)
Transfers within equity	(0.3)	(17.5)	(33,711.5)
Balance at the end of the year	**584.2**	**37,884.0**	**29,555.2**

(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:

	As at March 31, 2017		As at March 31, 2016
	(US$ million)	(₹ in million)	(₹ in million)
Balance at the beginning of the year	1,001.7	64,955.2	67,385.7
Other comprehensive income recognised during the year	314.4	20,389.5	(2,540.8)
Transfers within equity	-	-	110.3
Balance at the end of the year	**1,316.1**	**85,344.7**	**64,955.2**

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.

	As at March 31, 2017		As at March 31, 2016
	(US$ million)	(₹ in million)	(₹ in million)
Balance at the beginning of the year	2,910.3	1,88,716.6	1,88,716.6
Balance at the end of the year	**2,910.3**	**1,88,716.6**	**1,88,716.6**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

21. OTHER EQUITY (CONTD.)

(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.

	As at March 31, 2017		As at March 31, 2016
	(US$ million)	(₹ in million)	(₹ in million)
Balance at the beginning of the year	315.5	20,460.0	20,460.0
Balance at the end of the year	**315.5**	**20,460.0**	**20,460.0**

(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.

	As at March 31, 2017		As at March 31, 2016
	(US$ million)	(₹ in million)	(₹ in million)
Balance at the beginning of the year	1,878.6	1,21,819.7	1,21,974.8
Adjustments for cross holding	-	-	217.8
Transfers within equity	-	-	(372.9)
Balance at the end of the year	**1,878.6**	**1,21,819.7**	**1,21,819.7**

(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.

	As at March 31, 2017		As at March 31, 2016
	(US$ million)	(₹ in million)	(₹ in million)
Balance at the beginning of the year	20.5	1,331.1	1,331.1
Balance at the end of the year	**20.5**	**1,331.1**	**1,331.1**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

21. OTHER EQUITY (CONTD.)

(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.

	As at March 31, 2017		As at March 31, 2016
	(US$ million)	(₹ in million)	(₹ in million)
Balance at the beginning of the year	1.0	61.9	57.7
Transfers within equity	0.1	4.7	04.2
Balance at the end of the year	**1.1**	**66.6**	**61.9**

(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:

	As at March 31, 2017		As at March 31, 2016
	(US$ million)	(₹ in million)	(₹ in million)
Balance at the beginning of the year	34.4	2,231.7	1,927.6
Additions during the year	29.5	1,913.9	420.4
Transfer to consolidated statement of profit and loss	(6.2)	(402.2)	(81.8)
Transfers within equity	(1.2)	(79.9)	(34.5)
Changes in ownership interests	0.3	17.5	-
Other movements	(2.4)	(152.8)	-
Balance at the end of the year	**54.4**	**3,528.2**	**2,231.7**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

22. BORROWINGS

A. NON-CURRENT

		As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
		(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
(a)	**Secured**				
(i)	Loans from Joint Plant Committee - Steel Development Fund	373.3	24,206.6	23,389.1	22,323.5
(ii)	Term loans from banks and financial institutions	2,292.4	1,48,648.4	1,88,621.9	1,68,915.2
(iii)	Finance leases obligations	67.9	4,400.8	5,410.8	4,250.9
		2,733.5	**1,77,255.8**	**2,17,421.8**	**1,95,489.6**
(b)	**Unsecured**				
(i)	Bonds and debentures	3,272.3	2,12,193.0	2,03,432.5	1,99,380.2
(ii)	Non-convertible preference shares	3.1	199.7	199.7	199.7
(iii)	Term loans from banks and financial institutions	3,487.4	2,26,137.7	2,07,451.4	2,06,550.0
(iv)	Finance leases obligations	368.1	23,867.5	19,725.4	20,135.3
(v)	Deferred payment liabilities	1.5	96.1	55.8	25.3
(vi)	Other loans	7.3	472.9	441.2	735.5
		7,139.6	**4,62,966.9**	**4,31,306.0**	**4,27,026.0**
		9,873.1	**6,40,222.7**	**6,48,727.8**	**6,22,515.6**

B. CURRENT

		As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
		(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
(a)	**Secured**				
(i)	Loans from banks and financial institutions	747.8	48,489.6	66,917.1	60,054.9
(ii)	Repayable on demand from banks and financial institutions	37.7	2,446.6	1,470.4	3,924.6
(iii)	Other Loans	3	194.1	45.9	20.8
		788.5	**51,130.3**	**68,433.4**	**64,000.3**
(b)	**Unsecured**				
(i)	Loans from banks and financial institutions	1,529.5	99,180.7	49,067.0	25,099.6
(ii)	Commercial papers	358.3	23,235.4	32,348.5	-
(iii)	Other loans	150.1	9,734.6	7,372.3	7,832.6
		2,037.9	**1,32,150.7**	**88,787.8**	**32,932.2**
		2,826.4	**1,83,281.0**	**1,57,221.2**	**96,932.5**

(a) As at March 31, 2017, ₹**2,28,386.1** million (US$ **3,522** million) (March 31, 2016: ₹2,85,855.2 million; April 1, 2015: ₹2,59,490.0 million) 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 FINANCIAL STATEMENTS

22. BORROWINGS (CONTD.)

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 ₹**7,813.2** million (US$ **120.5** million) (March 31, 2016: ₹6,995.8 million and April 1, 2015: ₹5,930.3 million).

It includes ₹**16,393.3** million (US$ **252.8** million) (March 31, 2016: ₹16,393.3 million and April 1, 2015: ₹16,393.3 million) 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 million)	Outstanding principal (in million)			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 ₹**6,641.2** million (US$ **102.4** million) (March 31, 2016: ₹13,920.3 million; April 1, 2015: ₹48,484.8 million).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

22. BORROWINGS (CONTD.)

(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:

	As at March 31, 2017			US$ (Millions)	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
	(₹ in million)	(₹ in million)	(₹ in million)		(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)
INR	1,58,628.0	1,08,197.6	2,66,825.6	4,114.8	1,50,504.6	1,37,318.9	2,87,823.5	1,28,782.4	1,15,887.3	2,44,669.7
GBP	1,726.9	46,430.7	48,157.6	742.7	4,799.5	56,638.9	61,438.4	5,271.4	55,548.8	60,820.2
EURO	9,571.1	1,42,701.4	1,52,272.5	2,348.3	11,826.1	1,55,277.8	1,67,103.9	9,838.8	1,33,120.5	1,42,959.3
USD	1,43,489.2	1,90,896.6	3,34,385.8	5,156.7	1,10,909.0	1,66,697.9	2,77,606.9	1,02,353.0	1,81,491.7	2,83,844.7
Others	17,229.6	11,273.8	28,503.4	439.6	18,378.6	7,518.0	25,896.6	19,638.1	16,000.9	35,639.0
Total	**3,30,644.8**	**4,99,500.1**	**8,30,144.9**	**12,802.0**	**2,96,417.8**	**5,23,451.5**	**8,19,869.3**	**2,65,883.7**	**5,02,049.2**	**7,67,932.9**

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, ₹**1,08,818.3** million (US$ **1,678.1** million) (March 31, 2016, ₹1,27,856.7; April 1, 2015, ₹1,47,823.3) 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:

	As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
	(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
Not later than one year or on demand	2,990.6	1,93,923.0	1,74,682.4	1,48,988.0
Later than one year but not two years	372.6	24,159.1	17,357.5	27,550.3
Later than two years but not three years	2,067.7	1,34,077.3	32,542.4	46,357.9
Later than three years but not four years	1,899.4	1,23,164.2	1,48,348.1	47,259.0
Later than four years but not five years	1,870.0	1,21,262.9	1,34,658.1	1,44,839.8
More than five years	4,477.0	2,90,312.5	3,65,531.7	4,09,161.5
	13,677.2	**8,86,899.0**	**8,73,120.2**	**8,24,156.5**
Less: Future finance charges on financial leases	664.2	43,068.9	35,494.1	37,346.0
Less: Capitalisation of transaction costs	211.0	13,685.2	17,756.8	18,877.6
	12,802.0	**8,30,144.9**	**81,986.93**	**7,67,932.9**

(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 FINANCIAL STATEMENTS

23. OTHER FINANCIAL LIABILITIES

A. NON-CURRENT

		As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
		(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
(a)	Interest accrued but not due	1.9	123.7	-	-
(b)	Creditors for other liabilities	14.9	964.1	4,544.2	9,005.5
		16.8	**1,087.8**	**4,544.2**	**9,005.5**

B. CURRENT

		As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
		(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
(a)	Current maturities of long-term borrowings	68.7	4,454.9	11,654.5	46,533.8
(b)	Current maturities of finance lease obligations	33.7	2,186.3	2,265.8	1,951.0
(c)	Interest accrued but not due	116.0	7,520.2	6,166.0	8,142.5
(d)	Unclaimed dividends	9.7	628.1	636.2	633.9
(e)	Creditors for other liabilities	745.9	48,365.6	48,288.7	48,024.4
		973.9	**63,155.1**	**69,011.2**	**1,05,285.6**

(i) Non-current and current creditors for other liabilities includes creditors for capital supplies and services of ₹**30,769.6** million (US$ **474.5** million) (March 31, 2016: ₹35,501.3 million; April 1, 2015: ₹38,901.6 million).

24. PROVISIONS

A. NON-CURRENT

		As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
		(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
(a)	Employee benefits	398.4	25,832.3	27,339.7	19,118.0
(b)	Insurance provisions	136.1	8,824.6	9,575.1	2,878.8
(c)	Others	125.5	8,140.0	7,490.0	7,738.1
		660.0	**42,796.9**	**44,404.8**	**29,734.9**

B. CURRENT

		As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
		(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
(a)	Employee benefits	61.5	3,989.4	8,293.9	3,248.0
(b)	Insurance provisions	-	-	30.0	14.9
(c)	Others	90.8	5,884.4	6,894.7	4,901.9
		152.3	**9,873.8**	**15,218.6**	**8,164.8**

(i) Non current and current provision for employee benefits include provision for leave salaries of ₹**10,940.3** million (US$ **168.7**million) (March 31, 2016: ₹9,862.8 million; April 1, 2015: ₹9,135.5 million). It also includes provision for early separation and disability scheme amounting to ₹**17,895.9** million (US$ **276.0** million) (March 31, 2016 : ₹19,689.4 million; April 1, 2015: ₹11,315.4 million).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

24. PROVISIONS (CONTD.)

(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 ₹**5,293.1** million (US$ **81.6** million) (March 31, 2016: ₹2,261.3 million; April 1, 2015: ₹683.0 million). 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

	Insurance Provisions		Others	Total
	(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
Balance at the beginning of the year	370	9,605.1	14,384.7	23,989.8
Recognised during the year	102.3	1,262.3	5,370.3	6,632.6
Disposal of group undertakings	(54.2)	-	(3,517.3)	(3,517.3)
Utilised during the year	(25.2)	(498.7)	(1,135.1)	(1,633.8)
Classified as held for sale	(1.5)	-	(95.7)	(95.7)
Exchange differences on consolidation	(39)	(1,544.1)	(982.5)	(2,526.6)
Balance at the end of the year	**352.4**	**8,824.6**	**14,024.4**	**22,849.0**

As at March 31, 2016

		Insurance Provisions	Others	Total
	(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
Balance at the beginning of the year	239.6	2,893.7	12,640.0	15,533.7
Recognised during the year	156.7	7,152.3	3,009.3	10,161.6
Utilised during the year	(33.7)	(324.5)	(1,858.0)	(2,182.5)
Exchange differences on consolidation	7.4	(116.4)	593.4	477.0
Balance at the end of the year	**370.0**	**9,605.1**	**14,384.7**	**23,989.8**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

25. DEFERRED INCOME

A. NON-CURRENT

		As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
		(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
(a)	Grants relating to property, plant and equipment	305.2	19,791.9	23,391.2	22,298.1
(b)	Others	12.1	784.0	922.9	1,053.8
		317.3	**20,575.9**	**24,314.1**	**23,351.9**

B. CURRENT

		As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
		(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
(a)	Grants relating to property, plant and equipment	0	2.2	2.1	0.1
(b)	Others	3.4	223.0	34.9	30.7
		3.40	**225.2**	**37.0**	**30.8**

(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 ₹**3,517.3** million (US$ **54.2** million) (2015-16: ₹52.4 million) was released to consolidated statement of profit and loss on fulfillment of export obligations.

26. OTHER LIABILITIES

A. NON-CURRENT

		As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
		(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
(a)	Statutory dues	8.5	553.1	640.6	-
(b)	Other credit balances	26.4	1,712.0	2,649.9	3,204.9
		34.9	**2,265.1**	**3,290.5**	**3,204.9**

B. CURRENT

		As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
		(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
(a)	Advances received from customers	84.6	5,484.2	4,211.6	2,975.5
(b)	Employee recoveries and employer contributions	10.2	658.9	776.2	751.7
(c)	Statutory dues	568	36,834.1	31,043.3	24,423.2
(d)	Other credit balances	2.7	175.5	349.0	217.2
		665.5	**43,152.7**	**36,380.1**	**28,367.6**

(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 FINANCIAL STATEMENTS

27. TRADE PAYABLES

		As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
		(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
(a)	Creditors for supplies and services	2,242.8	1,45,432.6	1,49,185.9	1,45,818.1
(b)	Creditors for accrued wages and salaries	621.6	40,312.0	36,381.1	34,848.5
		2,864.4	**1,85,744.6**	**1,85,567.0**	**1,80,666.6**

28. REVENUE FROM OPERATIONS

		Year ended March 31, 2 017		Year ended March 31, 2016
		(US$ million)	(₹ in million)	(₹ in million)
(a)	Sale of products	17,743.2	11,50,559.0	10,40,628.2
(b)	Sale of power and water	218.8	14,188.7	13,998.7
(c)	Income from town, medical and other services	32.1	2,078.0	2,204.9
(d)	Other operating income	113.7	7,373.7	6,567.4
		18,107.8	**11,74,199.4**	**10,63,399.2**

29. OTHER INCOME

		Year ended March 31, 2 017		Year ended March 31, 2016
		(US$ million)	(₹ in million)	(₹ in million)
(a)	Dividend income	11.3	730.3	670.9
(b)	Finance income	28.5	1,847.6	1,179.8
(c)	Net gain/(loss) on investments carried at fair value through consolidated statement of profit and loss	48.9	3,169.5	1,842.2
(d)	Net gain/(loss) on sale of non-current investments	0.10	9.7	-
(e)	Profit/(loss) on sale of capital assets (net of loss on assets sold/scrapped/ written off)	0	1.5	335.6
(f)	Gain/(loss) on cancellation of forwards, swaps and options	(10.5)	(679.5)	(12.3)
(g)	Other miscellaneous income	3	195.6	106.0
		81.3	**5,274.7**	**4,122.2**

(i) Finance income includes:

(a) Income from financial assets carried at amortised cost of ₹**1,722.5** million (US$ **26.6** million) (2015-16: ₹1,097.6 million).

(b) Income from financial assets carried at fair value through consolidated profit and loss of ₹**125.1** million (US$ **1.9** million) (2015-16: ₹82.2 million).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

30. EMPLOYEE BENEFIT EXPENSES

		Year ended March 31, 2 017		Year ended March 31, 2016
		(US$ million)	(₹ in million)	(₹ in million)
(a)	Salaries and wages	2,160.7	1,40,113.1	1,37,842.2
(b)	Contribution to provident and other funds	421.8	27,354.4	32,265.5
(c)	Staff welfare expenses	78.0	5,054.7	5,768.6
		2,660.5	**1,72,522.2**	**1,75,876.3**

During the year, the Group recognised an amount of ₹**181.3** million (US$ **2.8** million) (2015-16: ₹179.4 million) as remuneration to key managerial personnel. The details of such remuneration is as below:

		Year ended March 31, 2 017		Year ended March 31, 2016
		(US$ million)	(₹ in million)	(₹ in million)
(a)	Short term employee benefits	2.6	171.3	172.4
(b)	Post employment benefits	0.1	7.1	4.2
(c)	Other long term employee benefits	0	2.9	2.8
		2.7	**181.3**	**179.4**

31. FINANCE COSTS

		Year ended March 31, 2 017		Year ended March 31, 2016
		(US$ million)	(₹ in million)	(₹ in million)
Interest expense on:				
(a)	Bonds, debentures, bank borrowings and others	767.7	49,782.6	51,908.1
(b)	Finance leases	58.3	3,781.6	3,139.5
		826.0	**53,564.2**	**55,047.6**
Less: Interest capitalised		43.8	2,842.2	12,833.5
		782.2	**50,722.0**	**42,214.1**

32. DEPRECIATION AND AMORTISATION EXPENSE

	Year ended March 31, 2 017		Year ended March 31, 2016
	(US$ million)	(₹ in million)	(₹ in million)
Depreciation of tangible and amortisation of intangible assets	876.8	56,856.7	53,197.6
Less : Amount released from specific grants	2.0	127.9	134.1
	874.8	**56,728.8**	**53,063.5**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

33. OTHER EXPENSES

		Year ended March 31, 2 017		Year ended March 31, 2016
		(US$ million)	(₹ in million)	(₹ in million)
(a)	Consumption of stores and spares	1,215.4	78,810.7	82,879.1
(b)	Repairs to buildings	15.6	1,009.5	1,136.9
(c)	Repairs to machinery	822.4	53,329.8	55,343.4
(d)	Relining expenses	21.7	1,410.0	1,179.5
(e)	Fuel oil consumed	72.0	4,671.2	4,862.7
(f)	Purchase of power	733.1	47,537.1	45,076.2
(g)	Conversion charges	361.4	23,431.4	19,803.9
(h)	Freight and handling charges	1,120.8	72,680.8	68,321.1
(i)	Rent	364.6	23,641.0	27,295.5
(j)	Royalty	183.3	11,884.6	9,977.2
(k)	Rates and taxes	253.6	16,443.0	11,573.3
(l)	Insurance charges	65.7	4,261.3	2,957.6
(m)	Commission, discounts and rebates	36.2	2,350.1	2,584.0
(n)	Allowance for credit loss/provision for advances	7.1	459.5	1,010.8
(o)	Excise duty (including recovered on sales)	789.7	51,205.2	43,752.0
(p)	Others	818.4	53,071.9	34,801.5
		6,881.0	**4,46,197.1**	**4,12,554.7**

(i) Other expenses include foreign exchange gain/(loss) of ₹**5,765.7** million (US$ **88.9** million) [2015-16: ₹(1,106.5) million]

(ii) Revenue expenditure charged to consolidated statement of profit and loss in respect of research and development activities undertaken during the year is ₹**6,462.4** million (US$ **99.7** million) (2015-16: ₹6,375.5 million)

34. EXCEPTIONAL ITEMS

(a) Profit on sale of investments in subsidiaries, associates and joint ventures of ₹**227.0** million (US$ **3.5** million) (2015-16: ₹471.7 million)

(b) Profit on sale of assets amounting to ₹**858.7** million (US$ **13.2** million) (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 ₹**1,254.5** million (US$ **19.3** million) (2015-16: Provision of ₹729.9 million 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 ₹**2,679.3** million (US$ **41.3** million) (2015-16: ₹15,301.7 million)

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:

	Year ended March 31, 2 017		Year ended March 31, 2016
	(US$ million)	(₹ in million)	(₹ in million)
Tata Steel India	0	-	515.1
Other Indian Operations	0.2	14.4	-
Tata Steel Europe	22.9	1,483.7	819.7
South East Asian Operations	18.2	1,181.2	-
Rest of the World	0	-	13,966.9
	41.3	**2,679.3**	**15,301.7**

(e) Provision of ₹**2,182.5** million (US$ **33.7** million) for demands and claims in relation to the Indian operations (2015-16: ₹8,800.5 million)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

34. EXCEPTIONAL ITEMS(CONTD.)

(f) Provision of ₹**2,073.7** million (US$ **32.0** million) on account of employee separation scheme in relation to the Indian operations (2015-16: ₹5,562.5 million)

(g) Restructuring and other provisions of ₹**36,138.0** million (US$ **557.3** million) 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 ₹69,826.7 million 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

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:

	Year ended March 31, 2 017		Year ended March 31, 2016
	(US$ million)	**(₹ in million)**	**(₹ in million)**
Revenue from operations	481.7	31,237.7	1,27,517.3
Other income	0	0.5	(22.7)
	481.7	**31,238.2**	**1,27,494.6**
Expenses			
Raw materials consumed	114.0	7,389.7	34,236.1
Purchases of finished, semi-finished and other products	39.8	2,578.1	4,181.5
Employee benefit expense	151.3	9,810.5	37,118.2
Finance costs	6.1	393.4	(183.9)
Depreciation and amortisation expense	2.6	168.9	867.3
Other expenses	286.8	18,606.2	76,129.9
	600.6	**38,946.8**	**1,52,349.1**
Profit/(loss) before tax from discontinued operations	**(118.9)**	**(7,708.6)**	**(24,854.5)**
Tax expenses:	**1.2**	**80.1**	**544.3**
(a) Current tax	1.6	103.1	472.8
(b) Deferred tax	(0.4)	(23.0)	71.5
Profit/(loss) after tax from discontinued operations	**(120.1)**	**(7,788.7)**	**(25,398.8)**
Profit/(loss) on disposal of discontinued operations	(475.8)	(30,853.2)	-
Total Profit/(loss) from discontinued operations	**595.9**	**(38,641.9)**	**(25,398.8)**

An impairment charge of ₹ **1,966.3** million (US$ **30.3** million) was recognised during the year being the write down to fair value less costs to sell for assets classified as held for sale.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

During the year, discontinued operations resulted in an outflow of ₹ **5,005.9** million (US$ **77.2** million) (March 31, 2016: ₹ 12,550.8 million) to the Group's net operating cash flows, an outflow of ₹ **1,053.9** million (US$ **16.3** million) (March 31, 2016: ₹ 5,294.9 million) in respect of investing activities and an outflow of **Nil** (March 31, 2016: ₹ 196.1 million) in respect of financing activities.

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:

	As at March 31, 2017	
	(US$ million)	**(₹ in million)**
Property,plant and equipment	93.8	6,081.7
Other Intangible assets	0.5	35.6
Deferred tax Assets	3.2	208.2
Inventories	219.2	14,212.2
Trade receivables	291	18,871.2
Cash and bank balances	4.8	309.9
Long term borrowings	(29.8)	(1,930.7)
Long term provisions	(7.6)	(494.3)
Non-Current retirement benefit obligations	(49.1)	(3,183.8)
Trade payables	(304.3)	(19,732.9)
Short term borrowings	(2.8)	(180.7)
Short term provisions	(48.5)	(3,145.2)
Current tax liabilities	(1.2)	(78.1)
Carrying value of net assets disposed off	**169.2**	**10,973.1**

	As at March 31, 2017	
	(US$ million)	**(₹ in million)**
Sale consideration	(180.3)	(11,691.8)
Exchange differences recycled to consolidated statement of profit and loss	6.5	420.1
Transaction costs	7.5	488.7
Pension curtailment	(136.8)	(8,870.1)
Net consideration	(303.1)	(19,653.1)
Carrying value of net assets disposed off	169.2	10,973.1
Profit/(Loss) on disposal	**(472.3)**	**(30,626.2)**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(b) The net cash flow arising on disposal is as below:

	As at March 31, 2017	
	(US$ million)	**(₹ in million)**
Consideration paid in cash and cash equivalents	(180.3)	(11,691.8)
Deferred consideration	13.5	878.2
Less: Cash and cash equivalents disposed off	4.8	309.9
Net cash flow arising on disposal	**(171.6)**	**(11,123.5)**

37. EARNINGS PER SHARE

The following table reflects the profit and shares data used in the computation of basic and diluted earnings per share.

		Year ended March 31, 2 017		Year ended March 31, 2016
		(US$ million)	**(₹ in million)**	**(₹ in million)**
(a)	Profit after tax from continuing operations	(46.9)	(3,043.8)	20,427.9
	Less: Distribution on Hybrid Perpetual Securities (net of tax)	26.8	1,740.1	1,740.6
	Profit after tax from continuing operations attributable to Ordinary Shareholders - for Basic and Diluted EPS (A)	(73.8)	(4,783.9)	18,687.3
	Profit after tax from discontinued operations attributable to Ordinary Shareholders - for Basic and Diluted EPS (B)	(595.9)	(38,641.9)	(25,398.8)
	Profit after tax from continuing and discontinued operations attributable to Ordinary Shareholders - for Basic and Diluted EPS (A+B)	(669.7)	(43,425.8)	(6,711.5)
		Nos.	Nos.	Nos.
(b)	Weighted average number of Ordinary Shares for Basic EPS	97,00,47,046	97,00,47,046	97,01,42,816
	Weighted average number of Ordinary Shares for Diluted EPS	97,00,47,100	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	(0.1)	(4.93)	19.26
	Basic and Diluted Earnings per Ordinary Share (₹) - discontinued operations	(0.6)	(39.84)	(26.18)
	Basic and Diluted Earnings per Ordinary Share (₹) - continuing and discontinued operations	(0.7)	(44.77)	(6.92)

NOTES FORMING PART OF THE 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 ₹**10,145.6** million (2016: ₹8,411.0 million).

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 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:

	Year ended March 31, 2 017		Year ended March 31, 2016
	(US$ million)	(₹ in million)	(₹ in million)
Change in defined benefit obligation:			
Obligation at the beginning of the year	435.6	28,247.8	27,358.4
Current service costs	20.2	1,312.4	1,281.3
Interest costs	31.6	2,051.1	1,997.8
Remeasurement (gains)/losses	24.2	1,566.2	772.7
Benefits paid	(51.9)	(3,365.7)	(3,162.4)
Obligation at the end of the year	**459.7**	**29,811.8**	**28,247.8**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

38. EMPLOYEE BENEFITS (CONTD.)

	Year ended March 31, 2 017		Year ended March 31, 2016
	(US$ million)	(₹ in million)	(₹ in million)
Change in plan assets:			
Fair value of plan assets at the beginning of the year	408.1	26,460.7	2,1601.3
Interest income	30.7	1,989.0	1,775.7
Remeasurement gains/(losses)	8.8	569.3	462.2
Employers' contributions	27.7	1,799.4	5,783.9
Benefits paid	(51.9)	(3,365.0)	(3,162.4)
Fair value of plan assets at the end of the year	**423.4**	**27,453.4**	**26,460.7**

Amounts recognised in the consolidated balance sheet consists of:

	As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
	(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
Fair value of plan assets at the beginning/end of the year	423.4	27,453.4	26,460.7	21,601.3
Present value of obligation at the beginning/end of the year	459.7	29,811.8	28,247.8	27,358.4
	(36.4)	**(2,358.4)**	**(1,787.1)**	**(5,757.1)**
Recognised as:				
Retirement benefit assets - Non-current	0.1	5.0	6.7	1.3
Retirement benefit liability - Current	(0.5)	(32.9)	-	-
Retirement benefit liability - Non-current	(35.9)	(2,330.5)	(1,793.8)	(5,758.4)
	(36.3)	**(2,358.4)**	**(1,787.1)**	**(5,757.1)**

Expenses recognised in the consolidated statement of profit and loss consists of:

	Year ended March 31, 2 017		Year ended March 31, 2016
	(US$ million)	(₹ in million)	(₹ in million)
Employee benefits expenses:			
Current service costs	20.2	1,312.4	1,281.3
Net interest expenses/(income)	1.0	62.1	222.1
	21.2	**1,374.5**	**1,503.4**
Other comprehensive income:			
(Gain)/loss on plan assets	(8.8)	(569.3)	(462.2)
Actuarial (gain)/loss arising from changes in financial assumption	24.8	1,605.4	22.7
Actuarial (gain)/loss arising from changes in experience adjustments	(0.6)	(39.2)	750.0
	15.4	**996.9**	**310.5**
Expenses recognised in the consolidated statement of profit and loss	**36.6**	**2,371.4**	**1,813.9**

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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 ₹**2,341.7** million (US$ **36.1** million) 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 ₹2,101.7 million, increase by ₹2,453.2 million
Rate of escalation in salary	Increase by 1%, decrease by 1%	Increase by ₹2,394.0 million, decrease by ₹2,101.6 million

As at March 31, 2016

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹1,933.7 million, increase by ₹2,085.6 million
Rate of escalation in salary	Increase by 1%, decrease by 1%	Increase by ₹2,123.6 million, decrease by ₹1,883.9 million

As at April 1, 2015

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹1,849.9 million, increase by ₹2,122.9 million
Rate of escalation in salary	Increase by 1%, decrease by 1%	Increase by ₹2,095.5 million, decrease by ₹1,850.3 million

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 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.

	Year ended March 31, 2 017		Year ended March 31, 2016
	(US$ million)	(₹ in million)	(₹ in million)
Change in defined benefit obligations:			
Obligation at the beginning of the year	18,711.8	12,13,365.2	18,62,369.1
Current service costs	128.7	8,343.1	15,002.1
Interest costs	552.6	35,831.6	44,810.2
Past service costs	559.3	36,270.7	(76,971.5)
Remeasurement (gains)/losses	2,878.1	1,86,628.1	(78,113.8)
Employees' contributions	16.3	1,053.9	2,745.5
Curtailment	138.1	8,957.9	-
Settlements	0	-	(5,67,432.1)
Benefits paid	(1,053.7)	(68,325.9)	(70,205.9)
Obligations of companies disposed off	(135.4)	(8,782.3)	-
Exchange differences on consolidation	(2,989.9)	(1,93,880.2)	81,161.6
Obligation at the end of the year	**18,805.9**	**12,19,462.1**	**12,13,365.2**

	Year ended March 31, 2 017		Year ended March 31, 2016
	(US$ million)	(₹ in million)	(₹ in million)
Change in plan assets:			
Fair value of plan assets at beginning of the year	20233.5	13,12,041.4	18,58,887.6
Interest income	600	38,905.4	47,261.5
Remeasurement gains/(losses)	2245.5	1,45,609.7	(58,145.4)
Employers' contributions	81.3	5,269.4	15,884.6
Employees' contributions	16.3	1,053.9	2,745.5
Settlements	0	-	(5,61,843.1)
Benefits paid	(1048.3)	(67,974.6)	(69,813.7)
Assets of companies disposed off	(86.7)	(5,620.6)	-
Exchange differences on consolidation	(3133.2)	(2,03,173.2)	77,064.4
Fair value of plan assets at end of the year	**18,908.4**	**12,26,111.4**	**13,12,041.4**

Amount recognised in the consolidated balance sheet consist of:

	As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
	(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
Fair value of plan assets at the beginning/end of the year	18,908.4	12,26,111.4	13,12,041.4	18,58,887.6
Present value of obligation at the beginning/end of the year	18,805.9	12,19,462.1	12,13,365.2	18,62,369.1
	102.5	**6,649.3**	**98,676.2**	**(3,481.5)**
Recognised as:				
Retirement benefit assets - Non-current	270.2	17,521.4	1,14,767.7	13,305.0
Retirement benefit liability - Current	(4.2)	(270.7)	(462.1)	(528.3)
Retirement benefit liability - Non-current	(163.5)	(10,601.4)	(15,629.4)	(16,258.2)
	102.5	**6,649.3**	**98,676.2**	**(3,481.5)**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

38. EMPLOYEE BENEFITS (CONTD.)

Expenses recognised in the consolidated statement of profit and loss consist of:

	Year ended March 31, 2 017		Year ended March 31, 2016
	(US$ million)	(₹ in million)	(₹ in million)
Employee benefit expenses:			
Current service costs	128.7	8,343.1	15,002.1
Past service costs	559.3	36,270.7	(76,971.5)
Net interest expenses/(income)	(47.4)	(3,073.8)	(2,451.3)
Settlements	0	-	(5,589.0)
Curtailments	138.1	8,957.9	-
	778.7	**50,497.9**	**(70,009.7)**
Other comprehensive income:			
Return on plan assets	(2,245.5)	(1,45,609.7)	58,145.4
Actuarial (gain)/loss arising from changes in demographic assumptions	(108.3)	(7,025.8)	-
Actuarial (gain)/loss arising from changes in financial assumption	3115	2,01,991.7	(63,734.3)
Actuarial (gain)/loss arising from changes in experience adjustments	(1,28.6)	(8,337.8)	(14,379.5)
	632.6	**41,018.4**	**(19,968.4)**
Expenses recognised in the consolidated statement of profit and loss	**1,411.3**	**91,516.3**	**(89,978.1)**

(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 ₹**11,943.9** million (US$ **184.2** million) 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 10 bps in the assumptions used.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

38. EMPLOYEE BENEFITS (CONTD.)

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.

	As at March 31, 2017				As at March 31, 2016	
	Medical		Others		Medical	Others
	(US$ million)	(₹ in million)	(US$ million)	(₹ in million)	(US$ million)	(₹ in million)
Change in defined benefit obligations:						
Obligations at the beginning of the year	169.2	10,974.9	23.8	1,544.2	10,671.8	1,420.1
Current service cost	3.1	198.9	1.8	118.3	182.2	122.7
Interest cost	12.7	824.1	1.4	90.4	806.9	86.9
Remeasurement (gain)/loss:						
(i) Actuarial (gain)/loss arising from changes in financial assumptions	19.8	1,283.3	1.4	89.8	2.8	32.2
(ii) Actuarial (gain)/loss arising from changes in experience adjustments	(1.6)	(102.3)	0.9	59.5	(165.4)	(4.4)
(iii) Actuarial (gain)/loss arising from changes in demographic assumptions	0	(0.2)	0	-	(0.2)	-
Exchange differences on consolidation	0	-	0	(2.0)	-	(3.5)
Benefits paid	(9.5)	(615.0)	(2.2)	(144.9)	(523.2)	(109.8)
Past service costs	0	2.6	0.9	57.6	-	-
Obligations at the end of the year	**193.7**	**12,566.3**	**28.0**	**1,812.9**	**10,974.9**	**1,544.2**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

38. EMPLOYEE BENEFITS (CONTD.)

Amounts recognised in the consolidated balance sheet consist of:

	As at March 31, 2017				As at March 31, 2016		As at April 1, 2015	
	Medical		Others		Medical	Others	Medical	Others
	(US$ million)	(₹ in million)	(US$ million)	(₹ in million)	(₹ in million)		(₹ in million)	
Present value of obligations at the beginning/ end of the year	193.8	12,566.3	28.0	1,812.9	10,974.9	1,544.2	10,671.8	1,420.1
Recognised as:								
(a) Retirement benefit liability - Current	8.5	548.0	1.5	100.4	539.8	108.9	485.9	88.9
(b) Retirement benefit liability - Non-current	185.3	12,018.3	26.5	1,712.5	10,435.1	1,435.3	10,185.9	1,331.2

Expenses recognised in the consolidated statement of profit and loss consist of:

(₹ million)

	As at March 31, 2017				As at March 31, 2016	
	Medical		Others		Medical	Others
	(US$ million)	(₹ in million)	(US$ million)	(₹ in million)	(₹ in million)	
Employee benefit expenses:						
Current service costs	3.1	198.9	1.8	118.3	182.2	122.7
Past service costs	0	2.6	0.9	57.6	-	-
Interest costs	12.7	824.1	1.4	90.4	806.9	86.9
	15.8	**1,025.6**	**4.1**	**266.3**	**989.1**	**209.6**
Other comprehensive income consist of:						
Actuarial (gain)/loss arising from changes in demographic assumption	0	(0.2)	0	-	(0.2)	-
Actuarial (gain)/loss arising from changes in financial assumption	19.8	1,283.3	1.4	89.8	2.8	32.2
Actuarial (gain)/loss arising from changes in experience adjustments	(1.6)	(102.3)	0.9	59.5	(165.4)	(4.4)
	18.2	**1180.8**	**2.3**	**149.3**	**(162.8)**	**27.8**
Expenses recognised in the consolidated statement of profit and loss	**34.0**	**2,206.4**	**6.4**	**415.6**	**826.3**	**237.4**

(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 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 ₹1,667.7 million, increase by ₹2,139.7 million
Medical cost inflation rate	Increase by 1%, decrease by 1%	Increase by ₹2,039.1 million, decrease by ₹1,629.2 million

As at March 31, 2016

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹1,400.3 million, increase by ₹1,709.6 million
Medical cost inflation rate	Increase by 1%, decrease by 1%	Increase by ₹1,684.6 million, decrease by ₹1,406.5 million

As at April 1, 2015

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹1,358.3 million, increase by ₹1,655.8 million
Medical cost inflation rate	Increase by 1%, decrease by 1%	Increase by ₹1,633.4 million, decrease by ₹1,367.7 million

(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 ₹132.7 million, increase by ₹141.8 million
Rate of escalation in salary	Increase by 1%, decrease by 1%	Increase by ₹142.9 million, decrease by ₹124.2 million
Inflation rate	Increase by 1%, decrease by 1%	Increase by ₹116.2 million, decrease by ₹99.6 million

As at March 31, 2016

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹131.3 million, increase by ₹151.1 million
Rate of escalation in salary	Increase by 1%, decrease by 1%	Increase by ₹94.7 million, decrease by ₹83.1 million
Inflation rate	Increase by 1%, decrease by 1%	Increase by ₹78.7 million, decrease by ₹69.6 million

As at April 1, 2015

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹99.0 million, increase by ₹113.6 million
Rate of escalation in salary	Increase by 1%, decrease by 1%	Increase by ₹51.0 million, decrease by ₹44.6 million
Inflation rate	Increase by 1%, decrease by 1%	Increase by ₹91.2 million, decrease by ₹78.2 million

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 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 ₹**14,429.5** million (US$**222.5** million) (March 31, 2016: ₹13,347.3 million; April 1, 2015: ₹10,706.6 million) which includes ₹**77.1** million (US$**1.2** million) (March 31, 2016: ₹72.4 million, April 1, 2015: ₹55.2 million) in respect of equity accounted investees.

The details of demands for more than ₹1 billion 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 ₹**12,177.9** million (US$ 187.8 million) (inclusive of interest) (March 31, 2016: ₹11,244.8 million, April 1, 2015: ₹8,703.6 million). The Company has deposited ₹**5,150** million (US$ 79.4 million) (March 31, 2016: ₹4,150 million; April 1, 2015: ₹3,400 million) 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 ₹**8,048.4** million (US$**124.1** million) (March 31, 2016: ₹7,419.6 million, April 1, 2015: ₹6,917.6 million), which includes ₹**433.5** million (US$**6.7** million) (March 31, 2016: ₹414.2 million, April 1, 2015: ₹421.7 million) in respect of equity accounted investees.

Sales Tax /VAT

The total sales tax demands that are being contested by the Group amounted to ₹**4,380.6** million (US$**67.6** million) (March 31, 2016: ₹6,227.4 million, April 1, 2015: ₹4,779.7 million), which includes ₹**281.0** million (US$**4.3** million) (March 31, 2016: ₹91.2 million, April 1, 2015: ₹70.4 million) in respect of equity accounted investees.

Other Taxes, Dues and Claims

Other amounts for which the Group may contingently be liable aggregate to ₹**94,211.3** million (US$**1,452.9** million) (March 31, 2016: ₹79,694.9 million, April 1, 2015: ₹71,588.5 million), which includes ₹**685.4** million (US$**10.6** million) (March 31, 2016: ₹674.9 million, April 1, 2015: ₹682.6) in respect of equity accounted investees.

The details of demands for more than ₹1,000 million is as below:

(a) Claim by a party arising out of conversion arrangement- ₹**1958.2** million (US$**30.2** million) (March 31, 2016: ₹1,958.2 million; April 1, 2015: ₹1,958.2 million). The Company has not acknowledged this claim and has instead filed a claim of ₹**1,396.5** million (US$**21.6** million) (March 31, 2016: ₹1,396.5 million; April 1, 2015: ₹1,396.5 million) 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 ₹**58,808.3** million (US$**906.9** million) (March 31, 2016: ₹55,019.8 million; April 1, 2015: ₹48,051.8 million).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

39. CONTINGENCIES AND COMMITMENTS (CONTD.)

(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 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 ₹1,902.5 million an amount of ₹1,638 million 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 ₹**10,437.9** million (US$**161.0** million) (March 31, 2016: ₹3,240.6 million; April 1, 2015: ₹3,184.5 million) 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. ₹129.2 million, 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 ₹4,110.8 million 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 ₹3,142.8 million upto the period ending March 31, 2014. For the demand of ₹968.0 million 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: ₹**8,479.6** million (US$**130.8** million) (March 31, 2016: ₹4,110.8 million: April 1, 2015: ₹4,110.8 million.

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 ₹**67,378.8** million (US$**1039.1**million), which includes ₹**218.0** million (US$**3.4** million) in respect of equity accounted investees as at March, 2017 (₹91,737.9 million, which includes ₹107.7 million in respect of equity accounted investees as at March 31, 2016 and ₹97,396.0 million which includes ₹51.5 million in respect of equity accounted investees as at April 1, 2015), which are yet to be executed.

Other commitments amounts to ₹**0.1** million (US$**0** million) which includes Nil in respect of equity accounted investees as at March 31, 2017 (₹0.1 million which includes Nil in

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

39. CONTINGENCIES AND COMMITMENTS (CONTD.)

respect of equity accounted investees as at March 31, 2016, ₹0.1 million 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 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 million 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 ₹**2,237.8** million (US$**34.5** million) (March 31, 2016: ₹3,234.4 million, April 1, 2015: ₹3,372.9 million) details of which are as below:

(i) in favour of Timken India Limited for **Nil,** (March 31, 2016: ₹800.0 million; April 1, 2015: ₹800.0 million) against renewal of lease of land pending with State Government and ₹**10.7** million (US$**0.2** million) (March 31, 2016: ₹10.7 million; April 1, 2015: ₹10.7 million) 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 ₹**453.8** million (US$**7.0** million) (March 31, 2016: ₹650.4 million; April 1, 2015: ₹788.9 million) against the loan granted to a joint venture Tata NYK Shipping Pte. Limited.

(iii) in favour of The President of India for ₹**1,771.8** million (March 31, 2016: ₹1,771.8 million; April 1, 2015: ₹1,771.8 million) 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 ₹**1.5** million (US$**0** million) (March 31, 2016: ₹1.5 million; April 1, 2015: ₹1.5 million) 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 ₹**55,790** million (US$**860.4** million). On the basis of external legal opinion, the Company has concluded that it is remote that the claim will sustain on ultimate

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

40. OTHER SIGNIFICANT LITIGATIONS (CONTD.)

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 ₹4,137.2 million 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 ₹38,280 million 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 ₹38,280 million 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 ₹35,680 million 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 ₹29,944.9 million 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 ₹4,218.3 million to be paid in maximum 3 installments.
- value of iron ore produced from July 18, 2014 to August 31, 2014 i.e. ₹1,520 million to be paid immediately.

The Company paid ₹1,520 million under protest. District Mining Officer Chaibasa on March 16, 2015 has issued demand notice for payment of ₹4,218.3 million, 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 ₹500 million 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 ₹3,718.3 million 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, ₹1,240 million was paid on September 28, 2015, ₹1,240 million was paid on November 12, 2015 and ₹1,238.3 million 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 ₹10,860 million. 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: ₹10,860 million).

(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 ₹**1,520** million (US$**23.4** million) to Tata Sons and recognised a provision of ₹**1,254.4** million (US$**19.3** million) 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

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.

	As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
	(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
Equity share capital	149.6	9,702.4	9,702.4	9,714.1
Hybrid Perpetual Securities	350.8	22,750.0	22,750.0	22,750.0
Other equity	5,331.8	3,45,740.8	4,04,873.1	4,38,672.2
Equity attributable to shareholders of the Company	**5,832.2**	**3,78,193.2**	**4,37,325.5**	**4,71,136.3**
Non controlling interests	247.0	16,017.0	7,809.4	8,541.8
Total Equity (A)	**6,079.2**	**3,94,210.2**	**4,45,134.9**	**4,79,678.1**
Non-current borrowings	9,873.1	6,40,222.7	6,48,727.8	6,22,515.6
Current borrowings	2,826.4	1,83,281.0	1,57,221.2	96,932.5
Current maturities of non-current borrowings and finance lease obligations	102.4	6,641.2	13,920.3	48,484.8
Gross Debt (B)	**12,801.9**	**8,30,144.9**	**8,19,869.3**	**7,67,932.9**
Total Capital (A+B)	**18,881.2**	**12,24,355.1**	**12,65,004.2**	**12,47,611.0**
Gross Debt as above	**12,801.9**	8,30,144.9	8,19,869.3	7,67,932.9
Less: Current investments	874.9	56,731.3	46,635.5	12,146.0
Less: Cash and cash equivalents	745.2	48,322.9	61,090.5	81,771.3
Less: Other balances with bank (including non-current and earmarked balances)	21.9	1,423.0	1,155.4	1,138.4
Net Debt (C)	**11,160.0**	**7,23,667.7**	**7,10,987.9**	**6,72,877.2**
Net debt to equity		**1.72**	**1.54**	**1.4**

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

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), 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	(₹ in million)							(US$ million)
	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	49,210.5	-	-	-	-	49,210.5	49,210.5	758.9
Trade receivables	1,15,868.2	-	-	-	-	1,15,868.2	1,15,868.2	1,786.8
Investments	499.3	48,588.2	-	-	5,9546.9	1,08,634.4	1,08,634.4	1,675.3
Derivatives	-	-	904.2	967.9	-	1,872.1	1,872.1	28.9
Loans	3,730.6					3,730.6	3,730.6	57.5
Other financial assets	6,979.0	-	-	-	-	6,979.0	6,979.0	107.6
	1,76,287.6	**48,588.2**	**904.2**	**967.9**	**5,9546.9**	**2,86,294.8**	**2,86,294.8**	**4,415.0**
Financial liabilities								
Trade and other payables	1,85,744.6	-	-	-	-	1,85,744.6	1,85,744.6	2,864.4
Borrowings	8,30,144.9	-	-	-	-	8,30,144.9	8,48,706.8	13,088.2
Derivatives	-	-	2,214.7	6,321.8	-	8,536.5	8,536.5	131.6
Other financial liabilities	57,601.7	-	-	-	-	57,601.7	57,601.7	888.3
	10,73,491.2	**-**	**2,214.7**	**6,321.8**	**-**	**10,82,027.7**	**11,00,589.6**	**16,972.5**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

42. DISCLOSURES ON FINANCIAL INSTRUMENTS (CONTD.)

As at March 31, 2016 (₹ in million)

	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	61,863.4	-	-	-	-	61,863.4	61,863.4
Trade receivables	1,20,662.2	-	-	-	-	1,20,662.2	1,20,662.2
Investments	341.8	40,154.5	-	-	50,436.7	90,933.0	90,933.0
Derivatives	-	-	2,966.7	457.7	-	3,424.4	3,424.4
Loans	4,122.3					4,122.3	4,122.3
Other financial assets	4,897.6	-	-	-	-	4,897.6	4,897.6
	1,91,887.3	**40,154.5**	**2,966.7**	**457.7**	**50,436.7**	**2,85,902.9**	**2,85,902.9**
Financial liabilities							
Trade and other payables	1,85,567.0	-	-	-	-	1,85,567.0	1,85,567.0
Borrowings	8,19,869.3	-	-	-	-	8,19,869.3	8,23,212.0
Derivatives			4,300.6	2,336.9	-	6,637.5	6,637.5
Other financial liabilities	59,635.1	-	-	-	-	59,635.1	59,635.1
	10,65,071.4	**-**	**4,300.6**	**2,336.9**	**-**	**10,71,708.9**	**10,75,051.6**

As at April 1, 2015 (₹ in million)

	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	82,484.7					82,484.7	82,484.7
Trade receivables	1,35,797.7					1,35,797.7	1,35,797.7
Investments	2.2	1,07,701.4			16,030.1	1,23,733.7	1,23,733.7
Derivatives			6,157.7	9,697.4		15,855.1	15,855.1
Loans	2,900.9					2,900.9	2,900.9
Other financial assets	6,377.0					6,377.0	6,377.0
	2,27,562.5	**1,07,701.4**	**6,157.7**	**9,697.4**	**16,030.1**	**3,67,149.1**	**3,67,149.1**
Financial liabilities							
Trade and other payables	1,80,666.6					1,80,666.6	1,80,666.6
Borrowings	7,67,932.9					7,67,932.9	7,81,234.1
Derivatives			6,036.3	3,079.1		9,115.4	9,115.4
Other financial liabilities	65,806.3					65,806.3	65,806.4
	10,14,405.8	**-**	**6,036.3**	**3,079.1**	**-**	**10,23,521.2**	**10,36,822.3**

(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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

42. DISCLOSURES ON FINANCIAL INSTRUMENTS (CONTD.)

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.

	As at March 31, 2017				
	Level 1	Level 2	Level 3	Total	
	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	(US$ million)
Financial assets:					
Investments in mutual funds	56,731.3	-	-	56,731.3	874.9
Investments in equity shares	44,903.8	-	4,052.8	48,956.6	755
Investments in bonds and debentures	2,447.2	-	-	2,447.2	37.7
Derivative financial assets	-	1,872.1	-	1,872.1	28.9
	1,04,082.3	**1,872.1**	**4,052.8**	**1,10,007.2**	**1,696.5**
Financial liabilities:					
Derivative financial liabilities	-	8,536.5	-	8,536.5	131.6
	-	**8,536.5**	**-**	**8,536.5**	**131.6**

(₹ in million)

	As at March 31, 2016			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments in mutual funds	46,635.5	-	-	46,635.5
Investments in equity shares	36,438.6	-	4,062.8	40,501.4
Investments in bonds and debentures	3,454.3	-	-	3,454.3
Derivative financial assets	-	3,424.4	-	3,424.4
	86,528.4	**3,424.4**	**4,062.8**	**94,015.6**
Financial liabilities:				
Derivative financial liabilities	-	6,637.5	-	6,637.5
	-	**6,637.5**	**-**	**6,637.5**

(₹ in million)

	As at April 1, 2015			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments in mutual funds	12,146.0	-	-	12,146.0
Investments in equity shares	1,03,308.6	-	4,662.8	1,07,971.4
Investments in bonds and debentures	3,614.1	-	-	3,614.1
Derivative financial assets	-	15,855.1	-	15,855.1
	1,19,068.7	**15,855.1**	**4,662.8**	**1,39,586.6**
Financial liabilities:				
Derivative financial liabilities	-	9,115.4	-	9,115.4
	-	**9,115.4**	**-**	**9,115.4**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

42. DISCLOSURES ON FINANCIAL INSTRUMENTS (CONTD.)

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.

(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.

		As at March 31, 2017				As at March 31, 2016		As at April 1, 2015	
		Assets		Liabilities		Assets	Liabilities	Assets	Liabilities
		(US$ million)	(₹ in million)	(US$ million)	(₹ in million)	(₹ in million)		(₹ in million)	
(i)	Foreign currency forwards, futures and options	25.5	1,650.7	127	8,235.7	2,790.5	6,077.8	15,608.0	6,220.4
(ii)	Commodity futures and options	0.1	6.6	1.8	114.6	456.5	108.2	1.1	853.3
(iii)	Interest rate swaps and collars	3.3	214.8	2.9	186.2	177.4	451.5	246.0	2,041.7
		28.9	**1,872.1**	**131.7**	**8,536.5**	**3,424.4**	**6,637.5**	**15,855.1**	**9,115.4**
Classified as :									
Non-current		12.9	831.7	27.8	1,799.8	328.2	1,654.7	881.7	1,749.1
Current		16.0	1,040.4	103.9	6,736.7	3,096.2	4,982.8	14,973.4	7,366.3

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

42. DISCLOSURES ON FINANCIAL INSTRUMENTS (CONTD.)

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:

		As at March 31, 2017		As at March 31, 2016	As at April1, 2015
		(US$ million)	(₹ in million)	(₹ in million)	(₹ in million)
(i)	Foreign currency forwards, futures and options	1,123.1	7,282.80	6,186.69	59,945.5
(ii)	Commodity futures and options	22.0	142.37	84.74	1,138.7
(iii)	Interest rate swaps and collars	288.8	1,872.57	2,132.08	25,604.9
		1,433.9	**9,297.74**	**8,403.51**	**86,689.1**

(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:

			As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	(US$ million)	(US$ million)	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
			(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)
Trade receivables	**100.99**	**100.99**	6,548.8	6,548.8	5,174.6	5,174.6	5,589.8	5,589.8

NOTES FORMING PART OF THE 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 ₹**8,857.4** million (US$**136.6** million) for the year ended March 31, 2017, (₹8,041.8 million for the year ended March 31, 2016; ₹9,606.4 million as on April 1, 2015) and increase/decrease in carrying value of property, plant and equipment (before considering depreciation impact) by approximately ₹**1,854.9** million (US$**28.6** million) as at March 31, 2017 (March 31, 2016: ₹2,155.5 million).

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 ₹**4,217.3** million (US$**65.1** million) for the year ended March 31, 2017 (2015-16: ₹4,247.3 million and ₹3,891.2 million as on April 1, 2015).

NOTES FORMING PART OF THE 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 ₹**44,903.8** million (US$**692.5** million), ₹36,438.6 million and ₹1,03,308.6 million 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 ₹**4,490.3** million (US$**69.2** million), ₹3,643.8 million and ₹10,330.8 million 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 ₹**1,61,886.3** million (US$**2,496.5** million), ₹1,59,537.8 million, ₹1,62,189.2 million, 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.

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 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.

(₹ in million)

	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	8,30,144.9	10,54,643.2	2,11,834.9	5,05,746.0	3,37,062.3
Trade payables	1,85,744.6	1,85,744.6	1,85,744.6	-	-
Other financial liabilities	57,601.7	57,601.7	56,514.0	362.9	724.8
	10,73,491.2	**12,97,989.5**	**4,54,093.5**	**5,06,108.9**	**3,37,787.1**
(US$ million)	**16,554.7**	**20,016.8**	**7,002.8**	**7,804.9**	**5,209.1**
Derivative financial liabilities	**8,536.5**	**8,536.5**	**6,736.7**	**967.6**	**832.2**
(US$ million)	**131.6**	**131.6**	**103.9**	**14.9**	**12.8**

(₹ in million)

	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	8,19,869.3	10,70,857.9	1,94,763.3	4,54,410.0	4,21,684.6
Trade payables	1,85,567.0	1,85,567.0	1,85,567.0	-	-
Other financial liabilities	59,635.1	59,635.1	55,091.1	4,058.7	485.3
	10,65,071.4	**13,16,060.0**	**4,35,421.4**	**4,58,468.7**	**4,22,169.9**
Derivative financial liabilities	**6,637.5**	**6,637.5**	**4,982.8**	**1,367.4**	**287.3**

(₹ in million)

	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	7,67,932.9	10,88,961.6	1,75,656.7	4,15,053.5	4,98,251.4
Trade payables	1,80,666.6	1,80,666.6	1,80,666.6	-	-
Other financial liabilities	65,806.3	65,806.3	56,800.7	8,483.4	522.2
	10,14,405.8	**13,35,434.5**	**4,13,124.0**	**4,23,536.9**	**4,98,773.6**
Derivative financial liabilities	**9,115.4**	**9,115.4**	**7,366.4**	**1,178.2**	**570.8**

NOTES FORMING PART OF THE 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:

(₹ in million)

	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	
								(₹ in million)	(US$ million)
Segment revenue									
External revenue	**4,87,415.1**	**51,420.9**	**5,20,174.8**	**32,580.7**	**76,532.5**	**6,075.4**	**-**	**11,74,199.4**	**18,107.8**
	3,97,186.5	*45,955.3*	*5,32,258.7*	*8,404.4*	*75,589.2*	*4,005.1*	*-*	*10,63,399.2*	
Intersegment revenue	**45,194.5**	**15,577.5**	**674.8**	**2,04,933.0**	**4,826.5**	**224.1**	**(2,71,430.4)**	**-**	
	29,787.9	*16,311.0*	*3,294.9*	*1,41,968.3*	*5,080.5*	*1,405.5*	*(1,97,848.1)*	*-*	
Total Revenue	**5,32,609.6**	**66,998.4**	**5,20,849.6**	**2,37,513.7**	**81,359.0**	**6,299.5**	**(2,71,430.4)**	**11,74,199.4**	**18,107.8**
	4,26,974.4	*62,266.3*	*535,553.6*	*1,50,372.7*	*80,669.7*	*5,410.6*	*(1,97,848.1)*	*10,63,399.2*	
Segment results before exceptional items, interest, tax and depreciation :	**1,19,527.5**	**5,800.8**	**47,049.1**	**2,616.2**	**5,312.7**	**(195.6)**	**(9857.0)**	**1,70,253.7**	**2,625.5**
	77,923.1	*6,069.1*	*(5,132.0)*	*12,781.0*	*1,974.1*	*(1526.3)*	*(1,2581.1)*	*79,507.9*	
Segment results include:									
Share of profit/(loss) of joint ventures and associates	**(300.1)**	**25.3**	**482.9**	**-**	**(131.6)**	**-**	**-**	**76.5**	**1.2**
	(896.9)	*16.5*	*(140.5)*	*-*	*(83.3)*	*-*	*-*	*(1,104.2)*	
Reconciliation to profit/ (loss) for the year:									
Finance income								**5,175.7**	**79.8**
								3,193.4	
Finance cost								**50,722.0**	**782.2**
								42,214.1	
Depreciation and Amortisation								**56,728.8**	**874.8**
								53,063.5	
Profit before exceptional items and tax								**67,978.6**	**1,048.3**
								(12,576.3)	
Exceptional items								**(43,242.3)**	**(666.9)**
								39,903.8	
Profit before tax								**24,736.3**	**384.5**
								27,327.5	
Tax								**27,780.1**	**428.4**
								6,899.6	
Profit after tax from continuing operations								**(3,043.8)**	**(46.9)**
								20,427.9	
Profit after tax from discontinued operations								**(38,641.9)**	**(595.9)**
								(25,398.8)	
Net profit/(loss) for the period								**(41,685.7)**	**(624.9)**
								(4,970.9)	
Segment assets	**10,91,806.0**	**55,322.6**	**4,36,873.1**	**4,34,135.0**	**50,914.3**	**79,046.6**	**(4,14,765.2)**	**17,33,332.4**	**26,730.4**
	10,29,294.7	*49,109.9*	*5,55,859.9*	*4,26,161.5*	*49,369.8*	*73,479.1*	*(4,08,160.5)*	*17,75,114.4*	
Segment assets include:									
Equity accounted investments	**12,810.5**	**256.2**	**2,752.6**	**-**	**117.5**	**-**	**-**	**15,936.8**	**245.8**
	12,951.4	*339.3*	*2,756.6*	*-*	*156.8*	*-*	*-*	*16,204.1*	
Segment liabilities	**6,25,429.5**	**32,749.0**	**7,30,617.1**	**3,32,083.4**	**27,245.0**	**22,051.1**	**(4,31,052.9)**	**13,39,122.2**	**2,05,707.8**
	5,92,136.4	*28,942.1*	*7,86,563.8*	*2,54,713.6*	*27,972.0*	*62,138.1*	*(422,486.5)*	*3,29,979.5*	
Additions to non-current assets	**38,467.3**	**4,198.1**	**36,658.0**	**31.7**	**53.8**	**2,166.7**	**-**	**81,575.6**	**1,258.0**
	60,749.2	*3,676.7*	*35,392.4*	*5.7*	*320.3*	*15,820.9*	*-*	*1,15,965.2*	

Figures in italics represents comparative figures of previous year.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

43. SEGMENT REPORTING (CONTD.)

Details of revenue by nature of business is as below:

	Year ended March 31, 2017		Year ended March 31, 2016
	(US$ million)	(₹ in million)	(₹ in million)
Steel	16,286.8	10,56,115.2	9,63,217.4
Others	1,821.0	1,18,084.2	1,00,181.8
	18,107.8	**11,74,199.4**	**10,63,399.2**

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:

	Year ended March 31, 2017		Year ended March 31, 2016
	(US$ million)	(₹ in million)	(₹ in million)
India	7,862.3	5,09,828.1	4,36,036.1
Outside India	10,245.5	6,64,371.3	6,27,363.1
	18,107.8	**11,74,199.4**	**10,63,399.2**

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:

	Year ended March 31, 2017		Year ended March 31, 2016
	(US$ million)	(₹ in million)	(₹ in million)
India	12,506.3	8,10,972.6	8,04,557.4
Outside India	4,116.5	2,66,934.2	2,77,401.1
	16,622.8	**10,77,906.8**	**10,81,958.5**

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 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.

	Associates	Joint Arrangements	Tata Sons and its subsidiaries and joint ventures	Total	
				(₹ in million)	(US$ million)
Purchase of goods	**5,919.6**	**2,616.8**	**10,550.2**	**19,086.6**	**294.3**
	5,377.4	*4,118.3*	*5,809.3*	*15,305.0*	
Sale of goods	**8,140.9**	**19,425.8**	**1,901.5**	**29,468.2**	**454.4**
	6,573.5	*19,232.4*	*634.8*	*26,440.7*	
Services received	**138.8**	**18,948.2**	**1,114.0**	**20,201.0**	**311.5**
	299.0	*12,124.2*	*1,189.5*	*13,612.7*	
Services rendered	**145.7**	**1,021.7**	**8.5**	**1,175.9**	**18.1**
	91.5	*1,105.4*	*2.3*	*1,199.2*	
Interest income recognised	**-**	**3.9**	**-**	**3.9**	**0.1**
	-	*17.9*	*-*	*17.9*	
Interest expenses recognised	**-**	**-**	**161.6**	**161.6**	**2.5**
	9.4	*3.7*	*08.3*	*21.4*	
Dividend paid	**-**	**-**	**2,364.8**	**2,364.8**	**36.5**
	-	*-*	*2,366.1*	*2,366.1*	
Dividend received	**238.3**	**483.6**	**05.4**	**727.3**	**11.2**
	95.0	*433.2*	*409.4*	*937.6*	
Provision for receivables recognised during the year	-	-	-	-	
	0.3	*-*	*-*	*0.3*	
Management contracts	**8.6**	**18.9**	**1,312.2**	**1,339.7**	**20.7**
	7.1	*8.8*	*1454.1*	*1,470.0*	
Purchase of Investments	-	-	-	-	-
	81.5	*-*	*-*	*81.5*	
Sale of Investments	**-**	**-**	**-**	**-**	**-**
	-	*-*	*26,036.3*	*26,036.3*	
Finance provided during the year	**-**	**70.0**	**-**	**70.0**	**1.1**
	9.1	*606.1*	*76.9*	*692.1*	
	-	*2,074.7*	*-*	*2,074.7*	

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

44. RELATED PARTY TRANSACTIONS (CONTD.)

	Associates	Joint Arrangements	Tata Sons and its subsidiaries and joint ventures	Total (₹ in million)	Total (US$ million)
Outstanding loans and receivables	**951.9**	**10,564.4**	**820.3**	**12,336.6**	**190.2**
	803.4	*12,697.8*	*385.6*	*13,886.8*	
	873.7	*13,199.7*	*370.4*	*14,443.8*	
Provision for outstanding loans and receivables	**29.8**	**9,446.6**	**-**	**9,476.4**	**146.1**
	35.0	*9,904.3*	-	*9,939.3*	
	33.7	*8,990.0*	-	*9,023.7*	
Outstanding Payables	**565.2**	**4,358.9**	**2,882.1**	**7,806.2**	**120.4**
	758.7	*3,392.3*	*2,290.1*	*6,441.1*	
	915.6	*3,162.0*	*2,337.7*	*6,415.3*	
Guarantees provided outstanding	**-**	**2,225.6**	**-**	**2,225.6**	**34.3**
	-	*2,422.2*	-	*2,422.2*	
	-	2,560.7	-	2,560.7	

Figures in italics represents comparative figures of previous years.

(i) The details of remuneration paid to the managerial personnel is provided in Note 30

In addition, during the year the Group has paid dividend of ₹**2,19,360.0 (US$ 3,382.8 million)** (2015-16: ₹2,19,360.0) to key managerial personnel and ₹**26,480.0 (US$ 408.4 million)** (2015-16: ₹26,480.0) to relatives of key managerial personnel.

(ii) During the year, the Group has contributed ₹**4,710.9** million (US$**72.6** million) (2015-16: ₹8,653.0 million) 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 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 ₹4,75,807.8 million with an aggregate adjustment of ₹1,41,296.8 million 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 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

(₹ in million)

	Note	As at March 31, 2016	As at April 1, 2015
Equity as per Previous GAAP		2,84,788.6	3,13,494.1
Re-measurements on transition to Ind AS:			
(1) Property, plant and equipment	(ii)	2,10,121.2	1,40,410.1
(2) Financial instruments	(i)	39,047.8	1,04,580.8
(3) Re-classification of Hybrid Perpetual Securities	(v)	22,750.0	22,750.0
(4) Reversal of proposed dividend and tax thereon	(vii)	9,463.7	9,431.5
(5) Leases	(iii)	(1,536.9)	(1,649.2)
(6) Employee benefits	(viii)	5,318.2	14,149.1
(7) Change in method/scope of consolidation	(vi)	9,026.8	6,105.2
(8) Re-classification of non-controlling interests	(x)	9,358.9	10,165.8
(9) Business combinations	(iv)	(76,770.3)	(72,290.9)
(10) Others	(xi)	(3,803.5)	(3,468.4)
(11) Tax impact on above adjustments	(ix)	(62,629.6)	(64,000.0)
Equity as per Ind AS		**4,45,134.9**	**4,79,678.1**

(b) Reconciliation of total comprehensive income

(₹ in million)

	Note	Year ended March 31, 2016
Profit/(loss) after tax as per Previous GAAP		(30,493.2)
Re-measurements on transition to Ind AS:		
(1) Financial instruments	(i)	(37,618.1)
(2) Property, plant and equipment	(ii)	72,074.0
(3) Employee benefits	(viii)	(17,071.8)
(4) Others	(xi)	814.0
(5) Tax impact on above adjustments	(ix)	7,324.2
Profit/(loss) after tax as per Ind AS		**(4,970.9)**
Other Comprehensive Income/(loss)	(xii)	(18,981.7)
Total Comprehensive Income/(loss) as per Ind AS		**(23,952.6)**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

46. EXPLANATION OF TRANSITION TO IND AS (CONTD.)

(c) Reconciliation of consolidated statement of cash flows

(₹ in million)

	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)	1,11,169.6	3,383.9	1,14,553.5
Net cash generated from/(used in) investing activities	(xiii-xv)	(91,924.6)	(6,13.6)	(92,538.2)
Net cash generated from/(used in) financing activities	(xiii-xv)	(43,137.7)	(4,153.5)	(47,291.2)
Net increase/(decrease) in cash and cash equivalents		**(23,894.0)**	**(1,381.9)**	**(25,275.9)**
Cash and cash equivalents as at April 1, 2015	(xiii-xv)	85,256.6	(3,485.3)	81,771.3
Effect of exchange rate on translation of foreign currency cash and cash equivalents	(xiii-xv)	4,727.3	(132.2)	4,595.1
Cash and cash equivalents as at March 31, 2016	(xiii-xv)	66,089.9	(4,999.4)	61,090.5

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 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 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 ₹11,677.6 million inclusive of a dividend distribution tax of ₹1,977.2 million.

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%**	**5,19,340.1**	**(44.44%)**	**34,445.5**	**(27.94%)**	**6,757.9**	**(40.52%)**	**41,203.4**
B.	**SUBSIDIARIES**									
a)	**Indian**									
1	Adityapur Toll Bridge Company Limited	INR	0.02%	397.9	0.05%	(35.0)	0.00%	-	0.03%	(35.0)
2	Tata Steel Special Economic Zone Limited	INR	0.05%	1,326.2	0.02%	(13.1)	0.00%	(0.0)	0.01%	(13.1)
3	Indian Steel & Wire Products Ltd.	INR	0.02%	634.1	(0.08%)	61.2	0.04%	(9.7)	(0.05%)	51.5
4	Jamshedpur Utilities & Services Company Limited	INR	0.02%	638.8	(0.67%)	515.6	0.00%	0.5	(0.51%)	516.1
5	Haldia Water Management Limited	INR	(0.06%)	(1,608.4)	0.18%	(135.7)	0.00%	-	0.13%	(135.7)
6	Rujuvalika Investments Limited	INR	0.03%	841.4	(0.03%)	23.8	(0.80%)	194.1	(0.21%)	217.9
7	T S Alloys Limited	INR	0.04%	1,127.9	(0.01%)	8.4	0.01%	(1.4)	(0.01%)	7.0
8	Tata Korf Engineering Services Ltd.	INR	0.00%	(98.0)	0.00%	(0.2)	0.00%	-	0.00%	(0.2)
9	Tata Metaliks Ltd.	INR	0.08%	2,071.8	(1.50%)	1,164.8	0.09%	(22.6)	(1.12%)	1142.2
10	Tata Sponge Iron Limited	INR	0.34%	8,648.5	(0.75%)	581.8	0.06%	(13.6)	(0.56%)	568.2
11	TSIL Energy Limited	INR	0.00%	11.4	0.00%	0.3	0.00%	-	0.00%	0.3
12	Kalzip India Private Limited	INR	0.00%	103.3	(0.01%)	9.0	0.00%	-	(0.01%)	9.0
13	Tata Steel International (India) Limited	INR	0.02%	431.8	(0.05%)	40.6	0.00%	-	(0.04%)	40.6
14	Tata Steel Odisha Limited	INR	0.00%	(0.1)	0.00%	(0.2)	0.00%	-	0.00%	(0.2)
15	Tata Steel Processing and Distribution Limited	INR	0.20%	5,367.6	(0.52%)	404.1	0.07%	(17.6)	(0.38%)	386.5
16	Tayo Rolls Limited	INR	(0.15%)	(4,226.6)	1.08%	(840.0)	0.00%	0.2	0.83%	(839.8)
17	Tata Pigments Limited	INR	0.02%	464.5	(0.08%)	64.6	0.03%	(6.8)	(0.06%)	57.8
18	The Tinplate Company of India Ltd	INR	0.25%	6,222.9	(0.36%)	278.6	0.14%	(32.7)	(0.24%)	245.9
19	Tata Steel Foundation	INR	0.00%	9.9	0.00%	(0.1)	0.00%	-	0.00%	(0.1)
b)	**Foreign**									
1	ABJA Investment Co. Pte. Ltd.	USD	(0.10%)	(2,654.6)	(0.97%)	755.2	0.00%	-	(0.74%)	755.2
2	NatSteel Asia Pte. Ltd.	USD	0.56%	14,930.7	0.94%	(729.7)	3.87%	(936.2)	1.64%	(1,665.9)
3	TS Asia (Hong Kong) Ltd.	USD	0.04%	1,153.1	(0.19%)	150.1	0.00%	-	(0.15%)	150.1
4	Tata Steel (KZN) (Pty) Ltd.	ZAR	(0.38%)	(10,119.1)	0.00%	-	0.00%	-	0.00%	-
5	T Steel Holdings Pte. Ltd.	GBP	17.98%	4,75,270.1	0.00%	(0.7)	0.00%	-	0.00%	(0.7)
6	T S Global Holdings Pte Ltd.	GBP	11.88%	3,14,106.0	69.17%	(53,611.1)	0.00%	-	52.72%	(53,611.1)
7	Orchid Netherlands (No.1) B.V.	EUR	0.00%	15.8	0.00%	(0.2)	0.00%	-	0.00%	(0.2)
8	NatSteel Holdings Pte. Ltd.	SGD	0.00%	24.9	(0.25%)	196.0	(0.16%)	39.0	(0.23%)	235.0
9	Easteel Services (M) Sdn. Bhd.	MYR	0.01%	287.8	0.00%	(3.3)	0.00%	-	0.00%	(3.3)
10	Eastern Steel Fabricators Philippines, Inc.	SGD	(0.02%)	(399.1)	0.00%	-	0.00%	-	0.00%	-
11	NatSteel (Xiamen) Ltd.	CNY	(0.04%)	(1,010.9)	(1.23%)	953.9	0.00%	-	(0.94%)	953.9
12	NatSteel Recycling Pte Ltd.	SGD	0.07%	1,950.6	(0.05%)	42.3	0.00%	-	(0.04%)	42.3
13	NatSteel Trade International (Shanghai) Company Ltd.	CNY	0.00%	(2.7)	0.00%	(0.7)	0.00%	-	0.00%	(0.7)
14	NatSteel Trade International Pte. Ltd.	USD	0.01%	150.3	(0.01%)	7.5	0.00%	-	(0.01%)	7.5

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
15	NatSteel Vina Co. Ltd.	VND	0.03%	755.9	(0.09%)	71.9	0.00%	-	(0.07%)	71.9
16	The Siam Industrial Wire Company Ltd.	THB	0.38%	10,036.3	(1.10%)	850.1	(0.04%)	8.5	(0.84%)	858.6
17	TSN Wires Co., Ltd.	THB	0.02%	568.5	0.13%	(100.5)	(0.01%)	1.6	0.10%	(98.9)
18	Tata Steel Europe Limited	GBP	6.39%	1,68,772.7	12.64%	(9,795.9)	0.00%	-	9.64%	(9,795.9)
19	Apollo Metals Limited	USD	0.03%	706.2	(0.51%)	395.7	(0.20%)	47.3	(0.44%)	443.0
20	Augusta Grundstucks GmbH	EUR	0.00%	(18.7)	0.01%	(11.2)	(0.01%)	3.0	0.01%	(8.2)
21	Automotive Laser Technologies Limited	GBP	0.00%	-	0.00%	-	0.00%	-	0.00%	-
22	B S Pension Fund Trustee Limited	GBP	0.01%	179.3	0.00%	-	0.00%	-	0.00%	-
23	Beheermaatschappij Industriele Produkten B.V.	EUR	(0.02%)	(478.0)	0.00%	(3.4)	0.00%	-	0.00%	(3.4)
24	Bell & Harwood Limited	GBP	0.00%	(102.3)	0.00%	-	0.00%	-	0.00%	-
25	Blastmega Limited	GBP	0.28%	7,532.4	0.00%	-	0.00%	-	0.00%	-
26	Blume Stahlservice GmbH	EUR	0.02%	530.2	0.13%	(104.5)	0.06%	(14.4)	0.12%	(118.9)
27	Blume Stahlservice Polska Sp.Z.O.O	PLZ	0.00%	-	0.00%	0.6	0.00%	-	0.00%	0.6
28	Bore Samson Group Limited	GBP	0.05%	1,215.4	0.00%	-	0.00%	-	0.00%	-
29	Bore Steel Limited	GBP	0.05%	1,380.7	0.00%	-	0.00%	-	0.00%	-
30	British Guide Rails Limited	GBP	0.01%	393.5	0.00%	-	0.00%	-	0.00%	-
31	British Steel Corporation Limited	GBP	0.09%	2,470.4	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%	4,321.6	(0.07%)	55.6	0.00%	-	(0.05%)	55.6
35	British Steel Service Centres Limited	GBP	0.16%	4,330.6	0.00%	-	0.00%	-	0.00%	-
36	British Tubes Stockholding Limited	GBP	0.03%	852.9	0.00%	-	0.00%	-	0.00%	-
37	C V Benine	EUR	0.01%	150.0	0.00%	-	0.00%	-	0.00%	-
38	C Walker & Sons Limited	GBP	0.05%	1,315.8	0.00%	-	0.00%	-	0.00%	-
39	Catnic GmbH	EUR	0.02%	405.7	(0.05%)	40.3	0.00%	-	(0.04%)	40.3
40	Catnic Limited	GBP	0.00%	(4.9)	0.10%	(81.0)	0.00%	-	0.08%	(81.0)
41	CBS Investissements SAS	EUR	0.00%	16.4	0.00%	1.5	0.00%	-	0.00%	1.5
42	Cogent Power Inc.	CAD	0.06%	1,468.8	(0.09%)	68.0	0.00%	-	(0.07%)	68.0
43	Tata Steel International Mexico SA de CV	USD	0.00%	(4.5)	0.01%	(4.6)	0.00%	-	0.00%	(4.6)
44	Cogent Power Inc.	USD	0.01%	197.5	0.11%	(82.1)	0.00%	-	0.08%	(82.1)
45	Cogent Power Limited	GBP	0.04%	1,071.6	0.00%	(1.2)	0.00%	-	0.00%	(1.2)
46	Color Steels Limited	GBP	0.01%	367.1	0.00%	-	0.00%	-	0.00%	-
47	Corbeil Les Rives SCI	EUR	0.00%	85.1	0.00%	-	0.00%	-	0.00%	-
48	Corby (Northants) & District Water Company Limited	GBP	0.00%	46.5	0.00%	-	0.00%	-	0.00%	-
49	Cordor (C& B) Limited	GBP	0.00%	26.3	0.00%	-	0.00%	-	0.00%	-
50	Corus Aluminium Verwaltungsgesellschaft Mbh	EUR	0.00%	36.0	(0.11%)	82.3	0.00%	-	(0.08%)	82.3
51	Corus Beteiligungs GmbH	EUR	0.00%	17.6	0.24%	(183.5)	0.00%	-	0.18%	(183.5)
52	Corus Building Systems Bulgaria AD	LEV	(0.01%)	(239.8)	0.03%	(23.2)	0.00%	-	0.02%	(23.2)
53	Corus CNBV Investments	GBP	0.00%	-	0.00%	-	0.00%	-	0.00%	-
54	Corus Cold drawn Tubes Limited	GBP	(0.01%)	(139.5)	0.00%	-	0.00%	-	0.00%	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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
55	Corus Engineering Steels (UK) Limited	GBP	0.14%	3,709.7	0.00%	-	0.00%	-	0.00%	-
56	Corus Engineering Steels Holdings Limited	GBP	1.37%	36,292.6	0.00%	-	0.00%	-	0.00%	-
57	Corus Engineering Steels Limited	GBP	1.46%	38,512.6	0.00%	-	0.00%	-	0.00%	-
58	Corus Engineering Steels Overseas Holdings Limited	GBP	0.00%	80.5	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%	8,684.6	3.52%	(2,730.3)	0.00%	-	2.68%	(2,730.3)
61	Corus Holdings Limited	GBP	0.00%	33.5	(0.01%)	5.2	0.00%	-	(0.01%)	5.2
62	Corus International (Overseas Holdings) Limited	GBP	1.44%	38,060.1	(0.81%)	628.6	0.00%	-	(0.62%)	628.6
63	Corus International Limited	GBP	0.93%	24,474.9	(0.11%)	88.5	0.00%	-	(0.09%)	88.5
64	Corus International Romania SRL.	RON	0.00%	4.0	0.00%	0.1	0.00%	-	0.00%	0.1
65	Corus Investments Limited	GBP	0.07%	1,836.8	0.00%	-	0.00%	-	0.00%	-
66	Corus Ireland Limited	EUR	0.00%	53.4	(0.01%)	10.8	0.00%	-	(0.01%)	10.8
67	Corus Large Diameter Pipes Limited	GBP	0.22%	5,891.0	0.00%	-	0.00%	-	0.00%	-
68	Corus Liaison Services (India) Limited	GBP	(0.01%)	(193.6)	0.00%	-	0.00%	-	0.00%	-
69	Corus Management Limited	GBP	(0.14%)	(3,672.1)	0.00%	-	0.00%	-	0.00%	-
70	Corus Primary Aluminium B.V.	EUR	(0.05%)	(1,215.1)	0.03%	(24.9)	0.00%	-	0.02%	(24.9)
71	Corus Property	GBP	0.00%	-	0.00%	-	0.00%	-	0.00%	-
72	Corus Service Centre Limited	GBP	0.05%	1,292.6	0.00%	-	0.00%	-	0.00%	-
73	Corus Steel Service STP LLC	RUB	0.00%	(16.8)	0.00%	1.9	0.00%	-	0.00%	1.9
74	Corus Tubes Poland Spolka Z.O.O	EUR	0.00%	(15.8)	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%	0.2	0.00%	-	0.00%	-	0.00%	-
77	CPN (85) Limited	GBP	0.00%	(6.8)	0.00%	-	0.00%	-	0.00%	-
78	Crucible Insurance Company Limited	GBP	0.11%	2,789.9	(0.55%)	425.0	0.00%	-	(0.42%)	425.0
79	Degels GmbH	EUR	(0.01%)	(158.4)	(0.30%)	235.8	0.00%	-	(0.23%)	235.8
80	Demka B.V.	EUR	0.02%	607.9	0.00%	(1.0)	0.00%	-	0.00%	(1.0)
81	DSRM Group Plc.	GBP	0.06%	1,607.0	0.00%	-	0.00%	-	0.00%	-
82	Eric Olsson & Soner Forvaltnings AB	SEK	0.01%	160.3	0.00%	-	0.00%	-	0.00%	-
83	Esmil B.V.	EUR	0.01%	186.0	0.00%	0.5	0.00%	-	0.00%	0.5
84	Europressings Limited	GBP	0.00%	51.7	0.00%	-	0.00%	-	0.00%	-
85	Firsteel Group Limited	GBP	(0.03%)	(712.4)	2.79%	(2,164.3)	0.00%	-	2.13%	(2,164.3)
86	Firsteel Holdings Limited	GBP	0.02%	626.8	0.00%	-	0.00%	-	0.00%	-
87	Fischer Profil GmbH	EUR	0.00%	(72.9)	0.55%	(423.0)	(0.06%)	14.3	0.40%	(408.7)
88	Gamble Simms Metals Limited	EUR	0.00%	(19.5)	0.00%	-	0.00%	-	0.00%	-
89	Grant Lyon Eagre Limited	GBP	0.02%	477.0	0.00%	-	0.00%	-	0.00%	-
90	H E Samson Limited	GBP	0.02%	423.0	0.00%	-	0.00%	-	0.00%	-
91	Hadfields Holdings Limited	GBP	(0.02%)	(650.7)	0.00%	-	0.00%	-	0.00%	-
92	Halmstad Steel Service Centre AB	SEK	0.02%	649.0	0.10%	(80.8)	0.00%	-	0.08%	(80.8)
93	Hammermega Limited	GBP	0.01%	182.2	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
94	Harrowmills Properties Limited	GBP	0.06%	1,542.4	0.00%	-	0.00%	-	0.00%	-
95	Hille & Muller GmbH	EUR	0.04%	1,101.4	(0.04%)	31.5	0.03%	(07.4)	(0.02%)	24.1
96	Hille & Muller USA Inc.	USD	0.04%	1,149.0	(0.04%)	29.3	0.00%	-	(0.03%)	29.3
97	Hoogovens USA Inc.	USD	0.18%	4,755.8	(0.01%)	8.9	0.00%	-	(0.01%)	8.9
98	Huizenbezit "Breesaap" B.V.	EUR	0.00%	(74.7)	0.00%	0.6	0.00%	-	0.00%	0.6
99	Ickles Cottage Trust Limited	GBP	0.00%	16.3	0.00%	-	0.00%	-	0.00%	-
100	Inter Metal Distribution SAS	EUR	0.01%	343.8	(0.12%)	96.3	0.01%	(1.2)	(0.09%)	95.1
101	Kalzip Asia Pte Limited	SGD	(0.04%)	(1,140.9)	0.33%	(256.6)	0.00%	-	0.25%	(256.6)
102	Kalzip FZE	AED	0.00%	46.9	(0.01%)	8.5	0.00%	-	(0.01%)	8.5
103	Kalzip GmbH	EUR	0.00%	9.6	0.00%	-	0.00%	-	0.00%	-
104	Kalzip GmbH	EUR	0.01%	180.3	(0.03%)	25.7	(0.13%)	31.0	(0.06%)	56.7
105	Kalzip Inc	USD	(0.02%	(452.4)	0.00%	1.4	0.00%	-	0.00%	1.4
106	Kalzip Italy SRL	EUR	0.00%	3.0	0.00%	0.4	0.00%	-	0.00%	0.4
107	Kalzip Limited	GBP	0.01%	157.6	(0.03%)	20.5	0.00%	-	(0.02%)	20.5
108	Kalzip Spain S.L.U.	EUR	0.00%	104.0	0.00%	1.1	0.00%	-	0.00%	1.1
109	Layde Steel S.L.	EUR	0.03%	710.9	(0.23%)	179.0	0.00%	-	(0.18%)	179.0
110	Lister Tubes Limited	EUR	0.00%	112.1	0.00%	-	0.00%	-	0.00%	-
111	London Works Steel Company Limited	GBP	(0.03%)	(834.6)	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%	934.5	(0.15%)	116.2	(0.27%)	65.1	(0.18%)	181.3
114	Naantali Steel Service Centre OY	EUR	0.01%	277.6	0.09%	(67.7)	0.00%	-	0.07%	(67.7)
115	Nationwide Steelstock Limited	GBP	0.00%	(91.8)	0.00%	-	0.00%	-	0.00%	-
116	Norsk Stal Tynnplater AS	NOK	0.02%	475.8	(0.11%)	87.7	0.00%	-	(0.09%)	87.7
117	Norsk Stal Tynnplater AB	NOK	0.01%	156.7	(0.04%)	29.4	0.00%	-	(0.03%)	29.4
118	Orb Electrical Steels Limited	GBP	0.00%	-	0.00%	-	0.00%	-	0.00%	-
119	Ore Carriers Limited	GBP	0.01%	230.7	0.00%	-	0.00%	-	0.00%	-
120	Oremco Inc.	USD	0.00%	(103.1)	0.02%	(16.1)	0.00%	-	0.02%	(16.1)
121	Plated Strip International Limited	GBP	0.01%	143.9	0.00%	-	0.00%	-	0.00%	-
122	Precoat International Limited	GBP	0.02%	627.8	0.00%	-	0.00%	-	0.00%	-
123	Precoat Limited	GBP	(0.01%)	(171.8)	0.00%	-	0.00%	-	0.00%	-
124	Rafferty-Brown Steel Co Inc Of Conn.	USD	0.01%	289.5	0.00%	(2.0)	0.00%	-	0.00%	(2.0)
125	Round Oak Steelworks Limited	GBP	(0.15%)	(3,880.2)	0.00%	-	0.00%	-	0.00%	-
126	Runblast Limited	GBP	0.16%	4,214.2	0.00%	-	0.00%	-	0.00%	-
127	Runmega Limited	GBP	0.00%	35.2	0.00%	-	0.00%	-	0.00%	-
128	S A B Profiel B.V.	EUR	0.12%	3,211.0	(1.97%)	1,523.7	0.00%	-	(1.50%)	1,523.7
129	S A B Profil GmbH	EUR	0.05%	1,198.5	(0.08%)	65.6	0.00%	-	(0.06%)	65.6
130	Seamless Tubes Limited	GBP	0.06%	1,503.7	0.00%	-	0.00%	-	0.00%	-
131	Service Center Gelsenkirchen GmbH	EUR	0.13%	3,451.9	2.84%	(2,205.6)	0.15%	(35.6)	2.20%	(2,241.2)
132	Service Centre Maastricht B.V.	EUR	0.01%	289.3	(0.33%)	256.4	0.00%	-	(0.25%)	256.4
133	Skruv Erik AB	SEK	0.00%	5.0	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
134	Societe Europeenne De Galvanisation (Segal) Sa	EUR	0.07%	1,879.0	(0.05%)	35.9	0.00%	-	(0.04%)	35.9
135	Staalverwerking en Handel B.V.	EUR	0.47%	12,338.9	(5.32%)	4124.6	0.00%	-	(4.06%)	4,124.6
136	Steel StockHoldings Limited	GBP	0.01%	371.0	0.00%	-	0.00%	-	0.00%	-
137	Steelstock Limited	GBP	0.00%	1.6	0.00%	-	0.00%	-	0.00%	-
138	Stewarts & Lloyds Of Ireland Limited	EUR	0.00%	(16.1)	0.00%	-	0.00%	-	0.00%	-
139	Stewarts And Lloyds (Overseas) Limited	GBP	0.06%	1,657.4	0.00%	-	0.00%	-	0.00%	-
140	Stocksbridge Works Cottage Trust Limited	GBP	0.00%	8.9	0.00%	-	0.00%	-	0.00%	-
141	Surahammar Bruks AB	SEK	0.05%	1,307.4	0.09%	(71.6)	(0.14%)	32.8	0.04%	(38.8)
142	Swinden Housing Association Limited	GBP	0.00%	52.3	0.00%	-	0.00%	-	0.00%	-
143	Tata Steel Belgium Packaging Steels N.V.	EUR	0.07%	1,928.5	(0.05%)	37.9	0.00%	-	(0.04%)	37.9
144	Tata Steel Belgium Services N.V.	EUR	0.14%	3,607.0	(0.12%)	90.9	0.00%	-	(0.09%)	90.9
145	Tata Steel Denmark Byggsystemer A/S	DKK	0.01%	187.9	0.03%	(27.1)	0.00%	-	0.03%	(27.1)
146	Tata Steel Europe Distribution BV	EUR	(0.01%)	(210.5)	(0.03%)	19.9	0.00%	-	(0.02%)	19.9
147	Tata Steel Europe Metals Trading BV	EUR	0.10%	2,572.2	0.00%	(3.1)	0.00%	-	0.00%	(3.1)
148	Tata Steel France Batiment et Systemes SAS	EUR	0.01%	136.3	0.19%	(147.2)	0.00%	-	0.14%	(147.2)
149	Tata Steel France Holdings SAS	EUR	0.30%	7,813.9	0.75%	(581.5)	0.13%	(32.3)	0.60%	(613.8)
150	Tata Steel Germany GmbH	EUR	0.00%	29.6	5.29%	(4,103.4)	0.05%	(12.1)	4.06%	(4,115.5)
151	Tata Steel IJmuiden BV	EUR	6.30%	1,66,470.7	(21.27%)	16,488.3	(2.63%)	635.0	(16.84%)	17,123.3
152	Tata Steel International (Americas) Holdings Inc	USD	0.22%	5,892.1	0.25%	(197.0)	0.00%	-	0.19%	(197.0)
153	Tata Steel International (Americas) Inc	USD	0.40%	10,446.4	(0.40%)	311.6	(0.13%)	31.1	(0.34%)	342.7
154	Tata Steel International (Benelux) BV	EUR	0.00%	86.7	0.00%	0.7	0.00%	-	0.00%	0.7
155	Tata Steel International (Canada) Holdings Inc	CAD	0.00%	17.4	0.00%	-	0.00%	-	0.00%	-
156	Tata Steel International (Czech Republic) S.R.O	CZK	0.00%	88.3	(0.04%)	31.7	0.00%	-	(0.03%)	31.7
157	Tata Steel International (Denmark) A/S	DKK	0.00%	4.8	0.00%	(2.8)	0.00%	-	0.00%	(2.8)
158	Tata Steel International (Finland) OY	EUR	0.00%	8.9	0.00%	-	0.00%	-	0.00%	-
159	Tata Steel International (France) SAS	EUR	0.01%	317.3	(0.01%)	4.1	0.00%	-	0.00%	4.1
160	Tata Steel International (Germany) GmbH	EUR	0.00%	7.9	(0.03%)	26.2	0.00%	1.0	(0.03%)	27.2
161	Tata Steel International (South America) Representações LTDA	USD	0.00%	5.3	0.00%	3.4	0.00%	-	0.00%	3.4
162	Tata Steel International Hellas SA	EUR	0.00%	10.2	0.00%	-	0.00%	-	0.00%	-
163	Tata Steel International (Italia) SRL	EUR	0.00%	124.0	(0.05%)	38.1	0.00%	-	(0.04%)	38.1
164	Tata Steel International (Middle East) FZE	AED	0.08%	2,097.6	(0.10%)	78.4	0.00%	-	(0.08%)	78.4
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%	30.4	(0.02%)	19.0	0.00%	-	(0.02%)	19.0
167	Tata Steel International (Schweiz) AG	CHF	0.00%	45.0	0.00%	(2.2)	0.00%	-	0.00%	(2.2)
168	Tata Steel International (Sweden) AB	SEK	0.00%	61.3	(0.03%)	20.7	0.00%	-	(0.02%)	20.7
169	Tata Steel International Iberica SA	EUR	0.00%	38.2	(0.04%)	30.4	0.00%	-	(0.03%)	30.4
170	Tata Steel Istanbul Metal Sanayi ve Ticaret AS	USD	0.01%	165.8	0.02%	(12.0)	0.00%	-	0.01%	(12.0)
171	Tata Steel Latvia Building Systems SIA	EUR	0.00%	0.9	0.00%	0.1	0.00%	-	0.00%	0.1
172	Tata Steel Maubeuge SAS	EUR	0.05%	1,369.6	(0.99%)	768.8	0.11%	(27.3)	(0.73%)	741.5

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
173	Tata Steel Nederland BV	EUR	4.11%	1,08,564.8	(3.02%)	2344.0	0.00%	-	(2.30%)	2,344.0
174	Tata Steel Nederland Consulting & Technical Services BV	EUR	0.01%	379.7	0.00%	(0.6)	0.00%	-	0.00%	(0.6)
175	Tata Steel Nederland Services BV	EUR	0.10%	2,754.8	1.15%	(894.0)	0.00%	-	0.88%	(894.0)
176	Tata Steel Nederland Star-Frame BV	EUR	0.00%	1.6	0.00%	(0.1)	0.00%	-	0.00%	(0.1)
177	Tata Steel Nederland Technology BV	EUR	0.18%	4,771.6	(0.25%)	192.2	0.00%	-	(0.19%)	192.2
178	Tata Steel Nederland Tubes BV	EUR	(0.02%)	(416.0)	(0.33%)	257.0	0.00%	-	(0.25%)	257.0
179	Tata Steel Netherlands Holdings B.V.	EUR	2.78%	73,414.7	(2.37%)	1840.8	(0.78%)	188.2	(1.99%)	2,029.0
180	Tata Steel Norway Byggsystemer A/S	NOK	0.02%	451.6	(0.09%)	70.6	0.00%	-	(0.07%)	70.6
181	Tata Steel Speciality Service Centre Suzhou Co. Limited	USD	0.00%	(39.0)	0.04%	(31.0)	0.00%	-	0.03%	(31.0)
182	Tata Steel Sweden Byggsystem AB	SEK	0.01%	203.8	0.21%	(159.4)	0.00%	-	0.16%	(159.4)
183	Tata Steel Speciality Service Centre Xian Co. Limited	USD	0.00%	58.8	0.00%	2.7	0.00%	-	0.00%	2.7
184	Tata Steel UK Consulting Limited	GBP	0.00%	31.4	(0.01%)	6.0	0.00%	-	(0.01%)	6.0
185	Tata Steel UK Holdings Limited	GBP	6.44%	1,69,921.5	4.79%	(3,719.2)	0.00%	-	3.66%	(3,719.2)
186	Tata Steel UK Limited	GBP	(6.38%)	(1,69,028.3)	88.67%	(68,733.7)	132.03%	(31,933.6)	99.00%	(1,00,667.3)
187	Tata Steel USA Inc.	USD	0.03%	797.0	(0.07%)	55.3	0.00%	-	(0.05%)	55.3
188	The Newport And South Wales Tube Company Limited	GBP	0.00%	1.3	0.00%	-	0.00%	-	0.00%	-
189	The Stanton Housing Company Limited	GBP	0.00%	78.0	0.00%	-	0.00%	-	0.00%	-
190	The Templeborough Rolling Mills Limited	GBP	0.05%	1,285.5	0.00%	-	0.00%	-	0.00%	-
191	Thomas Processing Company	USD	0.05%	1,359.4	0.02%	(14.0)	0.00%	-	0.01%	(14.0)
192	Thomas Steel Strip Corp.	USD	(0.08%)	(2,079.7)	(0.44%)	337.8	(3.27%)	791.5	(1.11%)	1,129.3
193	Toronto Industrial Fabrications Limited	GBP	0.00%	(40.2)	0.00%	-	0.00%	-	0.00%	-
194	Trierer Walzwerk Verwaltungsgsellschaft mbH	EUR	0.01%	264.0	0.01%	(7.3)	(0.06%)	14.5	(0.01%)	7.2
195	TS South Africa Sales Office Proprietary Limited	SAR	0.00%	46.1	(0.01%)	9.4	0.00%	-	(0.01%)	9.4
196	Tulip UK Holdings (No.2) Limited	GBP	5.04%	1,33,193.1	0.00%	-	0.00%	-	0.00%	-
197	Tulip UK Holdings (No.3) Limited	GBP	4.87%	1,28,622.5	4.18%	(3,229.6)	0.00%	-	3.18%	(3,229.6)
198	U.E.S. Bright Bar Limited	GBP	0.00%	121.5	0.00%	-	0.00%	-	0.00%	-
199	UK Steel Enterprise Limited	GBP	0.05%	1,252.4	0.07%	(56.6)	0.00%	-	0.06%	(56.6)
200	UKSE Fund Managers Limited	GBP	0.00%	3.7	0.00%	-	0.00%	-	0.00%	-
201	Unitol SAS	EUR	0.03%	698.6	(0.46%)	360.0	0.00%	00.3	(0.35%)	360.3
202	Walker Manufacturing And Investments Limited	GBP	0.05%	1,251.2	0.00%	-	0.00%	-	0.00%	-
203	Walkersteelstock Ireland Limited	EUR	0.00%	33.8	0.00%	-	0.00%	-	0.00%	-
204	Walkersteelstock Limited	GBP	0.00%	81.0	0.00%	-	0.00%	-	0.00%	-
205	Westwood Steel Services Limited	GBP	0.07%	1,903.1	0.00%	-	0.00%	-	0.00%	-
206	Whitehead (Narrow Strip) Limited	GBP	0.04%	928.8	0.00%	-	0.00%	-	0.00%	-
207	T S Global Minerals Holdings Pte Ltd.	USD	1.95%	51,354.2	0.89%	(699.5)	(0.29%)	70.0	0.62%	(629.5)
208	Al Rimal Mining LLC	OMR	0.00%	61.6	0.00%	(0.2)	0.00%	-	0.00%	(0.2)
209	Black Ginger 461 (Proprietary) Ltd	ZAR	0.04%	1154.9	(0.67%)	522.7	0.00%	-	(0.51%)	522.7
210	Kalimati Coal Company Pty. Ltd.	AUD	(0.07%)	(1,891.7)	(0.02%)	15.5	0.00%	-	(0.02%)	15.5
211	Sedibeng Iron Ore Pty. Ltd.	ZAR	0.03%	863.7	(0.72%)	555.7	0.00%	-	(0.55%)	555.7
212	Tata Steel Cote D' Ivoire S.A	FCFA	0.02%	642.4	0.02%	(12.6)	0.00%	-	0.01%	(12.6)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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
213	TSMUK Limited	USD	1.79%	47,440.6	0.00%	(0.4)	0.00%	-	0.00%	(0.4)
214	Tata Steel Minerals Canada Limited	USD	1.71%	45,160.2	2.09%	(1,622.8)	0.00%	-	1.61%	(1,622.8)
215	T S Canada Capital Ltd	USD	0.01%	323.8	0.00%	(0.1)	0.00%	-	0.00%	(0.1)
216	Tata Steel International (Singapore) Holdings Pte. Ltd.	HKD	0.14%	3,781.8	0.00%	0.7	0.00%	-	0.00%	0.7
217	Tata Steel International (Shanghai) Ltd.	CNY	0.00%	72.0	0.00%	1.3	0.00%	-	0.00%	1.3
218	Tata Steel International (Singapore) Pte. Ltd.	SGD	0.01%	325.8	(0.05%)	38.5	0.00%	-	(0.04%)	38.5
219	Tata Steel International (Asia) Limited	HKD	0.20%	5,387.9	(0.01%)	4.0	0.00%	-	0.00%	4.0
220	Tata Steel (Thailand) Public Company Ltd.	THB	0.94%	24,977.1	(1.28%)	995.8	(0.07%)	17.5	(0.97%)	995.8
221	N.T.S Steel Group Plc.	THB	0.06%	1,468.8	0.74%	(573.6)	0.00%	-	0.56%	(573.6)
222	The Siam Construction Steel Co. Ltd.	THB	0.14%	3,805.2	(0.94%)	731.8	0.00%	-	(0.72%)	731.8
223	The Siam Iron And Steel (2001) Co. Ltd.	THB	0.08%	2,181.1	(0.39%)	303.9	0.00%	-	(0.30%)	303.9
224	T S Global Procurement Company Pte. Ltd.	USD	0.86%	22,649.2	(0.88%)	679.7	0.00%	-	(0.67%)	679.7
225	ProCo Issuer Pte. Ltd.	GBP	1.07%	28,414.9	(2.33%)	1,805.5	0.00%	-	(1.78%)	1,805.5
C.	**ASSOCIATES**									
a)	**Indian**									
1	Industrial Energy Limited	INR	0.08%	2,129.3	0.00%	(0.0)	0.00%	00.8	0.00%	0.8
2	Jamipol Limited	INR	0.02%	539.3	0.00%	0.0	(0.01%)	01.4	0.00%	1.4
3	Strategic Energy Technology Systems Ltd	INR	0.00%	-	0.00%	-	0.00%	-	0.00%	-
4	TRF Limited	INR	(0.02%)	(439.4)	0.00%	-	0.00%	-	0.00%	-
5	TRL Krosaki Refractories Limited	INR	0.03%	887.5	0.00%	0.0	(0.31%)	75.2	(0.07%)	75.2
6	YORK Transport Equipment India Pvt. Ltd	INR	0.02%	521.8	0.00%	0.0	0.00%	-	0.00%	0.0
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%	644.3	0.87%	(677.4)	0.00%	-	0.67%	(677.4)
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%	171.6	(0.01%)	6.2	0.00%	-	(0.01%)	06.2
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%	1,169.9	(0.27%)	213.0	0.00%	-	(0.21%)	213.0
11	YORK Transport Equipment (Asia) Pte Ltd	USD	0.05%	1,228.0	0.05%	(40.8)	0.00%	-	0.04%	(40.8)
12	YORK Transport Equipment Pty Ltd	AUD	0.00%	(71.2)	0.00%	0.6	0.00%	-	0.00%	0.6
13	YORK Sales (Thailand) Co. Ltd	BHT	0.01%	167.2	0.00%	3.4	0.00%	-	0.00%	3.4
14	YTE Transport Equipment (SA) (Pty) Limited	RAND	0.00%	2.7	(0.01%)	9.1	0.00%	-	(0.01%)	9.1
15	Rednet Pte Ltd.	USD	0.00%	(58.8)	0.00%	(0.3)	0.00%	-	0.00%	(0.3)
16	PT YORK Engineering	Rupiah	0.00%	(22.1)	0.00%	-	0.00%	-	0.00%	-

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
17	YTE Special Products Pte Ltd	USD	0.00%	66.8	0.01%	(9.7)	0.00%	-	0.01%	(9.7)
18	Qingdao YTE Special Products Co. Ltd	RMB	(0.01%)	(170.7)	0.06%	(48.5)	0.00%	-	0.05%	(48.5)
19	YORK Transport Equipment (Shanghai) Co. Ltd	RMB	0.01%	165.2	0.01%	(8.1)	0.00%	-	0.01%	(8.1)
20	Dutch Lanka Trailer Manufacturing Limited	USD	0.00%	118.1	(0.02%)	18.9	0.00%	-	(0.02%)	18.9
21	Durch Lanka Engineering Private Limited	LKR	0.00%	45.4	(0.03%)	26.2	0.00%	-	(0.03%)	26.2
22	Durch Lanka Trailers Manufacturing LLC	OMR	0.00%	15.1	0.00%	(0.1)	0.00%	-	0.00%	(0.1)
23	Hewit Robins International Limited	GBP	0.01%	305.9	(0.05%)	36.1	0.00%	-	(0.04%)	36.1
24	Hewit Robins International Holdings Limited	GBP	0.00%	6.0	0.00%	-	0.00%	-	0.00%	-
25	TRF Singapore Pte Limited	SGD	0.08%	2,153.4	0.01%	(7.8)	0.00%	-	0.01%	(7.8)
26	TRF Holding Pte Limited	USD	(0.01%)	(359.3)	0.07%	(53.1)	0.00%	-	0.05%	(53.1)
D.	**JOINT VENTURES**									
a)	**Indian**									
1	Bhubaneshwar Power Private Limited	INR	0.02%	524.1	0.08%	(62.5)	0.00%	0.1	0.06%	(62.4)
2	Himalaya Steel Mills Services Private Limited	INR	0.00%	20.7	0.00%	(0.6)	0.00%	0.0	0.00%	(0.6)
3	mjunction services Limited	INR	0.04%	1,143.4	(0.15%)	116.5	0.01%	(1.2)	(0.11%)	115.3
4	S & T Mining Company Private Limited	INR	0.00%	(5.0)	0.03%	(25.3)	0.00%	(0.0)	0.02%	(25.3)
5	Tata Bluescope Steel Limited	INR	0.07%	1,885.7	(0.36%)	282.0	(0.02%)	4.1	(0.28%)	286.1
6	Tata NYK Shipping (India) Pvt. Ltd.	INR	0.00%	26.1	0.00%	0.7	0.00%	-	0.00%	0.7
7	Naba Diganta Water Management Limited	INR	0.01%	164.1	(0.03%)	25.3	0.00%	-	(0.02%)	25.3
8	SEZ Adityapur Limited	INR	0.00%	(0.6)	0.00%	-	0.00%	-	0.00%	-
9	Jamshedpur Continuous Annealing & Processing Company Private Limited	INR	0.09%	2,351.9	1.35%	(1,048.8)	0.00%	(1.2)	1.03%	(1,050.0)
10	T M Mining Company Limited	INR	0.00%	(0.2)	0.00%	(0.1)	0.00%	-	0.00%	(0.1)
11	TM International Logistics Limited	INR	0.11%	2,894.4	(0.27%)	207.0	(0.04%)	9.4	(0.21%)	216.4
12	TKM Global Logistics Limited	INR	0.01%	248.9	0.00%	2.8	0.00%	(0.7)	0.00%	2.1
b)	**Foreign**									
1	Tata NYK Shipping Pte Ltd.	USD	0.02%	609.3	(0.27%)	211.1	(0.01%)	3.1	(0.21%)	214.2
2	Minas De Benga (Mauritius) Limited	USD	(0.33%)	(8,785.6)	(4.26%)	3,298.5	0.00%	-	(3.24%)	3,298.5
3	Minas de Benga Limited-Mozambique	USD	(0.61%)	(16,234.6)	0.51%	(395.8)	0.00%	-	0.39%	(395.8)
4	BlueScope Lysaght Lanka (Pvt) Ltd	LKR	0.01%	184.0	(0.06%)	43.5	0.00%	-	(0.04%)	43.5
5	International Shipping and Logistics FZE	USD	0.08%	2,148.7	(0.15%)	118.5	0.19%	(44.9)	(0.07%)	73.6
6	TKM Global China Ltd	CNY	0.00%	31.2	0.00%	(1.8)	0.01%	(2.9)	0.00%	(4.7)
7	TKM Global GmbH	EUR	0.06%	1,663.0	(0.64%)	499.5	0.29%	(71.2)	(0.42%)	428.3
8	Afon Tinplate Company Limited	GBP	0.01%	312.9	(0.04%)	27.3	0.00%	-	(0.03%)	27.3
9	Caparo Merchant Bar Plc	GBP	0.00%	(51.3)	(0.02%)	12.3	0.00%	-	(0.01%)	12.3

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
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%	1,281.1	(0.20%)	151.4	0.00%	-	(0.15%)	151.4
12	Ravenscraig Limited	GBP	(0.01%)	(3,77.0)	0.10%	(81.1)	0.00%	-	0.08%	(81.1)
13	Tata Elastron Steel Service Center SA	EUR	0.00%	92.6	0.06%	(44.8)	0.00%	-	0.04%	(44.8)
14	Tata Steel Ticaret AS	TRY	0.00%	121.1	(0.02%)	11.7	0.00%	-	(0.01%)	11.7
15	Air Products Llanwern Limited	GBP	0.00%	60.8	(0.03%)	24.8	0.00%	-	(0.02%)	24.8
16	BSR Pipeline Services Limited	GBP	0.00%	77.7	0.00%	1.9	0.00%	-	0.00%	1.9
17	Texturing Technology Limited	GBP	0.00%	47.0	(0.03%)	26.1	0.00%	-	(0.03%)	26.1
18	TVSC Construction Steel Solutions Limited	HKD	0.00%	29.5	0.19%	(147.5)	0.00%	-	0.15%	(147.5)
	TOTAL		**100.00%**	**26,43,832.9**	**100.00%**	**(77,506.2)**	**100.00%**	**(24,188.6)**	**100.00%**	**(1,01,694.8)**
D.	**Adjustment due to consolidation**			(22,65,639.7)		35,098.2		18,593.4		53,691.6
E.	**Minority Interests in subsidiaries**									
a)	**Indian Subsidiaries**									
1	The Tinplate Company of India Limited	INR		1,558.4		59.1		(8.2)		50.9
2	Indian Steel & Wire Products Ltd	INR		31.6		3.1		(0.5)		2.6
3	Tata Metaliks Ltd.	INR		1,034.0		574.0		(9.1)		564.9
4	Adityapur Toll Bridge Company Ltd	INR		45.7		14.4		-		14.4
5	Tata Sponge Iron Ltd	INR		3,975.0		255.0		(6.2)		248.8
6	Jamshedpur Utilities & Services Company Limited	INR		(103.2)		(54.3)		-		(54.3)
7	Tayo Rolls Limited	INR		(1,905.7)		(358.6)		0.1		(358.5)
b)	**Foreign Subsidiaries**									
1	Tata Steel (Thailand) Public Company Ltd.	THB		3,267.2		130.0		50.2		180.2
2	TATA Steel Europe Limited	GBP		(40.4)		(7.2)		-		(7.2)
3	Natsteel Holdings Pte. Ltd.	SGD		562.2		(7.4)		17.5		10.1
4	T S Global Minerals Holdings Pte Ltd.	USD		8,604.1		114.2		(6.8)		107.4
5	Tata Steel (KZN) (Pty) Ltd.	ZAR		(1,011.9)		-		(72.5)		(72.5)
				16,017.0		**722.3**		**(35.4)**		**686.9**
	Consolidated Net Asset / Profit after Tax			**3,94,210.2**		**(41,685.7)**		**(5,630.6)**		**(47,316.3)**

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

INDEPENDENT AUDITOR'S REPORT ON AUDIT OF INTERIM FINANCIAL RESULTS

TO
THE BOARD OF DIRECTORS OF
TATA STEEL LIMITED

1. We have audited the accompanying Statement of Standalone Financial Results of TATA STEEL LIMITED ("the Company"), for the quarter ended June 30, 2017 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

   This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related interim standalone financial statements which has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such interim standalone financial statements.

2. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

   An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

   We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

3. In our opinion and to the best of our information and according to the explanations given to us, the Statement:

   a. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; and

   b. gives a true and fair view in conformity with the aforesaid Indian Accounting Standards ("Ind AS") and other accounting principles generally accepted in India of the net profit and Total comprehensive income and other financial information of the Company for the quarter ended June 30, 2017.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

N. Venkatram
Partner
(Membership No.71387)

MUMBAI, August 7, 2017

STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED ON JUNE 30, 2017

(₹ in million)

Particulars	Quarter ended on 30.06.2017	Quarter ended on 31.03.2017	Quarter ended on 30.06.2016	Financial year ended on 31.03.2017 USD mn	Financial year ended on 31.03.2017
	Audited	Audited	Audited	Audited	Audited
1 Revenue from operations					
a) Gross sales / income from operations	1,42,867.3	1,66,926.7	1,02,612,4	8,106.2	5,25,649.3
b) Other operating revenues	1,349.9	4,204.6	622.4	107.3	6,960.3
Total revenue from operations [1(a) + 1(b)]	1,44,217.2	1,71,131.3	1,03,234.8	8,213.5	5,32,609.6
2 Other income	1,121.4	465.1	1,055.0	63.8	4,144.6
3 Total income [1 + 2]	1,45,338.6	1,71,596.4	1,04,289.8	8,277.3	5,36,754.2
4 Expenses					
a) Raw materials consumed	42,195.8	42,474.5	23,079.2	1,927.2	1,24,967.8
b) Purchases of finished, semi-finished & other products	2,625.7	2,064.4	2,648.4	135.9	8,811.8
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(9,045.7)	961.5	(10,970.5)	(205.1)	(13,296.5)
d) Employee benefits expense	11,576.9	10,611.2	11,603.6	710.2	46,051.3
e) Finance costs	7,001.4	6,529.2	5,291.9	414.6	26,885.5
f) Depreciation and amortisation expense	9,664.1	10,574.9	7,029.7	546.2	35,415.5
g) Excise duty	14,511.0	14,742.1	12,030.0	812.4	52,679.4
h) Other expenses	52,690.7	56,668.0	42,630.5	3,001.6	1,94,636.3
Total expenses [4(a) to 4(h)]	1,31,219.9	1,44,625.8	93,342.8	7,342.9	4,76,151.1
5 Profit / (Loss) before exceptional items & tax [3 - 4]	14,118.7	26,970.6	10,947.0	934.4	60,603.1
6 Exceptional items :					
a) Provision for impairment of investments / doubtful advances	-	(196.5)	(1,332.2)	(26.4)	(1,708.7)
b) Provision for demands and claims	(6,144.1)	(2,182.5)	-	(33.7)	(2,182.5)
c) Employee separation compensation	(23.8)	(685.8)	(222.5)	(27.6)	(1,786.8)
d) Restructuring and other provisions	-	(1,355.8)	-	(20.9)	(1,355.8)
Total exceptional items [6(a) to 6(d)]	(6,167.9)	(4,420.6)	(1,554.7)	(108.6)	(7,033.8)
7 Profit / (Loss) before tax [5 + 6]	**7,950.8**	**22,550.0**	**9,392.3**	**825.8**	**53,569.3**
8 Tax Expense					
a) Current tax	2,195.0	4,937.5	2,682.6	216.0	14,005.4
b) Deferred tax	691.3	3,462.9	955.4	78.9	5,118.4
Total tax expense [8(a) + 8(b)]	2,886.3	8,400.4	3,638.0	294.9	19,123.8
9 Net Profit / (Loss) for the period [7 - 8]	5,064.5	14,149.6	5,754.3	530.9	34,445.5
10 Other comprehensive income					
A (i) Items that will not be reclassified to profit or loss	(1,147.9)	171.5	6,266.6	92.7	6,012.2
(ii) Income tax relating to items that will not be reclassified to profit or loss	(115.7)	76.7	109.2	11.6	753.7
B (i) Items that will be reclassified to profit or loss	(42.7)	(18.7)	9.2	(0.2)	(12.2)
(ii) Income tax relating to items that will be reclassified to profit or loss	**14.8**	**6.5**	**(3.2)**	**0.1**	**4.2**
Total other comprehensive income	(1,291.5)	236.0	6,381.8	104.2	6,757.9
11 Total Comprehensive Income for the period [9 + 10]	3,773.0	14,385.6	12,136.1	635.1	41,203.4
12 Paid-up equity share capital [Face value ₹ 10 per share]	9,714.1	9,714.1	9,714.1	149.8	9,714.1
13 Reserves excluding revaluation reserves					**4,86,875.9**
14 Earnings per equity share					
Basic earnings per share (not annualised) - in Rupees (after exceptional items)	4.77	14.12	5.48	0.52	33.67
Diluted earnings per share (not annualised) - in Rupees (after exceptional items)	4.77	14.12	5.48	0.52	33.67

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

TO
THE BOARD OF DIRECTORS OF
TATA STEEL LIMITED

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Resultsof TATA STEEL LIMITED ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"),and its share of the profit/(loss) of its joint ventures and associates for the quarter ended June 30, 2017 ("the Statement")being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

   This Statement,which is the responsibility of the Parent's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Parent's personnel and analyticalprocedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

3. The Statement includes the results of the entities listed in Annexure A.

4. We did not review the interim financial information of threesubsidiaries included in the consolidated unaudited financial results, whose interim financial information reflect total revenues of Rs. 16,085.74 crores for the quarter ended June 30, 2017, and total loss after tax of Rs. 497.07 crores and total comprehensive loss of Rs. 4,252.89 croresfor the quarter ended June 30, 2017, as considered in the consolidated unaudited financial results.These interim financial information have been reviewed by other auditors whose reports have been furnished to us by the Management and our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors.

   Our report on the Statement is not modified in respect of these matters.

5. Based on our review conducted as stated above and based on the consideration of the review reports of the other auditors referred to in paragraph 4above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. The consolidated unaudited financial resultsincludes the interim financial information of sixteensubsidiaries which have not been reviewed/audited by their auditors, whose interim financial information reflect total revenue of Rs. 729.52 crores for the quarter ended June 30, 2017 and total profit after tax of Rs.186.07 crores and total comprehensive income of Rs. 391.73 croresfor the quarter ended June 30, 2017, as considered in the consolidated unaudited financial results. The consolidated unaudited financial results also includes the Group's share of profitafter tax of Rs. 2.03 crores and total comprehensive income of Rs. 5.83 croresfor the quarter ended June 30, 2017, as considered in the consolidated unaudited financial results, in respect of an associate and seven joint ventures, based on their interim financial information which have not been reviewed/ audited by their auditors. According to the information and explanations given to us by the Management, these interim financial information are not material to the Group.

   Our report on the Statement is not modified in respect of our reliance on the interim financial information certified by the Management.

7. In the case of one subsidiary and eight associates the financial information as at June 30, 2017 are not available. The investments in these companies are carried at Re. 1 each as at June 30, 2017. In the absence of their financial information as at June 30, 2017, the total revenue and total profit/(loss) of the subsidiary and the Group's share of profit/(loss) of these associates have not been included in the Consolidated Financial results.

   Our report is not qualified in respect of this matter.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

N. Venkatram
Partner
(Membership No.71387)

MUMBAI, August 7, 2017

ANNEXURE A:
List of entities consolidated

Sl. No	Name of the Company
A.	**Subsidiaries (Direct)**
1	ABJA Investment Co. Pte. Ltd.
2	Adityapur Toll Bridge Company Limited
3	Tata Steel Special Economic Zone Limited
4	Indian Steel & Wire Products Ltd.
5	Jamshedpur Utilities & Services Company Limited
6	Mohar Export Services Pvt. Ltd
7	NatSteel Asia Pte. Ltd.
8	Rujuvalika Investments Limited
9	T S Alloys Limited
10	Tata Korf Engineering Services Ltd.
11	Tata Metaliks Ltd.
12	Tata Sponge Iron Limited
13	Tata Steel (KZN) (Pty) Ltd.
14	T Steel Holdings Pte. Ltd.
15	Tata Steel Odisha Limited
16	Tata Steel Processing and Distribution Limited
17	Tayo Rolls Limited
18	Tata Pigments Limited
19	The Tinplate Company of India Ltd
20	Tata Steel Foundation
B.	**Subsidiaries (Indirect)**
1	Haldia Water Management Limited
2	TS Asia (Hong Kong) Ltd.
3	TSIL Energy Limited
4	T S Global Holdings Pte Ltd.
5	Orchid Netherlands (No.1) B.V.
6	NatSteel Holdings Pte. Ltd.
7	Easteel Services (M) Sdn. Bhd.
8	Eastern Steel Fabricators Philippines, Inc.
9	NatSteel (Xiamen) Ltd.
10	NatSteel Recycling Pte Ltd.
11	NatSteel Trade International (Shanghai) Company Ltd.
12	NatSteel Trade International Pte. Ltd.
13	NatSteel Vina Co. Ltd.
14	The Siam Industrial Wire Company Ltd.
15	TSN Wires Co., Ltd.
16	Tata Steel Europe Limited
17	Apollo Metals Limited
18	Augusta Grundstucks GmbH
19	Automotive Laser Technologies Limited
20	B S Pension Fund Trustee Limited
21	Beheermaatschappij Industriele Produkten B.V.
22	Bell & Harwood Limited
23	Blastmega Limited

Sl. No	Name of the Company
24	Blume Stahlservice GmbH
25	Blume Stahlservice Polska Sp.Z.O.O
26	Bore Samson Group Limited
27	Bore Steel Limited
28	British Guide Rails Limited
29	British Steel Corporation Limited
30	British Steel Directors (Nominees) Limited
31	British Steel Engineering Steels (Exports) Limited
32	British Steel Nederland International B.V.
33	British Steel Service Centres Limited
34	British Tubes Stockholding Limited
35	C V Benine
36	C Walker & Sons Limited
37	Catnic GmbH
38	Catnic Limited
39	CBS Investissements SAS
40	Cogent Power Inc.
41	Tata Steel International Mexico SA de CV
42	Cogent Power Inc.
43	Cogent Power Limited
44	Color Steels Limited
45	Corbeil Les Rives SCI
46	Corby (Northants) & District Water Company Limited
47	Cordor (C& B) Limited
48	Corus Aluminium Verwaltungsgesellschaft Mbh
49	Corus Beteiligungs GmbH
50	Corus Building Systems Bulgaria AD
51	Corus CNBV Investments
52	Corus Cold drawn Tubes Limited
53	Corus Engineering Steels (UK) Limited
54	Corus Engineering Steels Holdings Limited
55	Corus Engineering Steels Limited
56	Corus Engineering Steels Overseas Holdings Limited
57	Corus Engineering Steels Pension Scheme Trustee Limited
58	Corus Group Limited
59	Corus Holdings Limited
60	Corus International (Overseas Holdings) Limited
61	Corus International Limited
62	Corus International Romania SRL.
63	Corus Investments Limited
64	Corus Ireland Limited
65	Corus Large Diameter Pipes Limited
66	Corus Liaison Services (India) Limited
67	Corus Management Limited
68	Corus Primary Aluminium B.V.

ANNEXURE A: (CONTD.)
List of entities consolidated

Sl. No	Name of the Company
69	Corus Property
70	Corus Service Centre Limited
71	Corus Steel Service STP LLC
72	Corus Tubes Poland Spolka Z.O.O
73	Corus UK Healthcare Trustee Limited
74	Corus Ukraine Limited Liability Company
75	CPN (85) Limited
76	Crucible Insurance Company Limited
77	Degels GmbH
78	Demka B.V.
79	DSRM Group Plc.
80	Eric Olsson & Soner Forvaltnings AB
81	Esmil B.V.
82	Europressings Limited
83	Firsteel Group Limited
84	Firsteel Holdings Limited
85	Fischer Profil GmbH
86	Gamble Simms Metals Limited
87	Grant Lyon Eagre Limited
88	H E Samson Limited
89	Hadfields Holdings Limited
90	Halmstad Steel Service Centre AB
91	Hammermega Limited
92	Harrowmills Properties Limited
93	Hille & Muller GmbH
94	Hille & Muller USA Inc.
95	Hoogovens USA Inc.
96	Huizenbezit "Breesaap" B.V.
97	Inter Metal Distribution SAS
98	Kalzip Asia Pte Limited
99	Kalzip FZE
100	Kalzip GmbH
101	Kalzip GmbH
102	Kalzip Inc
103	Kalzip India Private Limited
104	Kalzip Italy SRL
105	Kalzip Limited
106	Kalzip Spain S.L.U.
107	Layde Steel S.L.
108	Lister Tubes Limited
109	London Works Steel Company Limited
110	Midland Steel Supplies Limited
111	Montana Bausysteme AG
112	Naantali Steel Service Centre OY
113	Nationwide Steelstock Limited
114	Norsk Stal Tynnplater AS

Sl. No	Name of the Company
115	Norsk Stal Tynnplater AB
116	Orb Electrical Steels Limited
117	Ore Carriers Limited
118	Oremco Inc.
119	Plated Strip (International) Limited
120	Precoat International Limited
121	Precoat Limited
122	Rafferty-Brown Steel Co Inc Of Conn.
123	Round Oak Steelworks Limited
124	Runblast Limited
125	Runmega Limited
126	S A B Profiel B.V.
127	S A B Profil GmbH
128	Seamless Tubes Limited
129	Service Center Gelsenkirchen GmbH
130	Service Centre Maastricht B.V.
131	Skruv Erik AB
132	Societe Europeenne De Galvanisation (Segal) Sa
133	Speciality Steels UK Limited
134	Staalverwerking en Handel B.V.
135	Steel StockHoldings Limited
136	Steelstock Limited
137	Stewarts & Lloyds Of Ireland Limited
138	Stewarts And Lloyds (Overseas) Limited
139	Surahammar Bruks AB
140	Tata Steel Belgium Packaging Steels N.V.
141	Tata Steel Belgium Services N.V.
142	Tata Steel Denmark Byggsystemer A/S
143	Tata Steel Europe Distribution BV
144	Tata Steel Europe Metals Trading BV
145	Tata Steel France Batiment et Systemes SAS
146	Tata Steel France Holdings SAS
147	Tata Steel Germany GmbH
148	Tata Steel IJmuiden BV
149	Tata Steel International (Americas) Holdings Inc
150	Tata Steel International (Americas) Inc
151	Tata Steel International (Benelux) BV
152	Tata Steel International (Canada) Holdings Inc
153	Tata Steel International (Czech Republic) S.R.O
154	Tata Steel International (Denmark) A/S
155	Tata Steel International (Finland) OY
156	Tata Steel International (France) SAS
157	Tata Steel International (Germany) GmbH
158	Tata Steel International (South America) Representações LTDA
159	Tata Steel International Hellas SA

ANNEXURE A: (CONTD.)
List of entities consolidated

Sl. No	Name of the Company
160	Tata Steel International (Italia) SRL
161	Tata Steel International (Middle East) FZE
162	Tata Steel International (Nigeria) Ltd.
163	Tata Steel International (Poland) sp Zoo
164	Tata Steel International (Schweiz) AG
165	Tata Steel International (Sweden) AB
166	Tata Steel International (India) Limited
167	Tata Steel International Iberica SA
168	Tata Steel Istanbul Metal Sanayi ve Ticaret AS
169	Tata Steel Latvia Building Systems SIA
170	Tata Steel Maubeuge SAS
171	Tata Steel Nederland BV
172	Tata Steel Nederland Consulting & Technical Services BV
173	Tata Steel Nederland Services BV
174	Tata Steel Nederland Star-Frame BV
175	Tata Steel Nederland Technology BV
176	Tata Steel Nederland Tubes BV
177	Tata Steel Netherlands Holdings B.V.
178	Tata Steel Norway Byggsystemer A/S
179	Tata Steel Speciality Service Centre Suzhou Co. Limited
180	Tata Steel Sweden Byggsystem AB
181	Tata Steel Speciality Service Centre Xian Co. Limited
182	Tata Steel UK Consulting Limited
183	Tata Steel UK Holdings Limited
184	Tata Steel UK Limited
185	Tata Steel USA Inc.
186	The Newport And South Wales Tube Company Limited
187	The Stanton Housing Company Limited
188	The Templeborough Rolling Mills Limited
189	Thomas Processing Company
190	Thomas Steel Strip Corp.
191	Toronto Industrial Fabrications Limited
192	Trier Walzwerk Verwaltungsgsellschaft mbH
193	TS South Africa Sales Office Proprietary Limited
194	Tulip UK Holdings (No.2) Limited
195	Tulip UK Holdings (No.3) Limited
196	U.E.S. Bright Bar Limited
197	UK Steel Enterprise Limited
198	UKSE Fund Managers Limited
199	Unitol SAS
200	Walker Manufacturing And Investments Limited
201	Walkersteelstock Ireland Limited
202	Walkersteelstock Limited
203	Westwood Steel Services Limited
204	Whitehead (Narrow Strip) Limited
205	T S Global Minerals Holdings Pte Ltd.
206	Al Rimal Mining LLC

Sl. No	Name of the Company
207	Black Ginger 461 (Proprietary) Ltd
208	Kalimati Coal Company Pty. Ltd.
209	Sedibeng Iron Ore Pty. Ltd.
210	Tata Steel Cote D' Ivoire S.A
211	TSMUK Limited
212	Tata Steel Minerals Canada Limited
213	T S Canada Capital Ltd
214	Tata Steel International (Singapore) Holdings Pte. Ltd.
215	TSIA Holdings (Thailand) Limited
216	Tata Steel International (Shanghai) Ltd.
217	Tata Steel International (Thailand) Limited
218	Tata Steel International (Singapore) Pte. Ltd.
219	Tata Steel International (Asia) Limited
220	Tata Steel (Thailand) Public Company Ltd.
221	N.T.S Steel Group Plc.
222	The Siam Construction Steel Co. Ltd.
223	The Siam Iron And Steel (2001) Co. Ltd.
224	T S Global Procurement Company Pte. Ltd.
225	ProCo Issuer Pte. Ltd.
C.	**Jointly Controlled Entities (Direct)**
1	Bhubaneshwar Power Private Limited
2	Himalaya Steel Mills Services Private Limited
3	mjunction services limited
4	S & T Mining Company Private Limited
5	Tata BlueScope Steel Limited
6	Tata NYK Shipping Pte Ltd.
7	Jamshedpur Continuous Annealing & Processing Company Private Limited
8	T M Mining Company Limited
9	TM International Logistics Limited
10	Industrial Energy Limited
11	Jamipol Limited
D.	**Jointly Controlled Entities (Indirect)**
1	SEZ Adityapur Limited
2	Naba Diganta Water Management Limited
3	TVSC Construction Steel Solutions Limited
4	Afon Tinplate Company Limited
5	Caparo Merchant Bar Plc
6	Fabsec Limited
7	Industrial Rail Services IJmond B.V.
8	Laura Metaal Holding B.V.
9	Ravenscraig Limited
10	Tata Elastron Steel Service Center SA
11	Tata Steel Ticaret AS
12	Minas De Benga (Mauritius) Limited

ANNEXURE A: (CONTD.)
List of entities consolidated

Sl. No	Name of the Company
13	International Shipping and Logistics FZE
14	TKM Global China Ltd
15	TKM Global GmbH
16	TKM Global Logistics Limited
17	Tata NYK Shipping (India) Pvt. Ltd.
18	BlueScope Lysaght Lanka (Pvt) Ltd
E.	**Joint Operation**
1	Air Products Llanwern Limited
2	BSR Pipeline Services Limited
3	Texturing Technology Limited
4	Hoogovens Court Roll Service Technologies VOF
F.	**Associates (Direct)**
1	Kalinga Aquatics Ltd.
2	Kumardhubi Fireclay & Silica Works Ltd.
3	Kumardhubi Metal Casting and Engineering Limited
4	Nicco Jubilee Park Limited
5	Strategic Energy Technology Systems Private Limited
6	Tata Construction & Projects Ltd.
7	TRL Krosaki Refractories Limited
8	TRF Limited
9	Malusha Travels Pvt Ltd.
G.	**Associates (Indirect)**

Sl. No	Name of the Company
1	European Profiles (M) Sdn. Bhd.
2	Albi Profils SRL
3	GietWalsOnderhoudCombinatie B.V.
4	Hoogovens Gan Multimedia S.A. De C.V.
5	ISSB Limited
6	Wupperman Staal Nederland B.V.
7	New Millennium Iron Corp.
8	Metal Corporation of India Limited
9	TRF Singapore Pte Limited
10	TRF Holding Pte Limited
11	York Transport Equipment (Asia) Pte Ltd
12	York Transport Equipment (India) Pvt Ltd
13	York Transport Equipment Pty Ltd
14	York Sales (Thailand) Company Limited
15	York Transport Equipment (SA) (Pty) Ltd
16	Rednet Pte Ltd
17	PT York Engineering
18	YTE Special Products Pte. Limited
19	Qingdao YTE Special Products Co. Limited
20	York Transport Equipment (Shanghai) Co. Ltd
21	Aditya Automotive Applications Private Limited
22	Dutch Lanka Trailer Manufacturers Limited
23	Dutch Lanka Engineering (Private) Limited
24	Dutch Lanka Trailers Manufacturing LLC
25	Hewitt Robins International Ltd
26	Hewitt Robins International Holdings Ltd

CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER/ THREE MONTHS ENDED ON 30TH JUNE 2017

(₹ in million)

	Particulars	Quarter ended on 30.06.2017	Quarter ended on 31.03.2017	Quarter ended on 30.06.2016	Financial year ended on 31.03.2017 USD mn	Financial year ended on 31.03.2017
		Unaudited	Unaudited	Unaudited	Audited	Audited
1	Revenue from operations					
a)	Gross sales / income from operations	3,08,033.2	3,48,329.8	2,58,969.4	17,994.1	11,66,825.7
b)	Other operating revenues	1,700.1	4,719.1	737.7	113.7	7,373.7
Total revenue from operations [1(a) + 1(b)]		3,09,733.3	3,53,048.9	2,59,707.1	18,107.8	11,74,199.4
2	Other income	1,554.7	1,521.7	1,363.8	81.3	5,274.7
3	Total income [1 + 2]	3,11,288.0	3,54,570.6	2,61,070.9	18,189.1	11,79,474.1
4	Expenses					
	a) Raw materials consumed	1,02,794.3	99,576.4	68,151.1	4,999.3	3,24,180.9
	b) Purchases of finished, semi-finished & other products	27,577.0	27,848.0	29,161.4	1,761.9	1,14,249.4
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(19,672.8)	(2,953.1)	(15,936.1)	(699.8)	(45,381.3)
	d) Employee benefits expense	43,038.6	42,169.4	45,033.3	2,660.5	1,72,522.2
	e) Finance costs	13,437.1	12,631.2	10,706.8	782.2	50,722.0
	f) Depreciation and amortisation expense	15,011.3	15,892.2	12,377.7	874.8	56,728.8
	g) Excise duty recovered on sales	14,165.6	14,088.9	11,763.5	789.7	51,205.2
	h) Other expenses	92,090.5	1,02,067.2	88,780.2	5,973.4	3,87,344.8
Total expenses [4(a) to 4(h)]		2,88,441.6	3,11,320.2	2,50,037.9	17,142.0	11,11,572.0
5	Profit / (Loss) before share of profit/(loss) of joint ventures & associates, exceptional items & tax [3 - 4]	22,846.4	43,250.4	11,033.0	1,047.1	67,902.1
6	Share of profit / (loss) of joint ventures & associates	59.0	27.6	142.0	1.2	76.5
7	**Profit / (Loss) before exceptional items & tax [5 + 6]**	**22,905.4**	**43,278.0**	**11,175.0**	**1,048.3**	**67,978.6**
8	Exceptional items :					
	a) Profit / (Loss) on sale of non current investments	-	227.0	-	3.5	227.0
	b) Profit on sale of non current assets	-	858.7	-	13.2	858.7
	c) Provision for diminution in value of investments / doubtful advances	-	(85.9)	(1,168.6)	(19.3)	(1,254.5)
	d) Provision for impairment of non-current assets	-	(2,679.3)	-	(41.3)	(2,679.3)
	e) Provision for demands and claims	(6,144.1)	(2,182.5)	-	(33.7)	(2,182.5)
	f) Employee separation compensation	(23.8)	(685.9)	(509.4)	(32.0)	(2,073.7)
	g) Restructuring and other provisions	-	**(36,138.0)**	**-**	(557.3)	(36,138.0)
	Total exceptional items [8(a) to 8(g)]	(6,167.9)	(40,685.9)	(1,678.0)	(666.9)	(43,242.3)
9	**Profit / (Loss) before tax [7 + 8]**	**16,737.5**	**2,592.1**	**9,497.0**	**381.5**	**24,736.3**
10	Tax Expense					
	a) Current tax	3,255.0	6,675.0	2,336.6	268.6	17,417.0
	b) Deferred tax	4,150.3	3,084.6	5,066.1	159.8	10,363.1
	Total tax expense [10(a) + 10(b)]	7,405.3	9,759.6	7,402.7	428.4	27,780.1
11	Net Profit / (Loss) after tax from continuing operations [9 - 10]	9,332.2	(7,167.5)	2,094.3	(46.9)	(3,043.8)
12	Profit / (Loss) before tax from discontinued operations	(307.7)	(4,939.0)	(907.8)	(118.9)	(7,708.6)
13	Tax expense of discontinued operations	-	(1.1)	52.4	1.2	80.1
14	Profit / (Loss) after tax from discontinued operations [12 - 13]	(307.7)	(4,937.9)	(960.2)	(120.1)	(7,788.7)
15	Profit / (Loss) on disposal of discontinued operations	186.4	425.2	(32,964.8)	(475.8)	(30,853.2)
16	Net Profit / (Loss) after tax from discontinued operations [14 + 15]	(121.3)	(4,512.7)	(33,925.0)	(595.9)	(38,641.9)
17	**Net Profit / (Loss) for the period [11 + 16]**	**9,210.9**	**(11,680.2)**	**(31,830.7)**	**(642.9)**	(41,685.7)

CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER/ THREE MONTHS ENDED ON 30TH JUNE 2017

(₹ in million)

Particulars				Quarter ended on 30.06.2017	Quarter ended on 31.03.2017	Quarter ended on 30.06.2016	Financial year ended on 31.03.2017 USD mn	Financial year ended on 31.03.2017
				Unaudited	**Unaudited**	**Unaudited**	**Audited**	**Audited**
18	Profit/ (Loss) from continuing operations for the period attributable to:							
	Owners of the Company			9,184.0	(7,251.4)	1,858.2	(58.1)	(3,766.1)
	Non controlling interests			148.2	83.9	236.1	11.1	722.3
19	Profit / (Loss) from discontinued operations for the period attributable to:							
	Owners of the Company			(121.3)	(4,512.7)	(33,925.0)	(595.9)	(38,641.9)
	Non controlling interests			-	-	-	-	-
20	Other comprehensive income							
	A	(i)	Items that will not be reclassified to profit or loss	(27,929.9)	18,203.0	(6,254.0)	(538.9)	(34,942.5)
		(ii)	Income tax relating to items that will not be reclassified to profit or loss	2,762.0	(3,034.2)	2,353.4	120.6	7,823.4
	B	(i)	Items that will be reclassified to profit or loss	(10,855.3)	(1,524.4)	7,555.4	337.5	21,883.0
		(ii)	Income tax on items that will be reclassified to profit or loss	605.2	281.8	(112.9)	(6.1)	(394.5)
	Total other comprehensive income			(35,418.0)	1,3926.2	3,541.9	(86.8)	(5,630.6)
21	**Total Comprehensive Income for the period [17 + 20]**			**(26,207.1)**	**2,246.0**	**(28,288.8)**	**(729.7)**	**(47,316.3)**
22	Total comprehensive income for the period attributable to:							
	Owners of the Company			(26,367.7)	2,122.6	(28,621.3)	(740.3)	(48,003.2)
	Non controlling interests			160.6	123.4	332.5	10.6	686.9
23	Paid-up equity share capital [Face value ₹ 10 per share]			9,702.4	9,702.4	9,702.4	149.6	9,702.4
24	Reserves (excluding revaluation reserves) and Non controlling interest							3,61,757.7
25	Earnings per equity share (for continuing operation):							
	Basic earnings per share (not annualised) - in Rupees (after exceptional items)			9.17	(7.83)	1.71	0.1	1.71
	Diluted earnings per share (not annualised) - in Rupees (after exceptional items)			9.17	(7.83)	1.71	0.1	1.71
26	Earnings per equity share (for discontinued operation):							
	Basic earnings per share (not annualised) - in Rupees			(0.13)	(4.65)	(34.97)	0.6	(39.84)
	Diluted earnings per share (not annualised) - in Rupees			(0.13)	(4.65)	(34.97)	0.6	(39.84)
27	Earnings per equity share (for continuing and discontinued operations):							
	Basic earnings per share (not annualised) - in Rupees (after exceptional items)			9.04	(12.48)	(33.26)	0.7	(44.77)
	Diluted earnings per share (not annualised) - in Rupees (after exceptional items)			9.04	(12.48)	(33.26)	0.7	(44.77)

CONSOLIDATED SEGMENT REVENUE, RESULTS, ASSETS AND LIABILITIES

(₹ in million)

Particulars	Quarter ended on 30.06.2017	Quarter ended on 31.03.2017	Quarter ended on 30.06.2016	Financial year ended on 31.03.2017 USD mn	Financial year ended on 31.03.2017
	Unaudited	Unaudited	Unaudited	Audited	Audited
Segment Revenue:					
Tata Steel India	1,44,217.2	1,71,131.3	1,03,234.8	8,213.6	5,32,609.6
Other Indian Operations	18,311.7	20,569.6	14,708.3	1,033.2	66,998.4
Tata Steel Europe	1,40,787.9	1,52,435.2	1,26,650.8	8,032.2	5,20,849.6
Other Trade Related Operations	72,026.7	72,022.6	44,510.4	3,662.8	2,37,513.7
South East Asian Operations	19,909.6	22,208.4	20,030.9	1,254.7	81,359.0
Rest of the World	1,187.6	2,404.8	1,472.7	97.1	6,299.5
Total	**3,96,440.7**	**4,40,771.9**	**3,10,607.9**	**22,293.6**	**14,45,629.8**
Less: Inter Segment Revenue	86,707.4	87,723.0	50,900.8	4,185.8	2,71,430.4
Total Segment Revenue from operations	**3,09,733.3**	**3,53,048.9**	**2,59,707.1**	**18,107.8**	**11,74,199.4**
Segment Results before exceptional items, interest, tax and depreciation :					
Tata Steel India	29,215.4	43,243.9	22,361.0	1,843.3	1,19,527.5
Other Indian Operations	2,048.2	2,147.5	1,238.9	89.5	5,800.8
Tata Steel Europe	12,525.2	19,721.7	8,897.3	725.6	47,049.1
Other Trade Related Operations	8,176.6	5,823.9	(237.1)	40.3	2,616.2
South East Asian Operations	257.7	1,545.6	1,850.3	81.9	5,312.7
Rest of the World	(254.7)	444.8	98.4	(3.0)	(195.6)
Less: Inter Segment Eliminations	2,575.2	3,107.5	1,175.2	152.0	9,857.0
Total Segment Results before exceptional items, interest, tax and depreciation	**49,393.2**	**69,819.9**	**33,033.6**	**2,625.5**	**1,70,253.7**
Add: Finance income	1,960.6	1,981.5	1,225.9	79.8	5,175.7
Less: Finance costs	13,437.1	12,631.2	10,706.8	782.2	50,722.0
Less: Depreciation and Amortisation	15,011.3	15,892.2	12,377.7	874.8	56,728.8
Profit / (Loss) before exceptional items & tax	**22,905.4**	**43,278.0**	**11,175.0**	**1,048.3**	**67,978.6**
Add: Exceptional items	(6,167.9)	(40,685.9)	(1,678.0)	(666.9)	(43,242.3)
Profit / (Loss) before tax	**16,737.5**	**2,592.1**	**9,497.0**	**381.5**	**24,736.3**
Less: Tax expense	7,405.3	9,759.6	7,402.7	428.4	27,780.1
Net Profit / (Loss) after tax from continuing operations	**9,332.2**	**(7,167.5)**	**2,094.3**	**(46.9)**	**(3,043.8)**
Net Profit / (Loss) after tax from discontinued operations	(121.3)	(4,512.7)	(33,925.0)	(595.9)	(38,641.9)
Net Profit / (Loss) for the period	**9,210.9**	**(11,680.2)**	**(31,830.7)**	**(642.9)**	**(41,685.7)**
Segment Assets:					
Tata Steel India	11,31,735.9	10,91,806.0	10,63,287.6	16,837.2	10,91,806.0
Other Indian Operations	56,376.0	55,322.6	50,975.6	853.2	55,322.6
Tata Steel Europe	4,34,389.0	4,36,873.1	4,92,723.5	6,737.2	4,36,873.1
Other Trade Related Operations	4,67,793.9	4,34,135.0	4,81,220.1	6,695.0	4,34,135.0
South East Asian Operations	49,134.1	50,914.3	52,206.7	785.2	50,914.3
Rest of the World	78,962.4	79,046.6	74,572.3	1,219.0	79,046.6
Less: Inter Segment Eliminations	4,42,608.5	4,14,765.2	4,51,853.7	6,396.3	4,14,765.2
Total Segment Assets	**17,75,782.8**	**17,33,332.4**	**17,63,132.1**	**26,730.4**	**17,33,332.4**
Segment Liabilities:					
Tata Steel India	6,62,135.0	6,25,429.5	6,14,336.3	9,645.0	6,25,429.5
Other Indian Operations	32,678.0	32,749.0	30,951.1	505.0	32,749.0
Tata Steel Europe	7,70,369.3	7,30,617.1	7,62,539.1	11,267.1	7,30,617.1
Other Trade Related Operations	3,54,395.8	3,32,083.4	3,14,411.8	5,121.2	3,32,083.4
South East Asian Operations	25,744.9	27,245.0	29,334.0	420.2	27,245.0
Rest of the World	22,747.7	22,051.1	62,748.5	340.1	22,051.1
Less: Inter Segment Eliminations	4,59,832.7	4,31,052.9	4,67,178.5	6,647.4	4,31,052.9
Total Segment Liabilities	**14,08,238.0**	**13,39,122.2**	**13,47,142.3**	**20,651.1**	**13,39,122.2**

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Tata Steel Limited
Bombay House
24, Homi Mody Street,
Fort, Mumbai 400 001

1. We have audited the financial results of Tata Steel Limited (the "Company") for the quarter ended September 30, 2017 and the year to date results for the period April 1, 2017 to September 30, 2017 including the period from April 1, 2017 to June 30, 2017 which was audited by another firm of chartered accountants on whose report dated August 7, 2017 we have relied upon, (the "results") which are included in the accompanying 'Standalone Financial Results for the quarter and six months ended on 30th September, 2017' and the Standalone Balance Sheet as on that date, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015").

2. The Company's Management is responsible for preparation of the results on the basis of its interim financial statements prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 'Interim Financial Reporting', prescribed under section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the results based on our audit of such interim financial statements.

3. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the results. An audit also includes assessing the accounting principles used and significant estimates made by Management. We believe that our audit provides a reasonable basis for our opinion. (Also refer paragraph 5 below)

4. In our opinion, and to the best of our information and according to the explanations given to us, the results :

   (i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations, 2015 in this regard; and

   (ii) give a true and fair view of the net profit and other financial information for the quarter ended September 30, 2017 as well as the year to date results for the period from April 1, 2017 to September 30, 2017, including the period from April 1, 2017 to June 30, 2017 audited by another firm of chartered accountants on whose report dated August 7, 2017 we have relied upon, and also the Standalone Balance Sheet as at September 30, 2017.

5. (a) The standalone financial results of the Company for the quarters ended June 30, 2017, September 30, 2016/ year to date results for the period April 1, 2016 to September 30, 2016 were audited by another firm of chartered accountants, who issued their unmodified opinions vide their reports dated August 7, 2017 and November 11, 2016 respectively.

   (b) The financial statements of the Company for the year ended March 31, 2017 was audited by another firm of chartered accountants, who issued their unmodified opinion, vide their report dated May 16, 2017.

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

Russell I Parera
(Partner)
(Membership Number : 042190)

Mumbai, October 30, 2017

STANDALONE FINANCIAL RESULTS FOR THE QUARTER/ SIX MONTHS ENDED ON 30TH SEPTEMBER 2017

(₹ in million)

Particulars	Quarter ended on 30.09.2017	Quarter ended on 30.06.2017	Quarter ended on 30.09.2016	Six months ended on 30.09.2017 USD mn	Six months ended on 30.09.2017	Six months ended on 30.09.2016	Financial year ended on 31.03.2017 USD mn	Financial year ended on 31.03.2017
	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited
1 Revenue from operations								
a) Gross sales / income from operations	1,39,103.6	1,42,867.3	1,16,392.3	4,319.7	2,81,970.9	2,19,004.7	8,106.2	5,25,649.3
b) Other operating revenues	3,105.7	1,349.9	790.8	68.3	4,455.6	1,413.2	107.3	6,960.3
Total revenue from operations [1(a) + 1(b)]	1,42,209.3	1,44,217.2	1,17,183.1	4,388.0	2,86,426.5	2,20,417.9	8,213.6	5,32,609.6
2 Other income	2,494.8	1,121.4	1,646.5	55.4	3,616.2	2,701.5	63.9	4,144.6
3 Total income [1 + 2]	1,44,704.1	1,45,338.6	1,18,829.6	4,443.4	2,90,042.7	2,23,119.4	8,277.5	5,36,754.2
4 Expenses								
a) Raw materials consumed	44,489.8	42,195.8	26,438.5	1,328.0	86,685.6	49,517.7	1,927.2	1,24,967.8
b) Purchases of finished, semi-finished & other products	812.6	2,625.7	2,127.7	52.7	3,438.3	4,776.1	135.9	8,811.8
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	9,188.9	(9,045.7)	1,594.7	2.2	143.2	(9,375.8)	(205.1)	(13,296.5)
d) Employee benefits expense	11,151.1	11,576.9	11,808.7	348.2	22,728.0	23,412.3	710.2	46,051.3
e) Finance costs	7,091.6	7,001.4	7,367.2	215.9	14,093.0	12,659.1	414.6	26,885.5
f) Depreciation and amortisation expense	9,124.2	9,664.1	9,116.5	287.8	18,788.3	16,146.2	546.2	35,415.5
g) Excise duty recovered on sales	-	13,585.8	11,970.9	208.1	13,585.8	22,536.4	789.1	51,171.8
h) Other expenses	42,814.4	53,615.9	44,094.9	1,477.3	96,430.3	88,189.9	3,024.8	1,96,143.9
Total expenses [4(a) to 4(h)]	1,24,672.6	1,31,219.9	1,14,519.1	3,920.2	2,55,892.5	2,07,861.9	7,342.9	4,76,151.1
5 Profit / (Loss) before exceptional items & tax [3 - 4]	**20,031.5**	**14,118.7**	**4,310.5**	**523.2**	**34,150.2**	**15,257.5**	**934.6**	**60,603.1**
6 Exceptional items :								
a) Provision for impairment of investments / doubtful advances	(266.5)	-	(50.0)	(4.1)	(266.5)	(1,382.2)	(26.4)	(1,708.7)
b) Provision for demands and claims	-	(6,144.1)	-	(94.1)	(6,144.1)	-	(33.7)	(2,182.5)
c) Employee separation compensation	-	(23.8)	(592.9)	(0.4)	(23.8)	(815.4)	(27.6)	(1,786.8)
d) Restructuring and other provisions	-	-	-	0.0	-	-	(20.9)	(1,355.8)
Total exceptional items [6(a) to 6(d)]	(266.5)	(6167.9)	(642.9)	(98.6)	(6,434.4)	(2,197.6)	(108.5)	(7,033.8)
7 Profit / (Loss) before tax [5 + 6]	**19,765.0**	**7,950.8**	**3,667.6**	**424.6**	**27,715.8**	**13,059.9**	**826.1**	**53,569.3**
8 Tax Expense								
a) Current tax	4,893.6	2,195.0	1,812.1	108.6	7,088.6	4,494.7	216.0	14,005.4
b) Deferred tax	1,930.6	691.3	(640.1)	40.2	2,621.9	315.3	78.9	5,118.4
Total tax expense [8(a) + 8(b)]	6,824.2	2,886.3	1,172.0	148.8	9,710.5	4,810.0	294.9	19,123.8
9 Net Profit / (Loss) for the period [7 - 8]	**12,940.8**	**5,064.5**	**2,495.6**	**275.8**	**18,005.3**	**8,249.9**	**531.2**	**34,445.5**
10 Other comprehensive income								
A (i) Items that will not be reclassified to profit or loss	(755.9)	(1,147.9)	5,215.8	(29.2)	(1,903.8)	11,482.3	92.7	6,012.2

STANDALONE FINANCIAL
RESULTS FOR THE QUARTER/ SIX MONTHS ENDED ON 30TH SEPTEMBER 2017

(₹ in million)

Particulars			Quarter ended on 30.09.2017	Quarter ended on 30.06.2017	Quarter ended on 30.09.2016	Six months ended on 30.09.2017 USD mn	Six months ended on 30.09.2017	Six months ended on 30.09.2016	Financial year ended on 31.03.2017 USD mn	Financial year ended on 31.03.2017
			Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited
	(ii)	Income tax relating to items that will not be reclassified to profit or loss	(64.1)	(115.7)	510.2	(2.8)	(179.8)	619.5	11.6	753.7
B	(i)	Items that will be reclassified to profit or loss	16.3	(42.7)	(6.3)	(0.4)	(26.4)	2.9	(0.2)	(12.2)
	(ii)	Income tax relating to items that will be reclassified to profit or loss	(5.7)	14.8	7.2	0.1	9.1	(1.0)	0.1	4.2
		Total other comprehensive income	(809.4)	(1,291.5)	5,721.9	(32.2)	(2,100.9)	12,103.7	104.2	6,757.9
11		**Total Comprehensive Income for the period [9 + 10]**	**12,131.4**	**3,773.0**	**8,217.5**	**243.7**	**15,904.4**	**20,353.6**	**635.4**	**41,203.4**
12		Paid-up equity share capital [Face value ₹ 10 per share]	9,714.1	9,714.1	9,714.1	148.8	9,714.1	9,714.1	149.8	9,714.1
13		Paid-up debt capital				1,571.9	1,02,607.1	95,173.6	1,569.2	1,01,757.0
14		Reserves excluding revaluation reserves								4,86,875.9
15		Hybrid perpetual securities				348.5	22,750.0	22,750.0	350.8	22,750.0
16		Debenture redemption reserve				313.4	20,460.0	20,460.0	315.5	20,460.0
17		Earnings per equity share								
		Basic earnings per share (not annualised) - in Rupees (after exceptional items)	12.87	4.77	2.12	0.27	17.64	7.6	0.52	33.67
		Diluted earnings per share (not annualised) - in Rupees (after exceptional items)	12.87	4.77	2.12	0.27	17.64	7.6	0.52	33.67
18		Net Debt Equity Ratio				0.42	0.42	0.53	0.44	0.44
19		Debt Service Coverage Ratio				4.25	4.25	2.03	2.72	2.72
20		Interest Service Coverage Ratio				5.15	5.15	2.81	4.21	4.21

(a) Paid up debt capital represents debentures

(b) Net Debt to Equity: Net Debt / Average Net Worth
(Net debt: Long term borrowings + Current maturities of long term borrowings + Short term borrowings - Cash & bank balances - Current investments)
(Net Worth: Equity Share Capital + Other Equity + Hybrid Perpetual Securities)

(c) Debt Service Coverage Ratio: EBIT / (Net Finance Charges + Scheduled Principal repayments of long term borrowings (excluding prepayments) during the period)
(EBIT : Profit before Taxes +/(-) Exceptional Items + Net Finance Charges)
(Net Finance Charges: Finance costs (excluding interest on short term debts) - Interest income - Dividend income from current investments - Net Gain/(Loss) on sale of current investments)

(d) Interest Service Coverage Ratio: EBIT / Net Finance Charges

STANDALONE BALANCE SHEET
AS AT 30TH SEPTEMBER 2017

				As at September 30, 2017		As at March 31, 2017	
				USD mn Audited	₹ in million Audited	USD mn Audited	₹ in million Audited
ASSETS							
I	**Non current assets**						
	(a)	Property, plant and equipment		10,954.7	7,15,064.8	11,069.3	7,17,789.7
	(b)	Capital work-in-progress		855.1	55,819.2	944.6	61,253.5
	(c)	Intangible assets		118.7	7,747.1	121.5	7,881.8
	(d)	Intangible assets under development		7.6	493.0	6.0	386.1
	(e)	Investments in subsidiaries, associates and joint ventures		528.0	34,465.7	524.0	33,975.7
	(f)	Financial assets					
		(i)	Investments	885.7	57,815.1	764.6	49,583.3
		(ii)	Loans	32.4	2,111.9	32.7	2,119.7
		(iii)	Derivative assets	0.3	18.4	0.0	1.2
		(iv)	Other financial assets	2.8	181.3	12.3	794.9
	(g)	Income tax assets (net)		135.4	8,840.5	133.8	8,677.5
	(h)	Other assets		331.4	21,631.9	481.4	31,216.4
	Total Non current assets			**13,852.1**	**9,04,188.9**	**14,090.2**	**9,13,679.8**
II	**Current assets**						
	(a)	Inventories		1,571.6	1,02,585.8	1,578.7	1,02,368.5
	(b)	Financial assets					
		(i)	Investments	1,345.3	87,812.5	818.8	53,098.1
		(ii)	Trade receivables	268.1	17,497.1	309.4	20,065.2
		(iii)	Cash and cash equivalents	47.9	3,125.4	139.6	9,052.1
		(iv)	Other balances with banks	15.3	1,000.4	10.0	651.0
		(v)	Loans	16.6	1,086.5	4.2	271.4
		(vi)	Derivative assets	5.3	345.0	1.0	62.6
		(vii)	Other financial assets	69.7	4,552.8	48.6	3,150.6
	(c)	Other assets		395.5	25,817.7	189.0	12,254.8
	Total Current assets			**3,735.3**	**2,43,823.2**	**3,099.3**	**2,00,974.3**
TOTAL ASSETS				**17,587.4**	**11,48,012.1**	**17,189.5**	**11,14,654.1**
EQUITY AND LIABILITIES							
III	**Equity**						
	(a)	Equity Share Capital		148.8	9,714.1	149.8	9,714.1
	(b)	Hybrid Perpetual Securities		348.5	22,750.0	350.8	22,750.0
	(c)	Other equity		7,511.5	4,90,311.6	7,508.3	486,876.0
	Total Equity			**8,008.8**	**5,22,775.7**	**8,008.9**	**5,19,340.1**
IV	**Non current liabilities**						
	(a)	Financial liabilities					
		(i)	Borrowings	4,136.0	2,69,976.1	3,808.2	2,46,943.7
		(ii)	Derivative liabilities	17.4	1,136.5	27.7	1,793.3
		(iii)	Other financial liabilities	3.0	195.5	2.8	182.2
	(b)	Provisions		156.8	10,232.8	168.5	10,923.6
	(c)	Retirement benefit obligations		232.3	15,164.7	228.9	14,842.1
	(d)	Deferred income		264.5	17,266.4	290.7	18,851.9
	(e)	Deferred tax liabilities (net)		863.8	56,385.7	942.4	61,112.7
	(f)	Other liabilities		11.7	762.7	12.0	777.4
	Total Non current liabilities			**5,685.5**	**3,71,120.4**	**5,481.2**	**3,55,426.9**
V	**Current liabilities**						
	(a)	Financial liabilities					
		(i)	Borrowings	578.0	37,731.9	499.6	32,396.7
		(ii)	Trade payables	1,564.9	1,02,147.8	1,652.8	1,07,174.4
		(iii)	Derivative liabilities	4.6	297.2	41.7	2,701.7
		(iv)	Other financial liabilities	610.8	39,871.1	626.5	40,623.5
	(b)	Provisions		252.8	16,500.2	251.8	16,329.8
	(c)	Retirement benefit obligations		8.3	539.0	8.7	565.8
	(d)	Income tax liabilities (net)		157.8	10,303.6	71.8	4,657.2
	(e)	Other liabilities		715.8	46,725.2	546.5	35,438.0
	Total current liabilities			**3,893.0**	**2,54,116.0**	**3,699.4**	**2,39,887.1**
TOTAL EQUITY AND LIABILITIES				**17,587.3**	**11,48,012.1**	**17,189.5**	**11,14,654.1**

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors
Tata Steel Limited
Bombay House
24, Homi Mody Street Fort,
Mumbai 400 001

1. We have reviewed the unaudited consolidated financial results of Tata Steel Limited (the "Company"), its subsidiaries, jointly controlled entities and associate companies (hereinafter referred to as the "Group") for the quarter ended September 30, 2017 which are included in the accompanying Consolidated Financial Results for the quarter/ six months ended on 30th September 2017 and the unaudited Consolidated Balance Sheet as at that date (the "Statement"). The Statement has been prepared by the Company's Management pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015"), which has been initialled by us for identification purposes. The Statement is the responsibility of the Company's Management and has been approved by its Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement.

3. The Statement includes the results of the entities listed in Annexure A.

4. A review is limited primarily to inquiries of Group personnel and analytical procedures applied to the Group's financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

5. We did not review the interim financial information of four subsidiaries considered in the preparation of the Statement and which constitute total assets of ₹ 49,783.30 crores and net assets of ₹ (37,142.62) crores as at September 30, 2017, total revenue of ₹ 17,588.63 crores and total comprehensive income (comprising of loss and other comprehensive income) of ₹ (5584.68) crores for the quarter ended September 30, 2017 and which also include their step down joint ventures and associates representing ₹16.06 crores of the Group's share of total comprehensive income for the quarter ended September 30, 2017. These financial information have been reviewed by other auditors whose reports have been furnished to us, and our conclusion on the Statement to the extent they have been derived from such financial information is based solely on the report of such other auditors.

6. We did not review the financial information of (i) eleven subsidiaries considered in the preparation of the Statement and which constitute total assets of ₹ 13,511.48 crores and net assets of ₹ 4,088.49 crores as at September 30, 2017, total revenue of ₹ 783.88 crores and total comprehensive income of ₹ 87.96 crores for the quarter ended September 30, 2017 and (ii) six joint ventures and three associates representing ₹ 11.52 crores of the Group's share of total comprehensive income for the quarter ended September 30, 2017. These financial information have been furnished to us by the Management, and our conclusion on the Statement in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates is based solely on such financial information.

7. In the case of one subsidiary, one joint venture and seven associates, the financial information for the quarter ended September 30, 2017 and as at that date is not available. The investments in these companies are carried at Re. 1 each as at September 30, 2017. In absence of the aforementioned financial information (i) the total assets and net assets as at September 30, 2017 and the total revenue and total comprehensive income of this subsidiary for the quarter ended September 30, 2017 and (ii) the Group's share of total comprehensive income of this joint venture and these associates for the quarter ended September 30, 2017, have not been included in the Consolidated Financial Information of the Group.

Our Report is not modified in respect of matters set out in Paragraphs 5, 6 and 7 above.

8. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

9. (a) The consolidated financial results of the Group for the quarters ended June 30, 2017, September 30, 2016/ year to date results for the period April 1, 2016 to September 30, 2016 were reviewed by another firm of chartered accountants, who issued their unmodified conclusion vide their reports dated August 7, 2017 and November 11, 2016 respectively.

(b) The financial statements of the Group for the year ended March 31, 2017 was audited by another firm of chartered accountants, who issued their unmodified opinion, vide their report dated May 16, 2017.

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

Russell I Parera
(Partner)
(Membership Number : 042190)

Mumbai, October 30, 2017

CONSOLIDATED FINANCIAL
RESULTS FOR THE QUARTER/ SIX MONTHS ENDED ON 30TH SEPTEMBER 2017

(₹ in million)

	Particulars	Quarter ended on 30.09.2017	Quarter ended on 30.06.2017	Quarter ended on 30.09.2016	Six months ended on 30.09.2017 USD mn	Six months ended on 30.09.2017	Six months ended on 30.09.2016	Financial year ended on 31.03.2017 USD mn	Financial year ended on 31.03.2017
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Audited
1	Revenue from operations								
a)	Gross sales / income from operations	3,21,010.3	3,08,033.2	2,70,405.5	9,636.8	6,29,043.5	5,29,374.9	17,994.1	11,66,825.7
b)	Other operating revenues	3,631.1	1,700.1	791.0	81.7	5,331.2	1,528.7	113.7	7,373.7
	Total revenue from operations [1(a) + 1(b)]	3,24,641.4	3,09,733.3	2,71,196.5	9,718.5	6,34,374.7	5,30,903.6	18,107.8	11,74,199.4
2	Other income	2,532.1	1,554.7	1,088.5	62.6	4,086.8	2,452.3	81.3	5,274.7
3	Total income [1 + 2]	3,27,173.5	3,11,288.0	2,72,285.0	9,781.1	6,38,461.5	5,33,355.9	18,189.1	11,79,474.1
4	Expenses								
	a) Raw materials consumed	1,03,545.9	1,02,794.3	76,340.4	3,161.1	2,06,340.2	1,44,491.5	4,999.3	3,24,180.9
	b) Purchases of finished, semi-finished & other products	26,266.1	27,577.0	27,909.1	824.9	53,843.1	57,070.5	1,761.9	1,14,249.4
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	13,084.2	(19,672.8)	(10,832.5)	(100.9)	(6,588.6)	(26,768.6)	(699.8)	(45,381.3)
	d) Employee benefits expense	42,941.0	43,038.6	43,527.4	1,317.2	85,979.6	88,560.7	2,660.5	1,72,522.2
	e) Finance costs	13,499.3	13,437.1	13,510.2	412.7	26,936.4	24,217.0	782.2	50,722.0
	f) Depreciation and amortisation expense	14,732.8	15,011.3	14,669.1	455.7	29,744.1	27,046.8	874.8	56,728.8
	g) Excise duty recovered on sales	-	13,160.4	11,985.7	201.6	13,160.4	22,047.9	770.3	49,951.6
	h) Other expenses	91,597.5	93,095.7	91,555.5	2,829.5	1,84,693.2	1,82,037.0	5,992.7	3,88,598.4
	Total expenses [4(a) to 4(h)]	3,05,666.8	2,88,441.6	2,68,664.9	9,101.6	5,94,108.4	5,18,702.8	17,142.0	11,11,572.0
5	Profit / (Loss) before share of profit/ (loss) of joint ventures & associates, exceptional items & tax [3 - 4]	21,506.7	22,846.4	3,620.1	679.5	44,353.1	14,653.1	1,047.1	67,902.1
6	Share of profit / (loss) of joint ventures & associates	198.0	59.0	(90.6)	3.9	257.0	51.4	1.2	76.5
7	**Profit / (Loss) before exceptional items & tax [5+6]**	**21,704.7**	**22,905.4**	**3,529.5**	**683.4**	**44,610.1**	**14,704.5**	**1,048.3**	**67,978.6**
8	Exceptional items :								
	a) Profit / (Loss) on sale of non current investments	-	-	-	0.0	-	-	3.5	227.0
	b) Profit on sale of non current assets	-	-	-	0.0	-	-	13.2	858.7
	c) Provision for diminution in value of investments / doubtful advances	(266.5)	-	-	(4.1)	(266.5)	(1,168.6)	(19.3)	(1,254.5)
	d) Provision for impairment of non-current assets	-	-	-	0.0	-	-	(41.3)	(2679.3)
	e) Provision for demands and claims	-	(6,144.1)	-	(94.1)	(6,144.1)	-	(33.7)	(2,182.5)
	f) Employee separation compensation	(180.0)	(23.8)	(592.9)	(3.1)	(203.8)	(1,102.3)	(32.0)	(2,073.7)
	g) Restructuring and other provisions	-	-	-	0.0	-	-	(557.3)	(36138.0)
	Total exceptional items [8(a) to 8(g)]	(446.5)	(6,167.9)	(592.9)	(101.3)	(6,614.4)	(2,270.9)	(666.9)	(4,3242.3)
9	**Profit / (Loss) before tax [7 + 8]**	**21,258.2**	**16,737.5**	**2,936.6**	**582.1**	**37,995.7**	**12,433.6**	**381.5**	**24,736.3**
10	Tax Expense								
	a) Current tax	6,108.6	3,255.0	2,554.2	143.4	9,363.6	4,890.8	268.6	17,417.0
	b) Deferred tax	5,271.1	4,150.3	1,079.5	144.3	9,421.4	6,145.6	159.8	10,363.1
	Total tax expense [10(a) + 10(b)]	11,379.7	7,405.3	3,633.7	287.8	18,785.0	11,036.4	428.4	27,780.1
11	Net Profit / (Loss) after tax from continuing operations [9 - 10]	9,878.5	9,332.2	(6,97.1)	294.3	19,210.7	1,397.2	(46.9)	(3,043.8)
12	Profit / (Loss) before tax from discontinued operations	331.6	(307.7)	(855.3)	0.4	23.9	(1,763.1)	(118.9)	(7,708.6)
13	Tax expense of discontinued operations	-	-	30.3	0.0	-	82.7	1.2	80.1
14	Profit / (Loss) after tax from discontinued operations [12 - 13]	331.6	(307.7)	(885.6)	0.4	23.9	(1,845.8)	(120.1)	(7,788.7)
15	Profit / (Loss) on disposal of discontinued operations	(32.3)	186.4	1,088.9	2.4	154.1	(31,875.9)	(475.8)	(30,853.2)

CONSOLIDATED FINANCIAL
RESULTS FOR THE QUARTER/ SIX MONTHS ENDED ON 30TH SEPTEMBER 2017

(₹ in million)

	Particulars	Quarter ended on 30.09.2017	Quarter ended on 30.06.2017	Quarter ended on 30.09.2016	Six months ended on 30.09.2017 USD mn	Six months ended on 30.09.2017	Six months ended on 30.09.2016	Financial year ended on 31.03.2017 USD mn	Financial year ended on 31.03.2017
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Audited
16	Net Profit / (Loss) after tax from discontinued operations [14 + 15]	299.3	(121.3)	203.3	2.7	178.0	(33,721.7)	(595.9)	(38,641.9)
17	**Net Profit / (Loss) for the period [11+16]**	**10,177.8**	**9,210.9**	**(493.8)**	**297.0**	**19,388.7**	**(32,324.5)**	**(642.9)**	**(41,685.7)**
18	Profit/ (Loss) from continuing operations for the period attributable to:								
	Owners of the Company	9,758.7	9,184.0	(799.4)	290.2	18,942.7	1,058.8	(58.1)	(3,766.1)
	Non controlling interests	119.8	148.2	102.3	4.1	268.0	338.4	11.1	722.3
19	Profit / (Loss) from discontinued operations for the period attributable to:								
	Owners of the Company	299.3	(121.3)	203.3	2.7	178.0	(33,721.7)	(595.9)	(38,641.9)
	Non controlling interests	-	-	-	0.0	-	-	0.0	-
20	Other comprehensive income								
	A (i) Items that will not be reclassified to profit or loss	(37,450.9)	(27,929.9)	(40,760.7)	(1,001.6)	(65,380.8)	(47,014.7)	(538.9)	(34,942.5)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	2,611.9	2,762.0	8,263.6	82.3	5,373.9	10,617.0	120.6	7,823.4
	B (i) Items that will be reclassified to profit or loss	(7,657.8)	(10,855.3)	6,648.4	(283.6)	(18,513.1)	14,203.8	337.5	21,883.0
	(ii) Income tax on items that will be reclassified to profit or loss	152.1	605.2	(172.5)	11.6	757.3	(285.4)	(6.1)	(394.5)
	Total other comprehensive income	(42,344.7)	(35,418.0)	(26,021.2)	(1,191.3)	(77,762.7)	(22,479.3)	(86.8)	(5,630.6)
21	**Total Comprehensive Income for the period [17 + 20]**	**(32,166.9)**	**(26,207.1)**	**(26,515.0)**	**(894.3)**	**(58,374.0)**	**(54,803.8)**	**(729.7)**	**(47,316.3)**
22	Total comprehensive income for the period attributable to:								
	Owners of the Company	(32,739.0)	(26,367.7)	(26,565.4)	(905.5)	(59,106.7)	(55,186.7)	(740.3)	(48,003.2)
	Non controlling interests	572.1	160.6	50.4	11.2	732.7	382.9	10.6	686.9
23	Paid-up equity share capital [Face value ₹ 10 per share]	9,702.4	9,702.4	9,702.4	148.6	9,702.4	9,702.4	149.6	9,702.4
24	Reserves (excluding revaluation reserves) and Non controlling interest							5,578.8	3,61,757.8
25	Hybrid perpetual securities					22,750.0	22,750.0	350.8	22,750.0
26	Earnings per equity share (for continuing operation):								
	"Basic earnings per share (not annualised) - in Rupees (after exceptional items)"	9.73	9.17	(1.17)	0.3	18.90	0.54	(0.1)	(4.93)
	"Diluted earnings per share (not annualised) - in Rupees (after exceptional items)"	9.73	9.17	(1.17)	0.3	18.90	0.54	(0.1)	(4.93)
27	Earnings per equity share (for discontinued operation):								
	Basic earnings per share (not annualised) - in Rupees	0.31	(0.13)	0.21	-	0.18	(34.76)	(0.6)	(39.84)
	Diluted earnings per share (not annualised) - in Rupees	0.31	(0.13)	0.21	-	0.18	(34.76)	(0.6)	(39.84)
28	Earnings per equity share (for continuing and discontinued operations):								
	Basic earnings per share (not annualised) - in Rupees (after exceptional items)	10.04	9.04	(0.96)	0.3	19.08	(34.22)	(0.7)	(44.77)
	Diluted earnings per share (not annualised) - in Rupees (after exceptional items)	10.04	9.04	(0.96)	0.3	19.08	(34.22)	(0.7)	(44.77)

CONSOLIDATED SEGMENT REVENUE, RESULTS, ASSETS AND LIABILITIES

(₹ in million)

Particulars	Quarter ended on 30.09.2017	Quarter ended on 30.06.2017	Quarter ended on 30.09.2016	Six months ended on 30.09.2017 USD mn	Six months ended on 30.09.2017	Six months ended on 30.09.2016	Financial year ended on 31.03.2017 USD mn	Financial year ended on 31.03.2017
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Audited
Segment Revenue:								
Tata Steel India	1,42,209.3	1,44,217.2	1,17,183.1	4,388.0	2,86,426.5	2,20,417.9	8,213.6	5,32,609.6
Other Indian Operations	20,992.9	18,311.7	15,176.6	**602.1**	39,304.6	29,884.9	**1,033.2**	66,998.4
Tata Steel Europe	1,50,060.8	1,40,787.9	1,20,061.7	4,455.7	2,90,848.7	2,46,712.6	8,032.2	5,20,849.6
Other Trade Related Operations	63,391.9	72,026.7	48,125.2	2,074.6	1,35,418.6	92,635.7	3,662.8	2,37,513.7
South East Asian Operations	24,944.1	19,909.6	19,553.5	687.1	44,853.7	39,584.4	1,254.7	81,359.0
Rest of the World	2,610.1	1,187.6	1,359.9	58.2	3,797.7	2,832.6	97.1	6,299.5
Total	**4,04,209.1**	**3,96,440.7**	**3,21,460.0**	12,265.8	**8,00,649.8**	**6,32,068.1**	22,293.6	**14,45,629.8**
Less: Inter Segment Revenue	79,567.7	86,707.4	50,263.5	2,547.3	1,66,275.1	1,01,164.5	4,185.8	2,71,430.4
Total Segment Revenue from operations	**3,24,641.4**	**3,09,733.3**	**2,71,196.5**	9,718.5	**6,34,374.7**	**5,30,903.6**	18,107.8	**11,74,199.4**
Segment Results before exceptional items, interest, tax and depreciation :								
Tata Steel India	34,076.9	29,215.4	19,912.2	969.6	63,292.3	42,273.3	1,842.0	1,19,442.5
Other Indian Operations	2,012.7	2,048.2	1,152.1	62.2	4,060.9	2,391.0	89.5	5,800.8
Tata Steel Europe	7,531.3	12,525.2	11,359.1	307.3	20,056.5	20,256.4	725.6	47,049.1
Other Trade Related Operations	4,512.1	8,176.6	1,695.9	194.4	12,688.7	1,458.8	40.3	2,616.2
South East Asian Operations	1,350.3	257.7	681.6	24.6	1,608.0	2,531.9	81.9	5,312.7
Rest of the World	466.6	(254.7)	(1,037.7)	3.2	211.9	(939.3)	(3.0)	(195.6)
Less: Inter Segment Eliminations	2,689.1	2,575.2	2,830.0	80.6	5,264.3	4,005.3	150.7	9,772.0
Total Segment Results before exceptional items, interest, tax and depreciation	47,260.8	49,393.2	30,933.2	1,480.7	96,654.0	63,966.8	2,625.5	1,70,253.7
Add: Finance income	2,676.0	1,960.6	775.6	71.0	4,636.6	2,001.5	79.8	5,175.7
Less: Finance costs	13,499.3	13,437.1	13,510.2	412.7	26,936.4	24,217.0	782.2	50,722.0
Less: Depreciation and Amortisation	14,732.8	15,011.3	14,669.1	455.7	29,744.1	27,046.8	874.8	56,728.8
Profit / (Loss) before exceptional items & tax	**21,704.7**	**22,905.4**	**3,529.5**	683.4	**44,610.1**	**14,704.5**	1,048.3	**67,978.6**
Add: Exceptional items	(446.5)	(6,167.9)	(592.9)	**(101.3)**	(6,614.4)	(2,270.9)	**(666.9)**	(43,242.3)
Profit / (Loss) before tax	**21,258.2**	**16,737.5**	**2,936.6**	**582.1**	**37,995.7**	**12,433.6**	**381.5**	**24,736.3**
Less: Tax expense	11,379.7	7,405.3	3,633.7	287.8	18,785.0	11,036.4	428.4	27,780.1
Net Profit / (Loss) after tax from continuing operations	**9,878.5**	**9,332.2**	**(697.1)**	294.3	**19,210.7**	**1,397.2**	(46.9)	**(3,043.8)**
Net Profit / (Loss) after tax from discontinued operations	299.3	(121.3)	203.3	2.7	178.0	(33,721.7)	(595.9)	(38,641.9)
Net Profit / (Loss) for the period	**10,177.8**	**9210.9**	**(493.8)**	297.0	**19388.7**	**(32324.5)**	(642.9)	**(41685.7)**
Segment Assets:								
Tata Steel India	10,76,189.8	11,31,735.9	10,67,259.5	16,487.0	10,76,189.8	10,67,259.5	16,837.2	10,91,806.0
Other Indian Operations	59,986.6	56,376.0	50,893.0	919.0	59,986.6	50,893.0	853.2	55,322.6
Tata Steel Europe	4,48,974.8	4,34,389.0	4,33,238.0	6,878.2	4,48,974.8	4,33,238.0	6,737.2	4,36,873.1
Other Trade Related Operations	5,28,092.7	4,67,793.9	4,26,448.5	8,090.3	5,28,092.7	4,26,448.5	6,695.0	4,34,135.0
South East Asian Operations	48,734.8	49,134.1	49,400.9	746.6	48,734.8	49,400.9	785.2	50,914.3
Rest of the World	82,474.6	78,962.4	75,982.6	1,263.5	82,474.6	75,982.6	1,219.0	79,046.6
Less: Inter Segment Eliminations	5,02,250.3	4,42,608.5	3,94,249.7	7,694.4	5,02,250.3	3,94,249.7	6,396.3	4,14,765.2
Total Segment Assets	**17,42,203.0**	**17,75,782.8**	**17,08,972.8**	26,690.2	**17,42,203.0**	**17,08,972.8**	26,730.4	**17,33,332.4**
Segment Liabilities:								
Tata Steel India	6,55,351.9	6,62,135.0	6,20,307.4	10,039.9	6,55,351.9	6,20,307.4	9,645.0	6,25,429.5
Other Indian Operations	35,482.5	32,678.0	30,565.6	543.6	35,482.5	30,565.6	505.0	32,749.0
Tata Steel Europe	8,44,920.6	7,70,369.3	7,18,320.3	12,944.0	8,44,920.6	7,18,320.3	11,267.1	7,30,617.1
Other Trade Related Operations	3,56,709.8	3,54,395.8	3,17,483.9	5,464.7	3,56,709.8	3,17,483.9	5,121.2	3,32,083.4
South East Asian Operations	24,258.9	25,744.9	26,370.1	371.6	24,258.9	26,370.1	420.2	27,245.0
Rest of the World	25,227.8	22,747.7	23,762.8	386.5	25,227.8	23,762.8	340.1	22,051.1
Less: Inter Segment Eliminations	5,20,033.6	4,59,832.7	4,09,526.2	7,966.8	5,20,033.6	4,09,526.2	6,647.4	4,31,052.9
Total Segment Liabilities	**14,21,917.9**	**14,08,238.0**	**13,27,283.9**	21,783.5	**14,21,917.9**	**13,27,283.9**	20,651.1	**13,39,122.2**

CONSOLIDATED BALANCE SHEET AS AT 30TH SEPTEMBER 2017

(₹ in million)

	As at September 30, 2017 USD mn	As at September 30, 2017	As at March 31, 2017 USD mn	As at March 31, 2017
	Unaudited	Unaudited	Audited	Audited
ASSETS				
I Non current assets				
(a) Property, plant and equipment	13,591.6	8,87,190.5	13,398.2	8,68,805.9
(b) Capital work-in-progress	2,371.3	1,54,787.5	2,392.5	1,55,143.7
(c) Goodwill on consolidation	575.3	37,552.6	538.9	34,947.3
(d) Other Intangible assets	240.9	15,727.7	251.6	16,312.3
(e) Intangible assets under development	57.0	3,722.6	41.6	2,697.6
(f) Equity accounted investments	250.8	16,369.9	245.8	15,936.8
(g) Financial assets				
(i) Investments	166.5	10,868.9	800.4	51,903.1
(ii) Loans	101.8	6,642.7	57.5	3,730.6
(iii) Derivative assets	3.3	214.7	12.8	831.7
(iv) Other financial assets	3.7	242.7	13.2	855.8
(h) Retirement benefit assets	0.5	34.0	270.3	17,526.4
(i) Income tax assets	153.9	10,048.4	151.3	9,812.3
(j) Deferred tax assets	151.1	9,864.3	136.6	8,858.7
(k) Other assets	429.1	28,006.5	566.7	36,749.6
Total Non current assets	**18,096.9**	**11,81,273.0**	**18,877.4**	**12,24,111.8**
II Current assets				
(a) Inventories	4,067.2	2,65,488.1	3,825.1	2,48,038.2
(b) Financial assets				
(i) Investments	1,400.6	91,426.9	874.9	56,731.3
(ii) Trade receivables	1,867.0	1,21,867.6	1,786.8	1,15,868.2
(iii) Cash and cash equivalents	407.0	26,568.3	745.2	48,322.9
(iv) Other balances with banks	21.1	1,378.0	13.7	887.6
(v) Loans	48.1	3,138.4	34.6	2,245.0
(vi) Derivative assets	76.1	4,966.2	16.0	1,040.4
(vii) Other financial assets	94.7	6,183.3	59.8	3,878.2
(c) Retirement benefit assets	0.1	04.4	0.0	-
(d) Income tax assets	4.5	291.2	5.4	350.8
(e) Other assets	591.3	38,597.3	338.4	21,943.8
Total current assets	**8,577.7**	**5,59,909.7**	**7,699.9**	**4,99,306.4**
III Assets held for sale	**15.6**	**1,020.3**	**152.9**	**9,914.2**
TOTAL ASSETS	**26,690.2**	**17,42,203.0**	**26,730.2**	**17,33,332.4**
EQUITY AND LIABILITIES				
IV Equity				
(a) Equity share capital	148.6	9,702.4	149.6	9,702.4
(b) Hybrid Perpetual Securities	348.5	22,750.0	350.8	22,750.0
(c) Other equity	5,181.2	3,38,204.1	5,331.8	3,45,740.8
Equity attributable to shareholders of the Company	5,678.4	3,70,656.5	**5,832.2**	**3,78,193.2**
Non controlling interest	(771.7)	(50,371.4)	247.0	16,017.0
Total Equity	**4,906.7**	**3,20,285.1**	**6,079.2**	**3,94,210.2**
V Non current liabilities				
(a) Financial liabilities				
(i) Borrowings	10,452.8	6,82,309.5	9,873.1	6,40,222.7
(ii) Derivative liabilities	18.5	1,208.5	27.8	1,799.8
(iii) Other financial liabilities	16.8	1,097.5	16.8	1,087.8
(b) Provisions	496.4	32,401.1	505.6	32,785.0
(c) Retirement benefit obligations	427.1	27,878.2	411.2	26,662.7
(d) Deferred income	289.4	18,888.6	317.3	20,575.9
(e) Deferred tax liabilities	1,483.5	96,837.3	1,546.8	1,00,300.8
(f) Other liabilities	24.4	1,593.3	34.9	2,265.1
Total Non current liabilities	**13,208.9**	**8,62,214.0**	**12,733.5**	**8,25,699.8**
VI Current liabilities				
(a) Financial liabilities				
(i) Borrowings	3,263.8	2,13,045.4	2,826.4	1,83,281.0
(ii) Trade payables	2,793.9	1,82,371.9	2,864.4	1,85,744.6
(iii) Derivative liabilities	146.8	9,581.4	103.9	6,736.7
(iv) Other financial liabilities	984.9	64,287.2	973.9	63,155.1
(b) Provisions	323.3	21,106.3	306.7	19,885.7
(c) Retirement benefit obligations	11.8	769.5	14.7	952.0
(d) Deferred income	0.8	53.2	3.4	225.2
(e) Income tax liabilities	204.1	13,323.2	113.9	7,391.8
(f) Other liabilities	845.1	55,165.8	665.5	43,152.7
Total Current liabilities	**8,574.6**	**5,59,703.9**	**7,872.8**	**5,10,524.8**
VII Liabilities held for sale	**-**	**-**	**44.7**	**2,897.6**
TOTAL EQUITY AND LIABILITIES	**26,690.2**	**17,42,203.0**	**26,730.2**	**17,33,332.4**

Notes:

1. The results have been reviewed by the Audit Committee in its meeting held on October 29, 2017 and were approved by the Board of Directors in its meeting of date.
2. Post the applicability of Goods and Service Tax (GST) with effect from July 01, 2017, revenue from operations is disclosed net of GST. Accordingly, the revenue from operations and other expenses for the quarter/ six months ended on September 30, 2017 are not comparable with the previous periods presented in the results.
3. Exceptional item 6(a) and 8(c) in the standalone and consolidated financial results respectively represents provision for advances given for repurchase of equity shares in Tata Teleservices Limited from NTT Docomo Inc.
4. On August 11, 2017, Tata Steel UK announced it had signed the documentation for a Regulated Apportionment Arrangement (RAA) with the Trustee of the British Steel Pension Scheme (BSPS). Subsequently, on September 11, 2017, Tata Steel UK received confirmation from The Pensions Regulator that it had approved the RAA, consequent to which the BSPS has now been separated from Tata Steel UK.
5. On September 19, 2017, Tata Steel Limited and thyssenkrupp AG signed a memorandum of understanding to create a new 50:50 joint venture company called thyssenkrupp Tata Steel. Due diligence has commenced and is currently expected to run for several months prior to signing definitive shareholder agreements and other binding commitments. Completion is currently expected to take place towards the end of 2018 following anti-trust approvals.
6. The consolidated financial results have been subjected to limited review and the standalone financial results have been audited by the statutory auditors.
7. Figures for the previous periods have been regrouped and reclassified to conform to the classification of the current period, where necessary.

T V Narendran
Managing Director

Koushik Chatterjee
Group Executive Director

Mumbai: October 30, 2017

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF ABJA INVESTMENT CO. PTE. LTD.

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Abja Investment Co. Pte. Ltd. (the "Company") which comprise the statement of financial position of the Company as at March 31, 2016 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 5 to 40.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Company as at March 31, 2016 and the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Public Accountants and
Chartered Accountants
Singapore

November 9, 2016

STATEMENT OF FINANCIAL POSITION
MARCH 31, 2016

	Note	2016 US$'000	2015 US$'000
ASSETS			
Current assets			
Cash and cash equivalents	7	11,770	7,360
Other receivables	8	21,699	17,235
Derivative financial instruments	10	150	265
Total current assets		**33,619**	**24,860**
Non-current assets			
Loan receivables due from related companies	9	16,90,932	16,70,502
Derivative financial instruments	10	4,793	7,563
Total non-current assets		**16,95,725**	**16,78,065**
Total assets		**17,29,344**	**17,02,925**
LIABILITIES AND NET CAPITAL DEFICIENCY			
Current liabilities			
Other payables	11	32,254	24,564
Loan payable	12	37,800	37,800
Tax payable		450	310
Total current liabilities		70,504	62,674
Non-current liabilities			
Guaranteed notes	13	17,08,921	17,02,524
Deferred tax liability	14	1,796	93
Derivative financial instruments	10	688	469
Total non–current liabilities		17,11,405	17,03,086
Capital, accumulated losses and reserve			
Share capital	15	200	200
Accumulated losses		(52,755)	(63,025)
Translation reserve		(10)	(10)
Net capital deficiency		(52,565)	(62,835)
Total liabilities and net of capital deficiency		**17,29,344**	**17,02,925**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
YEAR ENDED MARCH 31, 2016

	Note	2016 US$'000	2015 US$'000
Interest income	16	1,14,957	32,875
Finance costs	17	(97,508)	(69,027)
Foreign currency exchange gain (loss), net		6,532	(29,245)
Fair value (losses) gains on derivative financial instruments, net	18	(3,104)	14,052
Other operating expenses		(8,482)	(3,739)
Profit (Loss) before tax		**12,395**	**(55,084)**
Income tax expense	19	(2,125)	(386)
Profit (Loss) for the year, representing to comprehensive income (loss) for the financial year	20	**10,270**	**(55,470)**

STATEMENT OF CHANGES IN EQUITY
YEAR ENDED MARCH 31, 2016

	Share capital	Accumulated losses	Translation reserve (1)	Total
	US$'000	US$'000	US$'000	US$'000
Balance at April 1, 2014	200	(7,555)	(10)	(7,365)
Loss for the year, representing total comprehensive loss for the financial year	-	(55,470)	-	(55,470)
Balance at March 31, 2015	200	(63,025)	(10)	(62,835)
Profit for the year, representing total comprehensive income for the financial year	-	10,270	-	10,270
Balance at March 31, 2016	200	(52,755)	(10)	(52,565)

(1) This arose from change in functional currency in 2015.

CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2016

	2016 US$'000	2015 US$'000
Operating activities		
Profit (Loss) before tax	12,395	(55,084)
Adjustments for:		
Finance costs	97,508	69,027
Interest income	(1,14,957)	(32,875)
Fair value losses (gains) on derivative financial instruments, net instruments, net	3,104	(14,052)
Unrealised foreign currency exchange (gain) loss, net	(6,364)	30,319
Operating cash flows before movements in working capital	**(8,314)**	**(2,665)**
Loans to related companies	-	(14,88,000)
Proceeds From Issue of Guaranteed Notes	-	15,00,000
Loan due to a related company	-	37,800
Other payables	8,427	4,607
Cash generated from operations	113	51,742
Interest received	1,05,243	18,328
Finance costs paid	(99,337)	(54,331)
Income tax paid	(267)	(37)
Guaranteed notes issue costs paid	(1,618)	(14,529)
Net cash from operating activities, representing net increase in cash and cash equivalents	4,134	1,173
Effect of exchange rate changes on the balance of cash held in foreign currencies	276	(1,349)
Cash and cash equivalents at the beginning of the year	7,360	7,536
Cash and cash equivalents at the end of the year	**11,770**	**7,360**

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2016

1 GENERAL

The Company (Registration No. 201309883M) is incorporated in Singapore with its principal place of business and registered office at 22 Tanjong Kling Road, Singapore 628048. The financial statements are expressed in United States dollars ("US$").

The principal activity of the Company consists of provision of treasury services.

The Company had in prior years, issued guaranteed notes (Note 13) with principal amount of US$1,500,000,000 and S$300,000,000 which are listed on the Freiverkehr (Open Market) of the Frankfurter Wertpapierborse ("Frankfurt Stock Exchange") and the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST") respectively. Further information is disclosed in Note 13.

As at March 31, 2016, the Company has a capital deficiency of US$52,565,000 (2015 : US$62,835,000), current liabilities in excess of current assets of US$36,885,000 (2015 : current liabilities in excess of current assets of US$37,814,000) and current year total comprehensive income of US$10,270,000 (2015 : total comprehensive loss of US$55,470,000).

The total comprehensive loss for 2015 arose mainly due to temporary lending of US$1,488,000,000 at lower interest rates than its finance costs for the period from July 2014 to February 2015 which resulted in net cash outflow of interest expenses and foreign exchange losses offset with fair value gains on its foreign currency swap and interest swap contracts which were non-cash in nature.

In February 2015, the loans of US$1,488,000,000 were re-assigned to a related company which bear higher interest rates and are repayable in the period from 2020 to 2024. The interest rates on these loan receivables were further revised upwards subsequent to the financial year end as part of management's review. Management had assessed that the cash flows from interest income expected to be received from loans to related companies will be sufficient to cover the interest expenses that the Company expects to incur as the interest rate charges are higher than the interest rate payable on the debt. However, while these future cash inflows estimated will cover the future interest outflows and related expenses, management had assessed that these may not sufficiently cover the Company's existing net capital deficiency in the future.

During the year ended March 31, 2016, the Company earned interest income of US$114,957,000 and incurred finance costs of US$97,508,000 and generated net profit of US$10,270,000 for the year. Subsequent to the year end, the interest rates for the long-term loans of US$988,000,000 and US$300,000,000 are revised from 6.45% to 6.92% and 5.35% to 5.92% per annum respectively with effect from April 1, 2016 until the end of the tenure of the loans (Note 9). Any future revision to interest rates due to market changes will be at mutual agreement of third parties.

Management had considered the above and assessed that (i) the total guaranteed notes of US$1,708,921,000 (2015 : US$1,702,524,000) (Note 13) issued by the Company, including any current and future related interest payables, are guaranteed by the ultimate holding company (Note 5); (ii) subsequent to the year end, the maturity date of the short-term loan of US$37,800,000 loan (Note 12) was extended to January 26, 2018; and (iii) the Company has obtained a letter of undertaking from a related company that it has the intention to convert the total loan and interest payable of US$38,697,000 (2015 : US$37,921,000) into additional capital contribution in the future to ensure the eventual extinguishment of liabilities. On the above, management has assessed that there are no material uncertainties on the Company's ability to continue as going concern and these will sufficiently cover the Company's existing net capital deficiency in the future. In addition, management has also assessed that if required, fundings from the ultimate holding company will be available.

The financial statements of the Company for the year ended March 31, 2016 were authorised for issue by the Board of Directors on November 9, 2016.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING – The financial statements are prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the financial statements is determined on such a basis, except for share-

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

based payment transactions that are within the scope of FRS 102 Share-based Payments, leasing transactions that are within the scope of FRS 17 Leases, and the measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 Inventories or value in use in FRS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

ADOPTION OF NEW AND REVISED STANDARDS – On April 1, 2015, the Company adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are effective from the date and all relevant to its operations. The adoption of these new/revised FRSs and INT FRSs does not result in significant changes to the Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

At the date of authorisation of the financial statements, the following FRSs, amendments to FRSs and improvements to FRSs that are relevant to the Company were issued but not effective:

- FRS 109 Financial Instruments (4)
- FRS 115 Revenue from Contracts with Customers (4)
- FRS 116 Leases (5)
- Amendments to FRS 1 Presentation of Financial Statements: Disclosure Initiative (1)
- Amendments to FRS 7 Statement of Cash Flow: Disclosure Initiative (2)
- Amendments to FRS 12 Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses (3)
- Amendments to FRS 115 Clarification to FRS 115 Revenue from Contracts with Customers (4)
- Improvements to Financial Reporting Standards (November 2014) (1)

(1) Applies to annual periods beginning on or after January 1, 2016, with early adoption permitted.

(2) Applies prospectively to annual periods beginning on or after January 1, 2017, with early adoption permitted.

(3) Applies to annual periods beginning on or after January 1, 2017, with early adoption permitted.

(4) Applies to annual periods beginning on or after January 1, 2018, with early adoption permitted.

(5) Applies to annual periods beginning on or after January 1, 2019, with early adoption permitted for entities that apply FRS 115 at or before the date of initial application of FRS 116.

Consequential amendments were also made to various standards as a result of these new/revised standards.

The management anticipates that the adoption of the above FRSs, amendments to FRSs and improvements to FRSs in future periods will not have a material impact on the financial statements of the Company in the period of their initial adoption except for the following:

FRS 109 Financial Instruments

FRS 109 was issued in December 2014 to replace FRS 39 Financial Instruments: Recognition and Measurement and introduced new requirements for (i) the classification and measurement of financial assets and financial liabilities (ii) general hedge accounting (iii) impairment requirements for financial assets.

Key requirements of FRS 109:

- All recognised financial assets that are within the scope of FRS 39 are now required to be subsequently measured at amortised cost or fair value through profit or loss ("FVTPL"). Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income ("FVTOCI"). All other debt investments and equity investments are measured at FVTPL at the end of subsequent accounting periods. In addition, under FRS 109, entities

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

may make an irrevocable election, at initial recognition, to measure an equity investment (that is not held for trading) at FVTOCI, with only dividend income generally recognised in profit or loss.

- With some exceptions, financial liabilities are generally subsequently measured at amortised cost. With regard to the measurement of financial liabilities designated as at FVTPL, FRS 109 requires that the amount of change in fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch to profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss.
- In relation to the impairment of financial assets, FRS 109 requires an expected credit loss model, as opposed to an incurred credit loss model under FRS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other word, it is no longer necessary for a credit event to have occurred before credit losses are recognised.
- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in FRS 39. Under FRS 109, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

Management is currently evaluating the potential impact of the application of FRS 109 on the financial statements of the Company in the period of initial application.

Amendments to FRS 12 Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that unrealised losses on debt instruments measured at fair value in the financial statements but at cost for tax purposes can give rise to deductible temporary differences.

The amendments also clarify that the carrying amount of an asset does not limit the estimation of probable future taxable profits, and that when comparing deductible temporary differences with future taxable profits, the future taxable profits excludes tax deductions resulting from the reversal of those deductible temporary differences.

Management is currently evaluating the potential impact of the application of amendments to FRS 12 on the financial statements of the company in the period of initial adoption.

Other than FRS 109 and amendments to FRS 1, FRS 7 and FRS 12, management has considered and is of the view that the adoption of the other amendments and improvements to FRSs that are issued as at date of authorisation of these financial statements but effective only in future periods will not have material impact on the financial statements in the period of their initial adoption.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

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 estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest rate basis for debt instruments.

Financial assets

Cash and cash equivalents in the statement of cash flows

Cash and cash equivalents comprise cash at bank that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of statement of cash flows.

Amendments to FRS 1 Presentation of Financial Statements: Disclosure Initiative

The amendments have been made to the following:

- Materiality and aggregation - An entity shall not obscure useful information by aggregating or disaggregating information and materiality considerations apply to the primary statements, notes and any specific disclosure requirements in FRSs.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

- Statement of financial position and statement of profit or loss and other comprehensive income - The list of line items to be presented in these statements can be aggregated or disaggregated as relevant. Guidance on subtotals in these statements has also been included.
- Presentation of items of other comprehensive income ("OCI") arising from equity-accounted investments - An entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single items based on whether or not it will subsequently be reclassified to profit or loss.
- Notes - Entities have flexibility when designing the structure of the notes and guidance is introduced on how to determine a systematic order of the notes. In addition, unhelpful guidance and examples with regard to the identification of significant accounting policies are removed.

Management is currently evaluating the potential impact of the application of amendments to FRS 1 on the financial statements of the company in the period of initial adoption.

Amendments to FRS 7 Statement of Cash Flows: Disclosure Initiative

The amendments required an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

Management is currently evaluating the potential impact of the application of amendments to FRS 7 on the financial statements of the company in the period of initial adoption.

Loans and receivables

Loans and other receivables are initially measured at fair value and are subsequently measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate method except for short-term receivables when the effect of discounting is immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables where the carrying amount is reduced through the use of an allowance account. When a receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through the profit or loss to the extent the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Company derecognises 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 the 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 asset 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.

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

Other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis, except for short-term payables when the effect of discounting is immaterial.

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

Interest-bearing guaranteed notes and loans are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest 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 accordance with the Company's accounting policy for borrowing costs (see below).

Derecognition of financial liabilities

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

Derivative financial instruments

The Company enters into certain derivative financial instruments to manage its exposure to foreign exchange rate risk and interest rate, including forward foreign exchange contracts and interest rate swaps. Further details of derivative financial instruments are disclosed in Note 10.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Company has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

PROVISIONS - Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

REVENUE RECOGNITION - Revenue is measured at the fair value of the consideration received or receivable.

Interest income

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

BORROWING COSTS - Borrowing 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 their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

INCOME TAX - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax 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 recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount 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.

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively).

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The financial statements of the Company is measured and presented in United States dollar (US$), which is the currency of the primary economic environment in which the entity operates (its functional currency).

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 retranslated at the rates prevailing the end of each 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 retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(i) Critical judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Functional currency

FRS 21 The Effects of Changes in Foreign Exchange Rates requires the Company determine its functional currency to prepare the financial statements. When determining its functional currency, the Company considers the primary economic environment in which it operates i.e. the one in which it primarily generates and expends cash. The Company also considers the funds generated from financing activities.

During the year ended March 31, 2015, the Company's significant funding and transactions were denominated in United States dollars. Assessment of the primary and secondary indicators of FRS 21 Effects of Changes in Foreign Exchange Rates was made and management has exercised its judgement in concluding that the functional currency of the Company to be United States dollars with effect from April 1, 2014.

During the year ended March 31, 2016, management had reassessed and determined that the functional currency of the Company continues to be United States dollars on the basis that its majority funding and its significant transactions are denominated in United States dollars.

(ii) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2016

4 FINANCIAL RISKS AND MANAGEMENT

Loan receivables and interest receivables from related companies

The Company has interest receivables and loan receivables due from related companies of US$21,240,000 (2015 : US$16,710,000) (Note 8) and US$1,690,932,000 (2015 : US$1,670,502,000) (Note 9) respectively.

The policy for allowances for bad and doubtful receivables of the Company is based on the evaluation of collectability and management's judgement. Judgement is required in assessing the ultimate realisation of these receivables from these related companies. If the financial conditions of related companies were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. Based on management's evaluation, no impairment is assessed to be necessary for loan receivables and interest receivables from these related companies. The carrying amount of interest receivables and loan receivables are disclosed in Notes 8 and 9 respectively.

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	2016 US$'000	2015 US$'000
Financial assets		
Loans and receivables (including cash and cash equivalents)	17,24,401	16,95,097
Derivative financial instruments	4,943	7,828
	17,29,344	**17,02,925**
Financial liabilities		
Amortised cost	17,78,975	17,64,888
Derivative financial instruments	688	469
	17,79,663	**17,65,357**

(b) Financial instruments subject to offsetting, enforceable master netting arrangement and similar agreements

2016

	(a)	(b)	(c) = (a) - (b)
Type of financial asset	Gross amounts of recognised financial asset	Gross amounts of recognised financial liability set off in the statement of financial position	Net amounts of financial asset presented in the statement of financial position
	US$'000	US$'000	US$'000
Other receivables (Note 8)	23,679	(1,980)	21,699

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2016

4 FINANCIAL RISKS AND MANAGEMENT (CONTD.)

2015

	(a)	(b)	(c) = (a) - (b)
Type of financial asset	Gross amounts of recognised financial asset	Gross amounts of recognised financial liability set off in the statement of financial position	Net amounts of financial asset presented in the statement of financial position
	US$'000	US$'000	US$'000
Other receivables (Note 8)	19,115	(1,880)	17,235

In reconciling the 'Net amounts of financial asset and financial liability presented in the statement of financial position' to the line item amounts presented in the statement of financial position, the above amounts represent only those which are subject to offsetting, enforceable master netting arrangements and similar agreements.

(c) Financial risk management policies and objectives

The Company's overall risk management policy seeks to minimise potential adverse effects of financial performance of the Company.

The Company is exposed to financial risks such as foreign exchange, interest rate, credit and liquidity risks. Management regularly reviews its policy governing risk management practices. There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures these risks during the year.

(i) Foreign exchange risk management

Certain of the Company's financial assets and financial liabilities are denominated in currencies other than its functional currency and hence the Company is therefore exposed to foreign exchange risk. The Company uses forward foreign exchanges contracts to manage its exposure to foreign currency risk in the local reporting currency. Further details on these derivative financial instruments are disclosed in Note 10.

At the end of the reporting period, the carrying amounts of significant monetary assets and monetary liabilities denominated in currencies other than the Company's functional currency which have the exposure to foreign currency risk are as follows:

	Liabilities		**Assets**	
	2016 US$'000	**2015 US$'000**	**2016 US$'000**	**2015 US$'000**
Euro	-	-	1,319	5,395
Indian Rupee	-	3,691	-	-
Singapore dollars	**222,819**	**216,628**	**22,407**	**23,162**

If the United States dollars strengthen/weaken by 10% against the relevant foreign currency, profit before tax will (decrease)/increase (2015 : loss before tax will be (increase)/decrease) by:

	2016 US$'000	**2015 US$'000**
Euro	(132)	(540)
Indian Rupee	-	369
Singapore dollars	**20,041**	**19,347**

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2016

4 FINANCIAL RISKS AND MANAGEMENT (CONTD.)

(ii) Interest rate risk management

Interest rate risk refers to the risk faced by the Company as a result of fluctuation in interest rates. The Company is exposed to interest rate risk associated with certain of its loan receivables and loan payables which have floating rates. The interest rate and terms of repayment are as disclosed in Note 9.

The Company uses interest swaps to manage its interest rate risk. Further details of the interest rate swaps are disclosed in Note 10.

Interest rate sensitivity

The sensitivity analyses below have been determined based on year-end balance which is subject to floating interest rates at the end of the reporting period.

If interest rates had been 100 basis points higher or lower and all other variables were held constant, the Company's profit for the year ended March 31, 2016 would increase/ decrease by US$1,374,000 (2015 : loss for the year would decrease/ increase by US$1,569,000).

(iii) Credit risk management

The Company's credit risk is primarily attributable to its cash and cash equivalents, loan receivables and interest receivables due from related companies.

Cash balances are held with creditworthy financial institutions. At March 31, 2016, the Company has a concentration of credit risk from loan receivables and interest receivables due from 3 (2015 : 3) related companies which account for 99.9% (2015 : 99.9%), amounting to approximately US$1,712,172,000 (2015 : US$1,687,212,000) of total receivables. Management has evaluated the credit quality of these receivables and who the counterparties are and has assessed that the credit risk for these amounts to be manageable.

(iv) Liquidity risk management

Liquidity risk reflects the risk that the Company will have insufficient resources to meet its financial liabilities as they fall due. The Company's strategy to manage liquidity risk is to ensure that the Company has sufficient funds to meet its potential liabilities as they fall due. As at March 31, 2016, the Company has a capital deficiency of US$52,565,000 (2015 : US$62,835,000) and current liabilities in excess of current assets of US$36,885,000 (2015 : current liabilities in excess of current assets of US$37,814,000), and management has assessed as disclosed in Note 1 that the Company will have sufficient funds to operate as a going concern. In addition, management is of the opinion that with the continued financial support from its related company and ultimate holding company, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

Financial liabilities

The Company's operations are largely financed by short-term loan from a related company (Note 12) and guaranteed notes (Note 13). The Company's financial liabilities are due on demand within 1 year, except for derivative financial instruments (Note 10) and interest bearing guaranteed notes (Note 13) which are repayable between January 2020 to July 2024.

Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liabilities on the statement of financial position.

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2016

4 FINANCIAL RISKS AND MANAGEMENT (CONTD.)

	Average effective interest rate %	On demand or within 1 year US$'000	Within 2 to 5 years US$'000	After 5 years US$'000	Adjustment US$'000	Total US$'000
2016						
Non-interest bearing	-	32,254	-	-	-	32,254
Variable interest rate instrument	2.4	908	38,556	-	(1,664)	37,800
Fixed interest rate instrument	4.85 – 5.95	76,020	8,74,000	13,73,341	(6,14,440)	17,08,921
		1,09,182	**9,12,556**	**13,73,341**	**(6,16,104)**	**17,78,975**
2015						
Non-interest bearing	-	24,564	-	-	-	24,564
Variable interest rate instrument	1.86	702	38,381	-	(1,283)	37,800
Fixed interest rate instrument	4.85 – 5.95	95,757	8,79,161	15,14,604	(7,86,998)	17,02,524
		1,21,023	**9,17,542**	**15,14,604**	**(7,88,281)**	**17,64,888**

Financial assets

The Company's financial assets comprise cash and cash equivalents, other receivables and loan receivables due from related companies as disclosed in Notes 7, 8 and 9 respectively.

Non-derivative financial assets

The following table details the expected maturity for non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Company anticipates that the cash flow will occur in a different period. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial assets on the statement of financial position.

	Average effective interest rate %	On demand or within 1 year US$'000	Within 2 to 5 years US$'000	After 5 years US$'000	Adjustment US$'000	Total US$'000
2016						
Non-interest bearing	-	33,469	-	-	-	33,469
Variable interest rate instrument	7.60	8,502	51,934	1,97,907	(83,117)	1,75,226
Fixed interest rate instrument	5.10 – 6.92	82,213	8,80,724	12,15,899	(663,130)	15,15,706
		1,24,184	**9,32,658**	**14,13,806**	**(746,247)**	**17,24,401**
2015						
Non-interest bearing	-	24,595	-	-	-	24,595
Variable interest rate instrument	7.67	12,216	54,217	2,15,923	(1,19,136)	1,63,220
Fixed interest rate instrument	5.10 – 6.45	92,716	8,66,480	12,88,958	(7,40,872)	15,07,282
		1,29,527	**9,20,697**	**15,04,881**	**(8,60,008)**	**16,95,097**

Derivative financial instruments

As at the end of the reporting period, the Company's derivative financial instruments comprise of foreign exchange forward contracts with contracted net cash inflow amounting to US$1,583,000 (2015 : net cash inflow amounted to US$3,422,000) (Note 10) and interest rate swaps with contracted net cash inflow amounting to US$2,672,000 (2015 : net cash inflow amounted to US$3,937,000) (Note 10). Further information of these derivative financial instruments is disclosed in Note 10.

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2016

4 FINANCIAL RISKS AND MANAGEMENT (CONTD.)

(v) Fair value of the financial assets and financial liabilities

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. Management classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy levels are as described in Note 2.

The Company's derivative financial instruments consisting of forward foreign exchange contracts and interest rate swaps, are measured at fair value at the end of each reporting period, and are determined based on observable quoted market rates for equivalent instruments with the same quantum and maturity dates at the end of each reporting period. The fair value measurement of these derivative financial instruments as determined by management, are classified as Level 2 in the fair value hierarchy. The carrying amounts and further information of these derivative financial instruments are disclosed in Note 10.

There were no significant transfers between respective levels of the fair value hierarchy in the period.

Management considers that the carrying amounts of the financial assets and financial liabilities of the Company recorded at amortised cost in the financial statements approximate their fair values due to the relative short-term maturity of these financial instruments.

The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

(d) Capital risk management policies and objectives

The Company reviews its capital structure at least annually to ensure that the Company will be able to continue as a going concern. The capital structure of the Company comprises only of issued capital, accumulated losses and guaranteed notes. The Company's overall strategy remained unchanged from the previous financial year.

5 HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS

The Company is a wholly-owned subsidiary of Tata Steel Limited, incorporated in India, which is also the Company's ultimate holding company. Related companies in these financial statements refer to members of the holding company's group of companies.

Some of the Company's transactions and arrangements are between members of the group and the effect of these on the basis determined between the parties is reflected in these financial statements. The intercompany balances are unsecured, interest-free and repayable on demand unless otherwise stated.

During the year, other than as disclosed elsewhere in the financial statements, the Company entered into the following significant transactions with related companies:

	2016 US$'000	2015 US$'000
Guarantee commission expense on guaranteed notes charged by ultimate holding company	(8,426)	(3,691)
Interest income from loan receivables due from related companies	113,835	31,839
Interest expenses on loan payable due to a related company	(776)	(121)
Long-term loans to a related company	-	(1,488,000)
Loan due to a related company	-	37,800

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2016

6 OTHER RELATED PARTY TRANSACTIONS

Compensation of directors and key management personnel

There are no key managerial personnel other than the directors of the Company. No remuneration is paid by the Company to the directors. The directors are paid remuneration by related corporations in their capacity as directors and/or executives of those related corporations.

7 CASH AND CASH EQUIVALENTS

	2016 US$'000	2015 US$'000
Cash at bank	11,770	7,360

8 OTHER RECEIVABLES

	2016 US$'000	2015 US$'000
Accrued interest income on loan receivables due from related companies (Note 5)	21,240	16,710
Interest receivables on derivative financial instruments	459	525
	21,699	**17,235**

9 LOAN RECEIVABLES DUE FROM RELATED COMPANIES

	2016 US$'000	2015 US$'000
Notes due from a related company (1)	175,226	163,220
Loan receivables due from related companies (2)	1,515,706	1,507,282
	1,690,932	**1,670,502**

Loan receivables consist of:

(1) (a) Notes of Euro75,000,000 issued on December 20, 2013 to a related company, Tata Steel Netherlands Holdings B.V ("TSNH"), which is unsecured and repayable by May 2, 2023. The note bear interest rates of 6.601% per annum for the first interest period ending May 1, 2014, interest rate of Euribor + 6.250% per annum for the subsequent interest periods ending November 1, 2016, and interest rate of 8.250% per annum for further subsequent interest periods to maturity on May 2, 2023. As at March 31, 2016, this note is measured at an amortised cost of Euro77,003,000 (equivalent to US$87,694,000) [2015 : Euro75,996,000 (equivalent to US$81,713,000)] based on the effective interest method with an effective interest rate of 7.577% (2015 : 7.646%) per annum.

(b) Notes of Euro75,000,000 issued on March 20, 2014 to TSNH, which is unsecured and repayable by May 2, 2023. The note bear interest rates of 6.634% per annum for the first interest period ending May 1, 2014, interest rate of Euribor + 6.250% per annum for the subsequent interest periods ending November 1, 2016, and interest rate of 8.250% per annum for further subsequent interest periods to maturity on May 2, 2023. As at March 31, 2016, this note is measured at an amortised cost of Euro76,861,000 (equivalent to US$87,532,000) [2015 : Euro75,827,000 (equivalent to US$81,507,000)] based on the effective interest method with an effective interest rate of 7.615% (2015 : 7.688%) per annum.

(2) (a) As at March 31, 2016, long-term loans of US$1,488,000,000 (2015 : US$1,488,000,000) to a related company, T S Global Procurement Company Pte. Ltd. consist of:

- a long-term loan of US$988,000,000 which bear interest rate at 6.450% (2015 : 6.050%) per annum and is repayable on July 30, 2024. This loan is measured at an amortised cost of US$993,274,000 (2015 : US$988,000,000) based on the effective interest method with an effective interest rate of 6.875% (2015 : 6.050%) per annum.
- a long-term loan of US$500,000,000 which bears interest rate at 5.350% (2015 : 4.950%) per annum and is repayable on January 30, 2020. This loan is measured at an amortised cost of US$502,783,000 (2015 : US$500,000,000) based on the effective interest method with an effective interest rate of 5.794% (2015 : 4.950%) per annum.

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2016

During the year ended 2016, the interest rates for the long-term loans of US$988,000,000 and US$500,000,000 were raised from 6.050% to 6.450% and 4.950% to 5.350% per annum respectively with effect from April 1, 2015. Subsequent to the year end, the interest rates for the long-term loans of US$988,000,000 and US$500,000,000 are revised from 6.450% to 6.920% and 5.350% to 5.920% per annum respectively with effect from April 1, 2016 until the end of the tenure of the loans. Any future revision to interest rates due to market changes will be at mutual agreement of both parties.

(b) As at March 31, 2016, a long-term loan of S$26,457,000 (equivalent to US$19,649,000) [2015 : S$26,457,000 (equivalent to US$19,282,000)] to a related company, T S Global Holdings Pte. Ltd. ("TSGH"), is unsecured, bears interest rate of 5.100% (2015 : 5.100%) per annum and repayable by December 20, 2021.

During the year ended March 31, 2016, the Company had signed an initial subordinated creditor's certificate to an agent for syndicated facilities granted to TSGH, for any amount receivable from TSGH is subordinated to the prior right of the financial institutions to prior repayment to the Company.

Management is of the opinion that fair value of these loan receivables approximates the carrying value as these are either charged at floating rates or at approximate rates which the management expects would be available to the related companies based on transfer pricing studies by qualified tax specialist.

10 DERIVATIVE FINANCIAL INSTRUMENTS

	2016 US$'000	2015 US$'000
Current assets:		
Forward foreign exchange contracts – unrealised fair value gains	150	265
Non-current assets::		
Forward foreign exchange contracts – unrealised fair value gains	2,121	3,626
Interest rate swaps – unrealised fair value gains	2,672	3,937
Non-current liabilities:	4,793	7,563
Forward foreign exchange contracts – unrealised fair value losses	688	469

Forward foreign exchange contracts

The Company uses currency derivatives in the management of its foreign exchange exposures.

At the end of the reporting period, the total notional amount of outstanding forward foreign exchange contracts to which the Company is committed are as follows:

	2016 US$'000	2015 US$'000
Forward foreign exchange contracts	199,117	186,366

Changes in the fair value of derivative financial instruments

	2016 US$'000	2015 US$'000
Current assets:		
Opening fair value of derivative financial instruments	3,422	(6,475)
Net fair value (losses) gains of derivative financial instruments recognised in profit or loss (Note 18) during the year	(1,839)	9,897
Closing fair value of derivative financial instruments representing unrealised net fair value gains	1,583	3,422

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2016

10 DERIVATIVE FINANCIAL INSTRUMENTS (CONTD.)

The following table details information on the forward foreign currency contracts outstanding as at March 31, 2016:

Outstanding contracts	Average effective rate	Foreign currency	Contract value	Fair value gains (losses)
	FC$'000	FC$'000	US$'000	US$'000
Sell Euro with maturity date less than 1 year	1.596	3,800	4,328	150
Sell Euro with maturity date before 2023	1.661	17,750	20,216	347
Sell Euro with maturity date on May 2, 2023	1.762	75,000	85,418	1,775
Sell Euro with maturity date on May 2, 2023	1.729	75,000	85,418	(634)
Buy SGD with maturity date on May 2, 2023	0.660	5,000	3,737	(55)
Total			**199,117**	**1,583**

The following table details information on the forward foreign currency contracts outstanding as at March 31, 2015:

Outstanding contracts	Average effective rate	Foreign currency	Contract value	Fair value gains (losses)
	FC$'000	FC$'000	US$'000	US$'000
Sell Euro with maturity date less than 1 year	1.580	3,800	4,082	265
Sell Euro with maturity date before 2023	1.619	16,200	17,403	630
Sell Euro with maturity date on May 2, 2023	1.756	92,150	98,996	2,996
Sell Euro with maturity date on May 2, 2023	1.729	57,850	62,148	(317)
Buy SGD with maturity date on May 2, 2023	0.747	5,000	3,737	(152)
Total			**186,366**	**3,422**

Interest rate swaps

The Company uses interest rate swaps to manage its exposure to interest rate movements. Contracts with nominal values of S$150,000,000 (2015 : S$150,000,000) have been entered where the Company will pay fixed interest payments at an average rate of 4.479% (2015 : 4.479%) on the Euro notional principal equivalent of S$150,000,000 (2015 : S$150,000,000) and receive fixed interest receipt at 4.950% (2015 : 4.950%) on the Singapore dollar notional principal of S$150,000,000 (2015 : S$150,000,000). These contracts are for the period until May 2, 2023 (2015 : May 2, 2023).

Changes in the fair value of derivative financial instruments

	2016 US$'000	**2015 US$'000**
Opening fair value of derivative financial instruments	3,937	(218)
Net fair value (losses) gains of derivative financial instruments recognised in profit or loss (Note 18) during the year	(1,265)	4,155
Closing fair value of derivative financial instruments representing unrealised net fair value gains	2,672	3,937

The following table details information on the interest rate swap contracts outstanding as at March 31, 2016:

Outstanding floating for fixed contracts	**Notional principal amount**	**Fair value gains**
	S$'000	US$'000
With maturity date on May 2, 2023	1,50,000	2,672

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2016

The following table details information on the interest rate swap contracts outstanding as at March 31, 2016:

Outstanding floating for fixed contracts	Notional principal amount	Fair value gains
	S$'000	US$'000
With maturity date on May 2, 2023	1,50,000	3,937

The interest rate swaps are settled net on a semi-annually basis.

11 OTHER PAYABLES

	2016 US$'000	2015 US$'000
Accrued interest expenses on loan payable due to a related company (Note 12)	897	121
Accrued interest expenses on guaranteed notes (Note 13)	18,490	18,377
Other payables		
- third parties	734	2,375
- ultimate holding company	12,133	3,691
	32,254	**24,564**

12 LOAN PAYABLE

	2016 US$'000	2015 US$'000
Loan payable due to a related company	**37,800**	**37,800**

As at March 31, 2016, a short-term loan of US$37,800,000 (2015 : US$37,800,000) payable to a related company, T S Global Holdings Pte. Ltd., is unsecured, bears interest rate of 1.5% + 6 months USD LIBOR (2015 : 1.5% + 6 months USD LIBOR) per annum and is repayable by January 27, 2017 (2015 : July 29, 2015).

During the year ended March 31, 2016, the maturity date of the loan was extended from July 29, 2015 to January 27, 2017. Subsequent to the year end, the maturity date of the loan was extended to January 26, 2018.

13 GUARANTEED NOTES

	2016 US$'000	2015 US$'000
Guaranteed notes at amortised cost		
- 2023 Notes (1)	221,012	216,605
- 2020 Notes (2)	496,435	495,311
- 2024 Notes (2)	991,474	990,608
	1,708,921	**1,702,524**

Guaranteed notes consist of:

(1) Guaranteed notes (the "2023 Notes") with principal amount of S$300,000,000 which bear interest rate at 4.95% per annum were issued on May 3, 2013 with maturity on May 3, 2023. These 2023 Notes are listed on the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST").

These 2023 Notes are unsecured senior obligations of the Company and are irrevocably guaranteed on an unsecured basis (the "Guarantee") by the Company's ultimate holding company, Tata Steel Limited (the "Guarantor"), provided that, at all times, the Guarantee shall be in respect of an amount not exceeding 125% of the outstanding principal amount of these 2023 Notes which shall be S$375,000,000 (the "Guaranteed Amount"). These 2023 Notes are unsecured obligations of the Company, will rank pari

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2016

passu with all of its other existing and future unsubordinated obligations and will be effectively subordinated to its secured obligations and the obligations of the Guarantor's subsidiaries.

These 2023 Notes bear interest at a rate of 4.95% per annum. Interest is paid on the 2023 Notes semi-annually in arrears on May 3 and November 3 of each year, beginning on November 4, 2013. Unless previously repurchased, cancelled or redeemed, these 2023 Notes will mature on May 3, 2023. Issue related costs amounted to approximately S$3,194,000 (equivalent to US$2,536,000).

As at March 31, 2016, these 2023 Notes are measured at an amortised cost of S$297,737,000 (equivalent to US$221,012,000) [2015 : S$297,418,000 (equivalent to US$216,605,000)].

(2) Guaranteed notes with principal amount of US$500,000,000 which bear interest rate at 4.85% per annum (the "2020 Notes") and US$1,000,000,000 which bear interest rate at 5.95% per annum (the "2024 Notes") were issued on July 31, 2014 with maturity on January 31, 2020 and July 31, 2024 respectively. These guaranteed notes are listed on the Freiverkehr (Open Market) of the Frankfurter Wertpapierborse ("Frankfurt Stock Exchange").

The guaranteed notes are unsecured senior obligations of the Company and are irrevocably guaranteed on an unsecured basis (the "Guarantee") by the Company's ultimate holding company, Tata Steel Limited (the "Guarantor"), provided that, at all times, the Guarantee shall be in respect of an amount not exceeding 125% of the outstanding principal amount of the guaranteed notes which shall be US$625,000,000 and US$1,250,000,000 respectively (the "Guaranteed Amount"). These guaranteed notes are unsecured obligations of the Company, will rank pari passu with all of its other existing and future unsubordinated obligations and will be effectively subordinated to its secured obligations and the obligations of the Guarantor's subsidiaries.

These 2020 Notes and 2024 Notes bear interest at a rate of 4.85% and 5.95% per annum respectively. Interest is paid on the 2020 Notes and 2024 Notes semi-annually in arrears on January 31 and July 31 of each year, beginning on January 31, 2015. Unless previously repurchased, cancelled or redeemed, these 2020 Notes and 2024 Notes will mature on January 31, 2020 and July 31, 2024 respectively. Issue related costs amounted to approximately US$15,370,000.

As at March 31, 2016, these 2020 Notes and 2024 Notes are measured at an amortised cost of US$496,435,000 (2015 : US$495,311,000) and US$991,474,000 (2015 : US$990,608,000) respectively.

As at March 31, 2016, the fair values of the 2023 Notes, 2020 Notes and 2024 Notes approximates S$285,720,000 (equivalent to US$212,198,000), US$498,500,000 and US$931,500,000 respectively.

As at March 31, 2015, the fair values of the 2023 Notes, 2020 Notes and 2024 Notes approximates S$287,790,000 (equivalent to US$209,593,000), US$515,500,000 and US$1,043,500,000 respectively.

The fair values are classified under Level 1 of the fair value hierarchy (Note 2).

14 DEFERRED TAX LIABILITY

	2016 US$'000	2015 US$'000
Deferred tax liability	**1,796**	**93**

The deferred tax liability is recognised by the Company on account of interest income from foreign sources not remitted to Singapore. The movement during the reporting period is as follow:

	2016 US$'000	2015 US$'000
Balance at beginning of year	93	17
Charge to profit or loss (Note 19)	1,703	76
Balance at end of year	1,796	93

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2016

15 SHARE CAPITAL

Outstanding contracts	2016 Number of ordinary shares	2015 Number of ordinary shares	2016 US$'000	2015 US$'000
Issued and paid up:				
At beginning and end of year	200,000	200,000	200	200

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends.

16 INTEREST INCOME

	2016 US$'000	2015 US$'000
Interest income on loan receivables due from related companies (Notes 5 and 9)	113,835	31,839
Interest income from bank	6	217
Interest income on derivative financial instruments (1)	1,116	819
	114,957	**32,875**

(1) Amount is net of interest expenses of US$4,634,000 (2015 : US$4,763,000) on interest rate swaps contracts.

17 FINANCE COSTS

	2016 US$'000	2015 US$'000
Interest expenses:		
- loan payable due to a related company (Notes 5 and 12)	776	121
- guaranteed notes (Note 13)	94,511	67,346
Amortisation of borrowing costs	2,221	1,560
	97,508	**69,027**

18 FAIR VALUE (LOSSES) GAINS ON DERIVATIVE FINANCIAL INSTRUMENTS, NET

	2016 US$'000	2015 US$'000
Fair value (losses) gains on derivative financial instruments		
- forward foreign exchange contracts (Note 10)	(1,839)	9,897
- interest rate swaps (Note 10)	(1,265)	4,155
	(3,104)	**14,052**

19 INCOME TAX EXPENSE

	2016 US$'000	2015 US$'000
Current tax:		
- current year	513	310
- overprovision in prior year	(91)	-
Deferred tax (Note 14)	1,703	76
Total income tax expenses	**2,125**	**386**

Statutory income tax is calculated at 17% (2015 : 17%) of the estimated assessable profit (loss) for the year.

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2016

Tax for the year can be reconciled to the accounting profit (loss) as follows:

	2016 US$'000	2015 US$'000
Profit (Loss) before tax	12,395	(55,084)
Tax expense (benefit) calculated at statutory tax rate of 17%	2,107	(9,364)
Tax effect of expense that is not deductible for tax purposes	71	9,763
Tax exemptions and tax rebates	(33)	(36)
Overprovision in prior year	(91)	-
Others	71	23
Tax expense	2,125	386

20 PROFIT (LOSS) FOR THE YEAR

Profit (Loss) for the year has been arrived at after charging (crediting):

	2016 US$'000	2015 US$'000
Fair value losses (gains) on derivative financial instruments, net	3,104	(14,052)
Foreign currency exchange (gain) loss, net	(6,532)	29,245
Guarantee commission expense on guaranteed notes charged by ultimate holding company (Note 5)	8,426	3,691

The Company has no employees and associated staff costs for the financial year end March 31, 2016 and March 31, 2015. Administrative support is provided by the ultimate holding company.

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF ABJA INVESTMENT CO. PTE. LTD.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Abja Investment Co. Pte. Ltd. (the "Company"), which comprise the statement of financial position as at March 31, 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 7 to 35.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at March 31, 2017 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Recoverability of intercompany receivables

The Company has intercompany receivables consisting of notes and loans due from related companies and interest receivables from related companies, which account for approximately 98% of the Company's total assets.

Significant judgement is required by management in assessing the recoverability of these intercompany receivables including those that are past due but not provided for and the level of allowance for doubtful debts that may be required. Inappropriate judgement and estimates made in the impairment assessment would result in a significant impact on the carrying amount of the intercompany receivables.

The Company's disclosures on intercompany receivables are set out in Notes 8 and 9 to the financial statements.

Our procedures performed and responses thereon

We performed procedures to understand management's process over the monitoring of receivables and the assessment of allowance for doubtful debts.

We discussed with management on the reasons for any delay in payments for significant aged receivables and assessed the appropriateness of any allowance for doubtful receivables to be made, by considering amongst other factors such as, the financial position and results of the respective entities, subsequent cash receipts, payment history, settlement arrangements or the presence of any financial support that the ultimate holding company has given to any of the related company.

We have also assessed the adequacy and appropriateness of the disclosures made in the financial statements.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

Management is responsible for the other information. The other information comprises information included in the Directors' Statement set out on pages 1 to 2.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Public Accountants and
Chartered Accountants
Singapore

September 27, 2017

STATEMENT OF FINANCIAL POSITION
MARCH 31, 2017

	Note	2017 US$'000	2016 US$'000
ASSETS			
Current assets			
Cash and cash equivalents	7	16,233	11,770
Other receivables	8	24,848	21,699
Derivative financial instruments	10	309	150
Total current assets		**41,390**	**33,619**
Non-current assets			
Loan receivables due from related companies	9	1,679,085	1,690,932
Derivative financial instruments	10	12,808	4,793
Total non-current assets		**1,691,893**	**1,695,725**
Total assets		**1,733,283**	**1,729,344**
LIABILITIES AND NET CAPITAL DEFICIENCY			
Current liabilities			
Other payables	11	27,879	32,254
Loan payable	12	-	37,800
Tax payable		1,707	450
Total current liabilities		**29,586**	**70,504**
Non-current liabilities			
Guaranteed notes	13	1,703,077	1,708,921
Loans payable	12	37,800	-
Deferred tax liability	14	1,797	1,796
Other Payable	11	1,907	-
Derivative financial instruments	10	68	688
Total non-current liabilities		**1,744,649**	**1,711,405**
Capital, accumulated losses and reserve			
Share capital	15	200	200
Accumulated losses		(41,142)	(52,755)
Translation reserve		(10)	(10)
Net capital deficiency		(40,952)	(52,565)
Total liabilities and net of capital deficiency		**1,733,283**	**1,729,344**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
YEAR ENDED MARCH 31, 2017

	Note	2017 US$'000	2016 US$'000
Interest income	16	1,17,014	1,19,591
Finance costs	17	(1,02,337)	(1,02,142)
Foreign currency exchange gain (loss), net		(2,975)	6,532
Fair value (losses) gains on derivative financial instruments, net	18	8,794	(3,104
Other operating expenses		(7,116)	(8,482)
Profit (Loss) before tax		**13,380**	**12,395**
Income tax expense	19	(1,767)	(2,125)
Profit (Loss) for the year, representing to comprehensive income (loss) for the financial year	20	**11,613**	**10,270**

STATEMENT OF CHANGES IN EQUITY
YEAR ENDED MARCH 31, 2017

	Share capital	Accumulated losses	Translation reserve (1)	Total
	US$'000	US$'000	US$'000	US$'000
Balance at April 1, 2015	200	(63,025)	(10)	(62,835)
Profit for the year, representing total comprehensive income for the year	-	10,270	-	10,270
Balance at March 31, 2016	**200**	**(52,755)**	**(10)**	**(52,565)**
Profit for the year, representing total comprehensive income for the financial year	-	11,613	-	11,613
Balance at March 31, 2017	**200**	**(41,142)**	**(10)**	**(40,952)**

(1) This arose from change in functional currency in 2015.

CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2017

	2017 US$'000	2016 US$'000
Operating activities		
Profit (Loss) before tax	13,380	12,395
Adjustments for:	102,337	102,142
Finance costs	(117,014)	(119,591)
Interest income	7,069	8,426
Fair value losses (gains) on derivative financial instruments, net instruments, net	(8,794)	3,104
Unrealised foreign currency exchange (gain) loss, net	3,084	(6,364)
Operating cash flows before movements in working capital	62	112
Other payables	(59)	1
Cash generated from operations	3	113
Interest received	116,517	105,243
Finance costs paid	(99,418)	(99,337)
Income tax paid	(513)	(267)
Guarantee commission expense paid	(12,127)	-
Guarantee notes issue costs paid	-	(1,618)
Net cash from operating activities, representing net increase in cash and cash equivalents	4,462	4,134
Effect of exchange rate changes on the balance of cash held in foreign currencies	1	276
Cash and cash equivalents at the beginning of the year	**11,770**	**7,360**
Cash and cash equivalents at the end of the year	**16,233**	**11,770**

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2017

1 GENERAL

The Company (Registration No. 201309883M) is incorporated in Singapore with its principal place of business and registered office at 22 Tanjong Kling Road, Singapore 628048. The financial statements are expressed in United States dollars (“US$”).

The principal activity of the Company consists of provision of treasury services.

The Company had in prior years, issued guaranteed notes (Note 13) with principal amount of US$1,500,000,000 and S$300,000,000 which are listed on the Freiverkehr (Open Market) of the Frankfurter Wertpapierborse (“Frankfurt Stock Exchange”) and the Official List of the Singapore Exchange Securities Trading Limited (“SGX-ST”) respectively. Further information is disclosed in Note 13.

As at March 31, 2017, the Company has a capital deficiency of US$40,952,000 (2016 : US$52,565,000), current assets in excess of current liabilities of US$ 11,804,000 (2016 : current liabilities in excess of current assets of US$36,885,000) and current year total comprehensive income of US$11,613,000 (2016 : US$10,270,000).

During the year ended March 31, 2017, the Company earned interest income of US$117,014,000 (2016 : US$119,591,000) and incurred finance costs of US$102,337,000 (2016 : US$102,142,000) and generated net profit of US$11,613,000 (2016 : US$10,270,000) for the year.

The interest rates for the long-term loans of US$988,000,000 and US$300,000,000 were also revised from 6.45% to 6.92% and 5.35% to 5.92% per annum respectively with effect from April 1, 2016 until the end of the tenure of the loans (Note 9). Any future revision to interest rates due to market changes will be at mutual agreement of third parties.

Management had considered the above and also assessed that (i) the total guaranteed notes of US$1,703,077,000 (2016 : US$1,708,921,000) (Note 13) issued by the Company, including any current and future related interest payables, are guaranteed by the ultimate holding company (Note 5); (ii) the cash flows from interest income expected to be received from loans to related companies will be sufficient to cover the interest expenses that the Company expects to incur as the interest rate charges are higher than the interest rate payable on the debt; and (iii) prior to the year end, the maturity date of the long-term loan of US$37,800,000 loan (Note 12) was extended to January 26, 2019. On the above, management has assessed that there are no material uncertainties on the Company’s ability to continue as going concern and these will sufficiently cover the Company’s existing net capital deficiency in the future. In addition, management has also assessed that if required, fundings from the ultimate holding company will be available.

The financial statements of the Company for the year ended March 31, 2017 were authorised for issue by the Board of Directors on September 27, 2017.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING – The financial statements are prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Financial Reporting Standards in Singapore (“FRSs”).

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as value in use in FRS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

ADOPTION OF NEW AND REVISED STANDARDS – On April 1, 2016, the Company adopted all the new and revised FRSs and Interpretations of FRS (“INT FRS”) that are effective from that date and are relevant to its operations. The adoption of these new/revised FRSs and INT FRSs does not result in significant changes to the Company’s accounting policies and has no

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2017

material effect on the amounts reported for the current or prior years.

At the date of authorisation of these financial statements, the following FRSs that are relevant to the Company were issued but not effective:

- FRS 109 Financial Instruments 1
- FRS 115 Revenue from Contracts with Customers (with clarifications issued) 1
- FRS 116 Leases 2

1 Applies to annual periods beginning on or after January 1, 2018, with early application permitted.

2 Applies to annual periods beginning on or after January 1, 2019, with earlier application permitted if FRS 115 is adopted

- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in FRS 39. Under FRS 109, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

Management is currently assessing the potential financial impact of FRS 109 in the period of initial adoption. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the financial statements in the period of initial application as management has yet to complete its detailed assessment. Management does not plan to early adopt the new FRS 109.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

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 estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest rate basis for debt instruments.

Financial assets

Cash and cash equivalents in the statement of cash flows Cash and cash equivalents comprise cash at bank that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Loans and receivables

Loans and other receivables are initially measured at fair value and are subsequently measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate method except for short-term receivables when the effect of discounting is immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period.

Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables where the carrying amount is reduced through the use of an allowance account. When a receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through the profit or loss to the extent the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Company derecognises 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 the 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 asset 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.

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

Other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis, except for short-term payables when the effect of discounting is immaterial.

Interest-bearing guaranteed notes and loans are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest 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 accordance with the Company's accounting policy for borrowing costs (see below).

Derecognition of financial liabilities

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

Derivative financial instruments

The Company enters into certain derivative financial instruments to manage its exposure to foreign exchange rate risk and interest rate, including forward foreign exchange contracts and interest rate swaps. Further details of derivative financial instruments are disclosed in Note 10.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Company has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

PROVISIONS - Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2017

REVENUE RECOGNITION - Revenue is measured at the fair value of the consideration received or receivable.

Interest income

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

BORROWING COSTS - Borrowing 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 their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

INCOME TAX - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax 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 recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount 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 realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively).

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The financial statements of the Company is measured and presented in United States dollar (US$), which is the currency of the primary economic environment in which the entity operates (its functional currency).

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 retranslated at the rates prevailing the end of each 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 retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(i) Critical judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Functional currency

FRS 21 The Effects of Changes in Foreign Exchange Rates requires the Company determine its functional currency to prepare the financial statements. When determining its functional currency, the Company considers the primary economic environment in which it operates i.e. the one in which it primarily generates and expends cash. The Company also considers the funds generated from financing activities.

For the years ended March 31, 2016 and March 31, 2017, management had reassessed and determined that the functional currency of the Company continues to be United States dollars on the basis that its majority funding and its significant transactions are denominated in United States dollars.

(ii) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Loan receivables and interest receivables from related companies

The Company has interest receivables and loan receivables due from related companies of US$22,516,000 (2016 : US$21,240,000) (Note 8) and US$1,679,085,000 (2016 : US$1,690,932,000) (Note 9) respectively.

The Company's assessment of allowances for bad and doubtful receivables is based on the evaluation of collectability and management's judgement. Judgement is required in assessing the ultimate realisation of these receivables from these related companies. The management considers amongst other factors such as the financial position and results of the respective related companies, subsequent cash receipts, payment history, settlement arrangements or the presence of any financial support that the ultimate holding company has given. If the financial conditions of related companies were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. Based on management's evaluation, no impairment is assessed to be necessary for loan receivables and interest receivables from these related companies. The carrying amount of interest receivables and loan receivables are disclosed in Notes 8 and 9 respectively.

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2017

4 FINANCIAL RISKS AND MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	2017 US$'000	2016 US$'000
Financial assets		
Loans and receivables (including cash and cash equivalents)	17,20,166	17,24,401
Derivative financial instruments	13,117	4,943
	17,33,283	**17,29,344**
Financial liabilities		
Amortised cost	17,70,663	17,78,975
Derivative financial instruments	68	688
	17,70,731	**17,79,663**

(b) Financial instruments subject to offsetting, enforceable master netting arrangement and similar agreements

2017
There are no offsetting or netting arrangements in 2017 for financial asset and liability.

2015

Financial Asset			
	(a)	(b)	(c) = (a) - (b)
Type of financial asset	Gross amounts of recognised financial asset	Gross amounts of recognised financial liability set off in the statement of financial position	Net amounts of financial asset presented in the statement of financial position
	US$'000	US$'000	US$'000
Other receivables (Note 8)	23,679	(1,980)	21,699

There are no offsetting or netting arrangements in 2016 for financial liability.

In reconciling the 'Net amounts of financial asset and financial liability presented in the statement of financial position' to the line item amounts presented in the statement of financial position, the above amounts represent only those which are subject to offsetting, enforceable master netting arrangements and/or similar agreements.

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2017

4 FINANCIAL RISKS AND MANAGEMENT (CONTD.)

(c) Financial risk management policies and objectives

The Company's overall risk management policy seeks to minimise potential adverse effects of financial performance of the Company.

The Company is exposed to financial risks such as foreign exchange, interest rate, credit and liquidity risks. Management regularly reviews its policy governing risk management practices. There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures these risks during the year.

(i) Foreign exchange risk management

Certain of the Company's financial assets and financial liabilities are denominated in currencies other than its functional currency and hence the Company is therefore exposed to foreign exchange risk. The Company uses forward foreign exchanges contracts to manage its exposure to foreign currency risk in the local reporting currency. Further details on these derivative financial instruments are disclosed in Note 10.

At the end of the reporting period, the carrying amounts of significant monetary assets and monetary liabilities denominated in currencies other than the Company's functional currency which have the exposure to foreign currency risk are as follows:

	Liabilities		Assets	
	2017 US$'000	**2016 US$'000**	**2017 US$'000**	**2016 US$'000**
Euro	1,847	1,980	1,72,315	1,81,130
Singapore dollars	**2,18,437**	**2,22,819**	**21,772**	**22,407**

If the United States dollars strengthen/weaken by 10% against the relevant foreign currency, profit before tax will (decrease)/increase (2015 : loss before tax will be (increase)/decrease) by:

	2017 US$'000	**2016 US$'000**
Euro	(17,047)	(17,915)
Singapore dollars	**19,667**	**20,041**

(ii) Interest rate risk management

Interest rate risk refers to the risk faced by the Company as a result of fluctuation in interest rates. The Company is exposed to interest rate risk associated with certain of its loan receivables and loan payables which have floating rates.

The Company uses interest swaps to manage its interest rate risk. Further details of the interest rate swaps are disclosed in Note 10.

Interest rate sensitivity

The sensitivity analyses below have been determined based on year-end balances which are subject to floating interest rates at the end of the reporting period.

If interest rates had been 100 basis points higher or lower and all other variables were held constant, the Company's profit for the year ended March 31, 2017 would increase/ decrease by US$378,000 (2016: US$ 1,374,000).

(iii) Credit risk management

The Company's credit risk is primarily attributable to its cash and cash equivalents, loan receivables and interest receivables due from related companies.

Cash balances are held with creditworthy financial institutions. At March 31, 2017, the Company has a concentration of credit risk from loan receivables and interest receivables due from 3 (2016 : 3) related companies which account for 99.9% (2016 : 99.9%) of total receivables, amounting to approximately US$1,701,601,000 (2016 : US$1,712,172,000). Management has evaluated the credit quality of these receivables and who the counterparties are and has assessed that the credit risk for these amounts to be manageable.

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2017

(iv) Liquidity risk management

Liquidity risk reflects the risk that the Company will have insufficient resources to meet its financial liabilities as they fall due. The Company's strategy to manage liquidity risk is to ensure that the Company has sufficient funds to meet its potential liabilities as they fall due. As at March 31, 2017, the Company has a capital deficiency of US$40,952,000 (2016 : US$52,565,000) and current assets in excess of current liability of US$11,804,000 (2016 : current liabilities in excess of current assets of US$36,885,000), and management has assessed as disclosed in Note 1 that the Company will have sufficient funds to operate as a going concern. In addition, management is of the opinion that there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

The table includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liabilities on the statement of financial position.

	Average effective interest rate %	On demand or within 1 year US$'000	Within 2 to 5 years US$'000	After 5 years US$'000	Adjustment US$'000	Total US$'000
2017						
Non-interest bearing	-	27,879	1,907	-	-	29,786
Variable interest rate instrument	2.86	-	39,870	-	(2,070)	37,800
Fixed interest rate instrument	4.85 – 5.95	76,083	829,024	1,379,463	(581,493)	1,703,077
		103,962	**870,801**	**1,379,463**	**(583,563)**	**1,770,663**
2016						
Non-interest bearing	-	32,254				32,254
Variable interest rate instrument	2.40	908	38,556		(1,664)	37,800
Fixed interest rate instrument	4.85 - 5.95	76,020	8,74,000	1,373,341	(6,14,440)	1,708,921
		1,09,182	**9,12,556**	**1,373,341**	**(6,16,104)**	**17,78,975**

Financial assets

The Company's financial assets comprise cash and cash equivalents, other receivables and loan receivables due from related companies as disclosed in Notes 7, 8 and 9 respectively.

Non-derivative financial assets

The following table details the expected maturity for non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Company anticipates that the cash flow will occur in a different period. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial assets on the statement of financial position.

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2017

	Average effective interest rate %	On demand or within 1 year US$'000	Within 2 to 5 years US$'000	After 5 years US$'000	Adjustment US$'000	Total US$'000
2017						
Non-interest bearing	-	41,081	-	-	-	41,081
Fixed interest rate instrument	5.10-7.61	70,605	9,02,603	13,38,848	(632,971	1,679,085
		1,11,686	**9,02,603**	**13,38,848**	**(632,971)**	**1,720,166**
2016						
Non-interest bearing	-	33,469	-	-	-	33,469
Variable interest rate instrument	7.60	8,502	51,934	1,97,907	(83,117)	1,75,226
Fixed interest rate instrument	5.10 - 6.92	82,213	8,80,724	12,15,899	(6,63,130)	15,15,706
		1,24,184	**9,32,658**	**14,13,806**	**(7,46,247)**	**17,24,401**

Derivative financial instruments

As at the end of the reporting period, the Company's derivative financial instruments comprise of foreign exchange forward contracts with contracted net cash inflow amounting to US$9,760,000 (2016 : net cash inflow amounted to US$1,583,000) (Note 10) and interest rate swaps with contracted net cash inflow amounting to US$3,289,000 (2016 : net cash inflow amounted to US$2,672,000) (Note 10).

Further information of these derivative financial instruments is disclosed in Note 10.

(v) Fair value of the financial assets and financial liabilities

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. Management classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy levels are as described in Note 2.

The Company's derivative financial instruments consisting of forward foreign exchange contracts and interest rate swaps, are measured at fair value at the end of each reporting period, and are determined based on observable quoted market rates for equivalent instruments with the same quantum and maturity dates at the end of each reporting period. The fair value measurement of these derivative financial instruments as determined by management, are classified as Level 2 in the fair value hierarchy.

The carrying amounts and further information of these derivative financial instruments are disclosed in Note 10.

There were no significant transfers between respective levels of the fair value hierarchy in the period.

Management considers that the carrying amounts of the financial assets and financial liabilities of the Company recorded at amortised cost in the financial statements approximate their fair values due to the relative short-term maturity of these financial instruments.

The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

(d) Capital risk management policies and objectives

The Company reviews its capital structure at least annually to ensure that the Company will be able to continue as a going concern. The capital structure of the Company comprises only of issued capital, accumulated losses, loan payable and guaranteed notes. The Company's overall strategy remained unchanged from the previous financial year.

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2017

5 HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS

The Company is a wholly-owned subsidiary of Tata Steel Limited, incorporated in India, which is also the Company's ultimate holding company. Related companies in these financial statements refer to members of the holding company's group of companies.

Some of the Company's transactions and arrangements are between members of the group and the effect of these on the basis determined between the parties is reflected in these financial statements. The intercompany balances are unsecured, interest-free and repayable on demand unless otherwise stated.

During the year, other than as disclosed elsewhere in the financial statements, the Company entered into the following significant transactions with related companies:

	2017 US$'000	2016 US$'000
Guarantee commission expense on guaranteed notes charged by ultimate holding company	(7,069)	(8,426)
Interest income from loan receivables due from related companies	1,11,244	1,13,835
Interest expenses on loan payable due to a related company	(1,011)	(776)

6 RELATED PARTY TRANSACTIONS

Compensation of directors and key management personnel

There are no key managerial personnel other than the directors of the Company. No remuneration is paid by the Company to the directors. The directors are paid remuneration by related corporations in their capacity as directors and/or executives of those related corporations.

7 CASH AND CASH EQUIVALENTS

	2017 US$'000	2016 US$'000
Cash at bank	16,233	11,770

8 OTHER RECEIVABLES

	2017 US$'000	2016 US$'000
Accrued interest income on loan receivables due from related companies (Note 5)	22,516	21,240
Interest receivables on derivative financial instruments	2,332	459
	24,848	**21,699**

9 LOAN RECEIVABLES

	2017 US$'000	2016 US$'000
Notes due from a related company (1)	165,686	175,226
Loan receivables due from related companies (2)	1,513,399	1,515,706
	1,679,085	**1,690,932**

Loan receivables consist of:

(1) (a) Notes of Euro75,000,000 issued on December 20, 2013 to a related company, Tata Steel Netherlands Holdings B.V ("TSNH"), which is unsecured and repayable by May 2, 2023. The notes bear interest rates of 6.601% per annum for the first interest period ending May 1, 2014, interest rate of Euribor + 6.250% per annum for the subsequent interest periods ending November 1, 2016, and interest rate of 8.250% per annum for further subsequent interest periods to maturity on May 2, 2023. As at March 31, 2017, this note is measured at an amortised cost of Euro77,387,000 (equivalent to US$82,912,000) [2016 : Euro77,003,000 (equivalent to US$87,694,000)] based on the effective interest method with an effective interest rate of 7.579% (2016 : 7.577%) per annum.

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2017

(b) Notes of Euro75,000,000 issued on March 20, 2014 to TSNH, which is unsecured and repayable by May 2, 2023. The note bear interest rates of 6.634% per annum for the first interest period ending May 1, 2014, interest rate of Euribor + 6.250% per annum for the subsequent interest periods ending November 1, 2016, and interest rate of 8.250% per annum for further subsequent interest periods to maturity on May 2, 2023. As at March 31, 2017, this note is measured at an amortised cost of Euro77,258,000 (equivalent to US$82,774,000) [2016 : Euro 76,861,000 (equivalent to US$87,532,000)] based on the effective interest method with an effective interest rate of 7.615% (2016 : 7.615%) per annum.

(2) (a) As at March 31, 2017, long-term loans of US$1,488,000,000 (2016 : US$1,488,000,000) due from a related company, T S Global Procurement Company Pte. Ltd. consist of:

- a long-term loan of US$988,000,000 which bear interest rate at 6.920% (2016 : 6.450%) per annum and is repayable on July 30, 2024. This loan is measured at an amortised cost of US$992,467,000 (2016 : US$993,274,000) based on the effective interest method with an effective interest rate of 6.88% (2016 : 6.88%) per annum.
- a long-term loan of US$500,000,000 which bears interest rate at 5.920% (2016 : 5.350%) per annum and is repayable on January 30, 2020. This loan is measured at an amortised cost of US$501,992,000 (2016 : US$502,783,000) based on the effective interest method with an effective interest rate of 5.79% (2016 : 5.79%) per annum.

With effect from April 1, 2016 until the end of the tenure of the loans, the interest rates for the long-term loans of US$988,000,000 and US$500,000,000 are revised from 6.450% to 6.920% and 5.350% to 5.920% per annum respectively. Any future revision to interest rates due to market changes will be at mutual agreement of both parties.

(b) As at March 31, 2017, a long-term loan of S$26,457,000 (equivalent to US$18,940,000) [2016 : S$26,457,000 (equivalent to US$19,649,000)] due from a related company, T S Global Holdings Pte. Ltd. ("TSGH"), is unsecured, bears interest rate of 5.100% (2016 : 5.100%) per annum and repayable by December 20, 2021.

During the year ended March 31, 2016, the Company had signed an initial subordinated creditor's certificate to an agent for syndicated facilities granted to TSGH, for any amount receivable from TSGH is subordinated to the prior right of the financial institutions to prior repayment to the Company.

During the year ended March 31, 2017, other than the arrangement as disclosed above, the Company had entered into another arrangement with TSGH, a related company and a financial institution, whereby any amount receivable from TSGH is further subordinated to the debts owning by the related company to the financial institution, where TSGH is the guarantor to the credit facilities granted by the financial institution to the related company.

Management is of the opinion that fair value of these loan receivables approximates the carrying value as these are either charged at floating rates or at approximate rates which the management expects would be available to the related companies based on transfer pricing studies by qualified tax specialist.

10 DERIVATIVE FINANCIAL INSTRUMENTS

	2017 US$'000	2016 US$'000
Current assets:		
Forward foreign exchange contracts – unrealised fair value gains	309	150
Non-current assets::		
Forward foreign exchange contracts – unrealised fair value gains	9,519	2,121
Interest rate swaps – unrealised fair value gains	3,289	2,672
	12,808	4,793
Non-current liabilities:		
Forward foreign exchange contracts – unrealised fair value losses	68	688

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2017

Forward foreign exchange contracts

The Company uses currency derivatives in the management of its foreign exchange exposures.

At the end of the reporting period, the total notional amount of outstanding forward foreign exchange contracts to which the Company is committed are as follows:

	2017 US$'000	2016 US$'000
Forward foreign exchange contracts	1,83,033	1,99,117

Changes in the fair value of derivative financial instruments

	2016 US$'000	2015 US$'000
Current assets:		
Opening fair value of derivative financial instruments	1,583	3,422
Net fair value (losses) gains of derivative financial instruments recognised in profit or loss (Note 18) during the year	8,177	(1,839)
Closing fair value of derivative financial instruments representing unrealised net fair value gains	9,760	1,583

10 DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D)

The following table details information on the forward foreign currency contracts outstanding as at March 31, 2017:

Outstanding contracts	Average effective rate	Foreign currency	Contract value	Fair value gains (losses)
	FC$'000	FC$'000	US$'000	US$'000
Sell Euro with maturity date less than 1 year	1.607	4,200	4,493	309
Sell Euro with maturity date before 2023	1.677	13,550	14,495	948
Sell Euro with maturity date on May 2, 2023	1.762	75,000	80,233	5,708
Sell Euro with maturity date on May 2, 2023	1.729	75,000	80,233	2,863
Buy SGD with maturity date on May 2, 2023	1.339	5,000	3,579	(68)
Total			**183,033**	**9,760**

The following table details information on the forward foreign currency contracts outstanding as at March 31, 2015:

Outstanding contracts	Average effective rate	Foreign currency	Contract value	Fair value gains (losses)
	FC$'000	FC$'000	US$'000	US$'000
Sell Euro with maturity date less than 1 year	1.596	3,800	4,328	150
Sell Euro with maturity date before 2023	1.661	17,750	20,216	347
Sell Euro with maturity date on May 2, 2023	1.762	75,000	85,418	1,775
Sell Euro with maturity date on May 2, 2023	1.729	75,000	85,418	(634)
Buy SGD with maturity date on May 2, 2023	0.660	5,000	3,737	(55)
Total			**199,117**	**1,583**

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2017

Interest rate swaps

The Company uses interest rate swaps to manage its exposure to interest rate movements. Contracts with nominal values of S$150,000,000 (2016 : S$150,000,000) have been entered where the Company will pay fixed interest payments at an average rate of 4.479% (2016 : 4.479%) on the Euro notional principal equivalent of S$150,000,000 (2016 : S$150,000,000) and receive fixed interest receipt at 4.950% (2016 : 4.950%) on the Singapore dollar notional principal of S$150,000,000 (2016 : S$150,000,000). These contracts are for the period until May 2, 2023 (2016 : May 2, 2023).

Changes in the fair value of derivative financial instruments

	2017 US$'000	2016 US$'000
Opening fair value of derivative financial instruments	2,672	3,937
Net fair value (losses) gains of derivative financial instruments recognised in profit or loss (Note 18) during the year	617	(1,265)
Closing fair value of derivative financial instruments representing unrealised net fair value gains	3,289	2,672

The following table details information on the interest rate swap contracts outstanding as at March 31, 2016:

Outstanding floating for fixed contracts	Notional principal amount	Fair value gains
	S$'000	US$'000
With maturity date on May 2, 2023	1,50,000	3,289

The following table details information on the interest rate swap contracts outstanding as at March 31, 2016:

Outstanding floating for fixed contracts	Notional principal amount	Fair value gains
	S$'000	US$'000
With maturity date on May 2, 2023	1,50,000	2,672

The interest rate swaps are settled net on a semi-annually basis.

11 OTHER PAYABLES

	2017 US$'000	2016 US$'000
Current:		
Accrued interest expenses on loan payable due to a related company (Note 12)	-	897
Accrued interest expenses on guaranteed notes (Note 13)	18,298	18,490
Other payables		
- third parties	2,522	734
- ultimate holding company	7,059	12,133
	27,879	**32,254**
Non-current:		
Accrued interest expenses on loan payable due to a related company (Note 12)	**1,907**	**-**
	29,786	**32,254**

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2017

12 LOAN PAYABLE

	2017 US$'000	2016 US$'000
Current:		
Loan payable due to a related company	-	37,800
Non-current:		
Loan payable due to a related company	37,800	-
	37,800	**37,800**

During the year ended March 31, 2017, the maturity date of the loan was extended from January 27, 2017 to January 26, 2019.

As at March 31, 2017, a long-term loan of US$37,800,000 (2016 : US$37,800,000) payable to a related company, T S Global Holdings Pte. Ltd., is unsecured, bears interest rate of 1.5% + 6 months USD LIBOR (2016 : 1.5% + 6 months USD LIBOR) per annum and is repayable by January 26, 2019 (2016 : January 27, 2017). Subsequent to the year end, there is a partial repayment of loan of US$10,000,000 and US$6,000,000 on June 22, 2017 and September 21, 2017 respectively.

13 GUARANTEED NOTES

	2017 US$'000	2016 US$'000
Guaranteed notes at amortised cost		
- 2023 Notes (1)	2,13,215	2,21,012
- 2020 Notes (2)	4,97,365	4,96,435
- 2024 Notes (2)	9,92,497	9,91,474
	17,03,077	**17,08,921**

Guaranteed notes consist of:

(1) Guaranteed notes (the "2023 Notes") with principal amount of S$300,000,000 which bear interest rate at 4.95% per annum were issued on May 3, 2013 with maturity on May 3, 2023. These 2023 Notes are listed on the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST").

These 2023 Notes are unsecured senior obligations of the Company and are irrevocably guaranteed on an unsecured basis (the "Guarantee") by the Company's ultimate holding company, Tata Steel Limited (the "Guarantor"), provided that, at all times, the Guarantee shall be in respect of an amount not exceeding 125% of the outstanding principal amount of these 2023 Notes which shall be S$375,000,000 (the "Guaranteed Amount"). These 2023 Notes are unsecured obligations of the Company, will rank pari passu with all of its other existing and future unsubordinated obligations and will be effectively subordinated to its secured obligations and the obligations of the Guarantor's subsidiaries.

These 2023 Notes bear interest at a rate of 4.95% per annum. Interest is paid on the 2023 Notes semi-annually in arrears on May 3 and November 3 of each year, beginning on November 4, 2013. Unless previously repurchased, cancelled or redeemed, these 2023 Notes will mature on May 3, 2023. Issue related costs amounted to approximately S$3,194,000 (equivalent to US$2,536,000).

As at March 31, 2017, these 2023 Notes are measured at an amortised cost of S$297,832,000 (equivalent to US$213,215,000) [2016 : S$297,737,000 (equivalent to US$221,012,000)].

(2) Guaranteed notes with principal amount of US$500,000,000 which bear interest rate at 4.85% per annum (the "2020 Notes") and US$1,000,000,000 which bear interest rate at 5.95% per annum (the "2024 Notes") were issued on July 31, 2014 with maturity on January 31, 2020 and July 31, 2024 respectively. These guaranteed notes are listed on the Freiverkehr (Open Market) of the Frankfurter Wertpapierborse ("Frankfurt Stock Exchange").

The guaranteed notes are unsecured senior obligations of the Company and are irrevocably guaranteed on an unsecured basis (the "Guarantee") by the Company's ultimate holding company, Tata Steel Limited (the "Guarantor"), provided that, at all times, the Guarantee shall be in respect of an amount not exceeding 125% of the outstanding principal amount of the guaranteed

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2017

notes which shall be US$625,000,000 and US$1,250,000,000 respectively (the "Guaranteed Amount"). These guaranteed notes are unsecured obligations of the Company, will rank pari passu with all of its other existing and future unsubordinated obligations and will be effectively subordinated to its secured obligations and the obligations of the Guarantor's subsidiaries.

These 2020 Notes and 2024 Notes bear interest at a rate of 4.85% and 5.95% per annum respectively. Interest is paid on the 2020 Notes and 2024 Notes semi-annually in arrears on January 31 and July 31 of each year, beginning on January 31, 2015. Unless previously repurchased, cancelled or redeemed, these 2020 Notes and 2024 Notes will mature on January 31, 2020 and July 31, 2024 respectively. Issue related costs amounted to approximately US$15,370,000.

As at March 31, 2017, these 2020 Notes and 2024 Notes are measured at an amortised cost of US$497,365,000 (2016: US$496,435,000) and US$992,497,000 (2016 : US$991,474,000) respectively.

As at March 31, 2017, the fair values of the 2023 Notes, 2020 Notes and 2024 Notes approximates S$294,375,000 (equivalent to US$210,740,119), US$513,625,000 and US$1,034,400,000 respectively.

As at March 31, 2016, the fair values of the 2023 Notes, 2020 Notes and 2024 Notes approximates S$285,720,000 (equivalent to US$212,198,000), US$498,500,000 and US$931,500,000 respectively.

The fair values are classified under Level 1 of the fair value hierarchy (Note 2).

14 DEFERRED TAX LIABILITY

	2017 US$'000	**2016 US$'000**
Deferred tax liability	**1,797**	**1,796**

The deferred tax liability is recognised by the Company on account of interest income from foreign sources not remitted to Singapore. The movement during the reporting period is as follow:

	2017 US$'000	**2016 US$'000**
Balance at beginning of year	1,796	93
Charge to profit or loss (Note 19)	1	1,703
Balance at end of year	**1,797**	**1,796**

15 SHARE CAPITAL

Outstanding contracts	2017 Number of ordinary shares	2016 Number of ordinary shares	2015 US$'000	2014 US$'000
Issued and paid up:				
At beginning and end of year	200,000	200,000	200	200

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends.

16 INTEREST INCOME

	2017 US$'000	**2016 US$'000**
Interest income on loan receivables due from related companies (Notes 5 and 9)	1,11,244	1,13,835
Interest income from bank	24	6
Interest income on derivative financial instruments (1)	5,746	5,750
	1,17,014	**1,19,591**

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2017

17 FINANCE COSTS

	2017 US$'000	2016 US$'000
Interest expenses:	1,011	776
- loan payable due to a related company (Notes 5 and 12)	94,503	94,511
- guaranteed notes (Note 13)	4,615	4,634
Amortisation of borrowing costs	2,208	2,221
	1,02,337	**1,02,142**

18 FAIR VALUE (LOSSES) GAINS ON DERIVATIVE FINANCIAL INSTRUMENTS, NET

	2017 US$'000	2016 US$'000
Fair value (losses) gains on derivative financial instruments		
- forward foreign exchange contracts (Note 10)	8,177	(1,839)
- interest rate swaps (Note 10)	617	(1,265)
	8,794	**(3,104)**

19 INCOME TAX EXPENSE

	2017 US$'000	2016 US$'000
Current tax:		
- current year	1,707	513
- underprovision (overprovision) in prior year	59	(91)
Deferred tax (Note 14)	1	1,703
Total income tax expenses	**1,767**	**2,125**

Statutory income tax is calculated at 17% (2016 : 17%) of the estimated assessable profit (loss) for the year.

Tax for the year can be reconciled to the accounting profit (loss) as follows:

	2016 US$'000	2015 US$'000
Profit (Loss) before tax	13,380	12,395
Tax expense (benefit) calculated at statutory tax rate of 17%	2,275	2,107
Tax effect of expense that is not deductible for tax purposes	-	71
Tax exemptions and tax rebates	(21)	(33)
Underprovision (Overprovision) in prior years	59	(91)
Others	(546)	71
Tax expense	1,767	2,125

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2017

20 PROFIT (LOSS) FOR THE YEAR

Profit (Loss) for the year has been arrived at after charging (crediting):

	2017 US$'000	2016 US$'000
Fair value losses (gains) on derivative financial instruments, net	(8,794)	3,104
Foreign currency exchange (gain) loss, net	2,975	(6,532)
Guarantee commission expense on guaranteed notes charged by ultimate holding company (Note 5)	7,069	8,426

The Company has no employees and associated staff costs for the financial year end March 31, 2016 and March 31, 2015. Administrative support is provided by the ultimate holding company.

21 RECLASSIFICATIONS AND COMPARATIVE FIGURES

Certain reclassifications have been made to the prior year's financial statements to enhance comparability with current year's financial statements.

As a result, certain items have been amended on the face of the statement of profit or loss and other comprehensive income, statement of cash flows and the related notes to the financial statements. The reclassification does not affect the statement of financial position.

These items were reclassified as follows:

Outstanding contracts	Previously reported March 31, 2016	Reclassification March 31, 2016	After reclassification March 31, 2016
	$'000	$'000	$'000
Interest income on derivative financial instruments	1,116	4,634	5,750
Interest expense on derivative financial instruments	-	(4,634)	(4,634)

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE SHAREHOLDERS OF ABJA INVESTMENT CO. PTE. LTD.

INTRODUCTION

We have reviewed the accompanying condensed balance sheet of ABJA Investment Co. Pte. Ltd. ("the Company") as at 30 September 2017, the related condensed statements of comprehensive income, changes in equity and cash flows for the six-month period then ended set out on pages 2 to 16. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with Financial Reporting Standard 34 Interim Financial Reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with Singapore Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with Financial Reporting Standard 34 Interim Financial Reporting.

OTHER MATTERS

The corresponding figures for the condensed statements of comprehensive income, changes in equity and cash flows for the six-month period ended 30 September 2016, and the related explanatory notes are unaudited. The auditor's report dated 27 September 2017 issued by the predecessor audit firm on the financial statements for the financial year ended 31 March 2017 is unqualified.

PricewaterhouseCoopers LLP

Singapore

January 12, 2018

STATEMENT OF FINANCIAL POSITION SEPTEMBER 30, 2017

	Note	September 30, 2017 US$'000	March 31, 2017 US$'000
ASSETS			
Current assets			
Cash and cash equivalents	7	2,497	16,233
Other receivables	8	26,159	24,848
Derivative financial instruments	10	-	309
Total current assets		**28,656**	**41,390**
Non-current assets			
Loan receivables due from related companies	9	1,695,195	1,679,085
Derivative financial instruments	10	2,816	12,808
Total non-current assets		**1,698,011**	**1,691,893**
Total assets		**1,726,667**	**1,733,283**
LIABILITIES AND NET CAPITAL DEFICIENCY			
Current liabilities			
Other payables	11	24,742	27,879
Derivative financial instruments	10	53	-
Tax payables		1,800	1,707
Total current liabilities		**26,595**	**29,586**
Non-current liabilities			
Guaranteed notes	13	1,709,138	1,703,077
Loan payable due to related company	12	21,800	37,800
Deferred tax liability		1,817	1,797
Other payables	11	2,406	1,907
Derivative financial instruments	10	1,102	68
Total non-current liabilities		**1,736,263**	**1,744,649**
Capital, accumulated losses and reserve			
Share capital		200	200
Accumulated losses		(36,381)	(41,142)
Translation reserve		(10)	(10)
Net capital deficiency		**(36,191)**	**(40,952)**
Total liabilities and net capital deficiency		**1,726,667**	**1,733,283**

The accompanying notes form an integral part of these condensed interim financial information.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME SEPTEMBER 30, 2017

	Note	Six months ended on September 30, 2017 US$'000	Six months ended on September 30, 2016 US$'000
Interest income	14	59,286	58,130
Finance costs	15	(51,293)	(51,321)
Foreign currency exchange gain (loss), net		12,667	298
Fair value (losses) / gains on derivative financial instruments, net	16	(11,389)	501
Other operating expenses		(3,554)	(3,568)
Profit (Loss) before tax		**5,717**	**4,040**
Income tax expense		(956)	(734)
Profit (Loss) for the period, representing to total comprehensive income for the period		**4,761**	**3,306**

The accompanying notes form an integral part of these condensed interim financial information.

STATEMENT OF CASH FLOWS
SEPTEMBER 30, 2017

	Note	Six months ended on September 30, 2017 US$'000	Six months ended on September 30, 2016 US$'000
Operating activities			
Profit before tax		5,717	4,040
Adjustments for:			
Finance costs		51,293	51,321
Interest income		(59,286)	(58,130)
Guarantee commission		3,536	3,543
Fair value losses / (gains) on derivative financial instruments, net		11,389	(501)
Unrealised foreign currency exchange gain, net		(12,530)	(286)
Operating cash flows before movements in working capital		119	(13)
Cash generated from operations		119	(13)
Interest received		59,352	54,652
Finance costs paid		(49,427)	(47,379)
Income tax paid		(860)	(231)
Guaranteed commission paid		(7,063)	(12,188)
Repayment of loan payable to a related company		(16,000)	-
Net cash from operating activities, representing net increase in cash and cash equivalents		(13,879)	(5,159)
Effect of exchange rate changes on the balance of cash held in foreign currencies		143	31
Cash and cash equivalents at the beginning of the period		16,233	11,770
Cash and cash equivalents at the end of the period	7	**2,497**	**6,642**

The accompanying notes form an integral part of these condensed interim financial information.

STATEMENT OF CHANGES IN EQUITY
SEPTEMBER 30, 2017

	Share capital	Accumulated losses	Translation reserve	Total
	US$'000	US$'000	US$'000	US$'000
Balance at March 31, 2016	200	(52,755)	(10)	(52,565)
Profit for the period, representing total comprehensive income for the period	-	3,306	-	3,306
Balance at September 30, 2016	**200**	**(49,449)**	**(10)**	**(49,259)**
Balance at March 31, 2017	200	(41,142)	(10)	(40,952)
Profit for the period, representing total comprehensive income for the period	-	4,761	-	4,761
Balance at September 30, 2017	**200**	**(36,381)**	**(10)**	**(36,191)**

The accompanying notes form an integral part of these condensed interim financial information.

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2017

1 GENERAL

The Company (Registration No. 201309883M) is incorporated in Singapore with its principal place of business and registered office at 22 Tanjong Kling Road, Singapore 628048. The financial statements are expressed in United States dollars ("US$").

The principal activity of the Company consists of provision of treasury services.

The Company had in prior years, issued guaranteed notes (Note 13) with principal amount of US$1,500,000,000 and S$300,000,000 which are listed on the Freiverkehr (Open Market) of the Frankfurter Wertpapierborse ("Frankfurt Stock Exchange") and the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST") respectively. Further information is disclosed in Note 13.

As at September 30, 2017, the Company has a capital deficiency of US$36,191,000 (March 31, 2017 : US$40,952,000), current assets in excess of current liabilities of US$ 2,061,000 (March 31, 2017 : current assets in excess of current liabilities of US$11,804,000) and current period total comprehensive income of US$4,761,000 (6 months ended September 30, 2016: total comprehensive income of US$3,306,000).

During the period ended September 30, 2017, the Company earned interest income of US$59,286,000 (6 months ended September 30, 2016: US$58,130,000) and incurred finance costs of US$ 51,293,000 (6 months ended September 30, 2016: US$51,321,000) and generated net profit of US$4,761,000 (6 months ended September 30, 2016: net profit of US$3,306,000) for the year. In 2016, the interest rates for the long-term loans of US$988,000,000 and US$500,000,000 are revised from 6.45% to 6.92% and 5.35% to 5.92% per annum respectively with effect from April 1, 2016 until the end of the tenure of the loans (Note 9). Any future revision to interest rates due to market changes will be at mutual agreement of third parties.

Management had considered the above and assessed that (i) the total guaranteed notes of US$1,709,138,000 (March 31, 2017 : US$1,703,077,000) (Note 13) issued by the Company, including any current and future related interest payables, are guaranteed by the ultimate holding company(Note5); (ii) In the previous financial year, the maturity date of the long-term loan of US$21,800,000 loan (Note 12) was extended to January 26, 2019. On the above, management has assessed that there are no material uncertainties on the Company's ability to continue as going concern and these will sufficiently cover the Company's existing net capital deficiency in the future. In addition, management has also assessed that if required, fundings from the ultimate holding company will be available.

The financial statements of the Company for the year ended March 31, 2017 were authorised for issue by the Board of Directors on September 27, 2017.

2 BASIS OF PREPARATION

The condensed interim financial information for the six month ended September 30, 2017 has been prepared in accordance with Singapore Financial Reporting Standards ("FRS") 34, "Interim Financial Reporting". The condensed interim financial information should be read in conjunction with the Company's annual financial statements for the financial year ended March 31, 2017, which has been prepared in accordance with Singapore FRS.

Except for accounting policies disclosed below, the accounting policies applied are consistent with those of the annual financial statements for the financial ended March 31, 2017, as described in those annual financial statements.

Income tax

Taxes on income in the interim periods are accrued using the effective tax rate that would be applicable to expected total annual earnings.

INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS EFFECTIVE IN 2017

On April 1, 2017 the Company adopted the new or amended FRS and Interpretations to FRS (INT FRS) that are mandatory for application for the financial year. Changes to the Company's accounting policies have been made as required,in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the company and had no material effect on the amounts reported for the current or prior financials periods.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2017

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

The assessment for allowances for bad and doubtful receivables of the Company is based on the evaluation of collectability and management's judgement. Judgement is required in assessing the ultimate realisation of these receivables from these related companies. The management consider amongst other factors such as the financial position and result of the respective related companies, subsequent cash receipts, payment history, settlement arrangements or the presence that the ultimate holding company has given. If the financial conditions of related companies were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. Based on management's evaluation, no impairment is assessed to be necessary for loan receivables and interest receivables from these related companies.

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2017

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	September 30, 2017 US$'000	March 31, 2017 US$'000
Financial assets		
Loans and receivables (including cash and cash equivalents)	1,723,851	1,720,166
Derivative financial instruments	2,816	13,117
	1,726,667	**1,733,283**
Financial liabilities		
Amortised cost	1,758,086	1,770,663
Derivative financial instruments	1,155	68
	1,759,241	**1,770,731**

(i) Fair value of the financial assets and financial liabilities

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. Management classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy levels are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Company's derivative financial instruments consisting of forward foreign exchange contracts and interest rate swaps, are measured at fair value at the end of each reporting period, and are determined based on observable quoted market rates for equivalent instruments with the same quantum and maturity dates at the end of each reporting period. The fair value measurement of these derivative financial instruments as determined by management, are classified as Level 2 in the fair value hierarchy. The carrying amounts and further information of these derivative financial instruments are disclosed in Note 10.

There were no significant transfers between respective levels of the fair value hierarchy in the period.

Management considers that the carrying amounts of the financial assets and financial liabilities of the Company recorded at amortised cost in the financial statements approximate their fair values due to the relative short-term maturity of these financial instruments.

The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements. There are no off-setting or netting arrangements in 2017 for financial assets and liabilities.

(b) Capital risk management policies and objectives

The Company reviews its capital structure at least annually to ensure that the Company will be able to continue as a going concern. The capital structure of the Company comprises only of issued capital, accumulated losses and guaranteed notes. The Company's overall strategy remained unchanged from the previous financial year.

5 HOLDING COMPANY AND RELATED PARTIES TRANSACTIONS

The Company is a wholly-owned subsidiary of Tata Steel Limited, incorporated in India, which is also the Company's ultimate holding company. Related companies in these financial statements refer to members of the holding company's group of companies.

Some of the Company's transactions and arrangements are between members of the group and the effect of these on the basis determined between the parties is reflected in these financial statements. The intercompany balances are unsecured, interest-free and repayable on demand unless otherwise stated.

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2017

During the year, other than as disclosed elsewhere in the financial statements, the Company entered into the following significant transactions with related companies:

	Six months ended on September 30, 2017 US$'000	Six months ended on September 30, 2016 US$'000
Guarantee commission expense on guaranteed notes charged by ultimate holding company	(3,536)	(3,543)
Interest income from loan receivables due from related companies	56,372	55,181
Interest expenses on loan payable due to a related company	(498)	(481)

6 KEY MANAGEMENT REMUNERATION

Compensation of directors and key management personnel

There are no key managerial personnel other than the directors of the Company. No remuneration is paid by the Company to the directors. The directors are paid remuneration by related corporations in their capacity as directors and/or executives of those related corporations.

7 CASH AND CASH EQUIVALENTS

	September 30, 2017 US$'000	March 31, 2017 US$'000
Cash at bank	2,497	16,233

8 OTHER RECEIVABLES

	September 30, 2017 US$'000	March 31, 2017 US$'000
Accrued interest income on loan receivables due from related companies (Note 5)	23,733	22,516
Interest receivables on derivative financial instruments	2,426	2,332
	26,159	**24,848**

9 LOAN RECEIVABLES DUE FROM RELATED COMPANIES

	September 30, 2017 US$'000	March 31, 2017 US$'000
Notes due from a related company (1)	1,82,107	1,65,686
Loan receivables due from related companies (2) + (3)	1,513,088	1,513,399
	1,695,195	**1,679,085**

(1) (a) Notes of Euro 75,000,000 issued on December 20, 2013 to a related company, Tata Steel Netherlands Holdings B.V ("TSNH"), which is unsecured and repayable by May 2, 2023. The note bear interest rates of 6.601% per annum for the first interest period ending May 1, 2014, interest rate of Euribor + 6.250% per annum for the subsequent interest periods ending November 1, 2016, and interest rate of 8.250% per annum for further subsequent interest periods to maturity on May 2, 2023. As at September 30, 2017, this note is measured at an amortised cost of Euro 77,226,000 (equivalent to US$91,129,000) [March 31, 2017: Euro 77,387,000 (equivalent to US$82,912,000)] based on the effective interest method with an effective interest rate of 7.579% (March 31, 2017: 7.579%) per annum.

(b) Notes of Euro 75,000,000 issued on March 20, 2014 to TSNH, which is unsecured and repayable by May 2, 2023. The note bear interest rates of 6.634% per annum for the first interest period ending May 1, 2014, interest rate of Euribor + 6.250% per annum for the subsequent interest periods ending November 1, 2016, and interest rate of 8.250% per annum for further subsequent interest periods to maturity on May 2, 2023. As at September 30, 2017, this note is measured at an amortised cost of Euro 77,106,000 (equivalent to US$90,978,000) [March 31, 2017: Euro 77,258,000 (equivalent to US$ 82,774,000)] based on the effective interest method with an effective interest rate of 7.615% [March 31, 2017: 7.615%] per annum.

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2017

(2) (a) As at September 30, 2017, long-term loans of US$1,488,000,000 (March 31, 2017: US$1,488,000,000) to a related company, T S Global Procurement Company Pte. Ltd. consist of:

– a long-term loan of US$988,000,000 which bear interest rate at 6.920% (March 31, 2017 : 6.920%) per annum and is repayable on July 30, 2024. This loan is measured at an amortised cost of US$ 992,091,000 (March 31, 2017: US$992,467,000) based on the effective interest method with an effective interest rate of 6.88% (March 31, 2017: 6.88%) per annum.

– a long-term loan of US$500,000,000 which bears interest rate at 5.920% (2016 : 5.920%) per annum and is repayable on January 30, 2020. This loan is measured at an amortised cost of US$501,619,000 (March 31, 2017: US$501,992,000) based on the effective interest method with an effective interest rate of 5.79% (March 31, 2017: 5.79%) per annum.

With effect from April 1,2016 until the end of the tenure of the loan, the interest rates for the long-term loans of US$988,000,000 and US$500,000,000 are revised from 6.450% to 6.920% and 5.350% to 5.920% per annum respectively with effect from April 1, 2016 until the end of the tenure of the loans. Any future revision to interest rates due to market changes will be at mutual agreement of both parties.

(3) As at September 30, 2017, a long-term loan of S$26,457,000 (equivalent to US$19,378,000) [March 31, 2017: S$26,457,000 (equivalent to US$18,940,000)] to a related company, T S Global Holdings Pte. Ltd. ("TSGH"), is unsecured, bears interest rate of 5.100% (March 31, 2017: 5.100%) per annum and repayable by December 20, 2021.

Management is of the opinion that fair value of these loan receivables approximates the carrying value as these are either charged at floating rates or at approximate rates which the management expects would be available to the related companies.

10 DERIVATIVE FINANCIAL INSTRUMENTS

	September 30, 2017 US$'000	March 31, 2017 US$'000
Current assets:		
Forward foreign exchange contracts - unrealised fair value gains	-	309
Non-current assets:		
Forward foreign exchange contracts - unrealised fair value gains	1,475	9,519
Interest rate swaps - unrealised fair value gains	1,341	3,289
	2,816	12,808
Current liabilities:		
Forward foreign exchange contracts - unrealised fair value losses	53	-
Non-current liabilities:		
Forward foreign exchange contracts - unrealised fair value losses	1,102	68

Forward foreign exchange contracts

At the end of the reporting period, the total notional amount of outstanding forward foreign exchange contracts to which the Company is committed are as follows

	September 30, 2017 US$'000	March 31, 2017 US$'000
Forward foreign exchange contracts	199,693	183,033

Interest rate swaps

The Company uses interest rate swaps to manage its exposure to interest rate movements. Contracts with nominal values of S$150,000,000 (March 31, 2017 : S$150,000,000) have been entered where the Company will pay fixed interest payments at an average rate of 4.479% (March 31, 2017: 4.479%) on the Euro notional principal equivalent of S$150,000,000 (March 31,2017: S$150,000,000) and receive fixed interest receipt at 4.950% (March 31, 2017: 4.950%) on the Singapore dollar notional principal of S$150,000,000 (March 31, 2017: S$150,000,000). These contracts are for the period until May 2, 2023 (March 31, 2017: May 2, 2023).

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2017

The following table details information on the interest rate swap contracts outstanding as at September 30, 2017:

Outstanding floating for fixed contracts	**Notional principal amount** US$'000	**Fair value gains** US$'000
With maturity date on May 2, 2023	150,000	1,341

The following table details information on the interest rate swap contracts outstanding as at March 31, 2017:

Outstanding floating for fixed contracts	**Notional principal amount** US$'000	**Fair value gains** US$'000
With maturity date on May 2, 2023	150,000	3,289

The interest rate swaps are settled net on a semi-annually basis.

11 OTHER PAYABLES

	September 30, 2017 US$'000	**March 31, 2017** US$'000
Current:		
Accrued interest expenses on guaranteed notes (Note 13)	18,458	18,298
Other payables:		
- third parties	2,745	2,522
- ultimate holding company	3,539	7,059
	24,742	**27,879**
Non-current:		
Accrued interest expenses on loan payable due to a related company (Note 12)	2,406	1,907
	27,148	**29,786**

12 LOAN PAYABLE DUE TO A RELATED COMPANY

	September 30, 2017 US$'000	**March 31, 2017** US$'000
Non-current:		
Loan payable due to a related company	21,800	37,800

As at September 30, 2017, a long-term loan of US$21,800,000 (March 31, 2017: US$37,800,000) payable to a related company, T S Global Holdings Pte. Ltd., is unsecured, bears interest rate of 1.5% + 6 months USD LIBOR (March 31, 2017: 1.5% + 6 months USD LIBOR) per annum and is repayable by January 26, 2019 (March 31, 2017: January 26, 2019). During the period ended, there is a partial repayment of loan of US$10,000,000 and US$6,000,000 on June 22, 2017 and September 21, 2017 respectively.

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2017

13 GUARANTEED NOTES

	September 30, 2017 US$'000	March 31, 2017 US$'000
Guaranteed notes at amortised cost		
- 2023 Notes (1)	218,299	213,215
- 2020 Notes (2)	497,830	497,365
- 2024 Notes (2)	993,009	992,497
	1,709,138	**1,703,077**

Guaranteed notes consist of:

(1) Guaranteed notes (the "2023 Notes") with principal amount of S$300,000,000 which bear interest rate at 4.95% per annum were issued on May 3, 2013 with maturity on May 3, 2023. These 2023 Notes are listed on the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST").

These 2023 Notes are unsecured senior obligations of the Company and are irrevocably guaranteed on an unsecured basis (the "Guarantee") by the Company's ultimate holding company, Tata Steel Limited (the "Guarantor"), provided that, at all times, the Guarantee shall be in respect of an amount not exceeding 125% of the outstanding principal amount of these 2023 Notes which shall be S$375,000,000 (the "Guaranteed Amount"). These 2023 Notes are unsecured obligations of the Company, will rank pari passu with all of its other existing and future unsubordinated obligations and will be effectively subordinated to its secured obligations and the obligations of the Guarantor's subsidiaries.

These 2023 Notes bear interest at a rate of 4.95% per annum. Interest is paid on the 2023 Notes semi-annually in arrears on May 3 and November 3 of each year, beginning on November 4, 2013. Unless previously repurchased, cancelled or redeemed, these 2023 Notes will mature on May 3, 2023. Issue related costs amounted to approximately S$3,194,000 (equivalent to US$2,536,000).

As at September 30, 2017, these 2023 Notes are measured at an amortised cost of S$ 298,055,000 (equivalent to US$ 218,299,000) [March 31, 2017 : S$297,832,000 (equivalent to US$213,215,000)].

(2) Guaranteed notes with principal amount of US$500,000,000 which bear interest rate at 4.85% per annum (the "2020 Notes") and US$1,000,000,000 which bear interest rate at 5.95% per annum (the "2024 Notes") were issued on July 31, 2014 with maturity on January 31, 2020 and July 31, 2024 respectively. These guaranteed notes are listed on the Freiverkehr (Open Market) of the Frankfurter Wertpapierborse ("Frankfurt Stock Exchange").

The guaranteed notes are unsecured senior obligations of the Company and are irrevocably guaranteed on an unsecured basis (the "Guarantee") by the Company's ultimate holding company, Tata Steel Limited (the "Guarantor"), provided that, at all times, the Guarantee shall be in respect of an amount not exceeding 125% of the outstanding principal amount of the guaranteed notes which shall be US$625,000,000 and US$1,250,000,000 respectively (the "Guaranteed Amount"). These guaranteed notes are unsecured obligations of the Company, will rank pari passu with all of its other existing and future unsubordinated obligations and will be effectively subordinated to its secured obligations and the obligations of the Guarantor's subsidiaries.

These 2020 Notes and 2024 Notes bear interest at a rate of 4.85% and 5.95% per annum respectively. Interest is paid on the 2020 Notes and 2024 Notes semi-annually in arrears on January 31 and July 31 of each year, beginning on January 31, 2015. Unless previously repurchased, cancelled or redeemed, these 2020 Notes and 2024 Notes will mature on January 31, 2020 and July 31, 2024 respectively. Issue related costs amounted to approximately US$15,370,000.

As at September 30, 2017, these 2020 Notes and 2024 Notes are measured at an amortised cost of US$ 497,830,000 (March 31, 2017: US$497,365,000) and US$ 993,009,000 (March 31, 2017: US$992,497,000) respectively.

As at September 30, 2017, the fair values of the 2023 Notes, 2020 Notes and 2024 Notes approximates S$309,540,000 (equivalent to US$226,710,000), US$ 516,500,000 and US$ 1,067,500,000 respectively.

As at March 31, 2017, the fair values of the 2023 Notes, 2020 Notes and 2024 Notes approximates S$294,375,000 (equivalent to US$210,740,119), US$ 513,625,000 and US$ 1,034,400,000 respectively.

The fair values are classified under Level 1 of the fair value hierarchy (Note 4).

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2017

14 INTEREST INCOME

	Six months ended on September 30,2017 US$'000	Six months ended on September 30,2016 US$'000
Interest income on loan receivables due from related companies (Notes 5 and 9)	56,372	55,181
Interest income from bank	17	12
Interest income on derivative financial instruments	2,897	2,937
	59,286	**58,130**

15 FINANCE COSTS

	Six months ended on September 30,2017 US$'000	Six months ended on September 30,2016 US$'000
Interest expenses:		
- loan payable due to a related company (Notes 5 and 12)	498	481
- guaranteed notes (Note 13)	47,290	47,371
Interest expense on derivative financial instruments	2,401	2,365
Amortisation of borrowing costs	1,104	1,104
	51,293	**51,321**

16 FAIR VALUE (LOSSES) / GAINS ON DERIVATIVE FINANCIAL INSTRUMENTS, NET

	Six months ended on September 30,2017 US$'000	Six months ended on September 30,2016 US$'000
Fair value (losses) / gains on derivative financial instruments		
- forward foreign exchange contracts (Note 10)	(9,441)	568
- interest rate swaps (Note 10)	(1,948)	(67)
	(11,389)	**501**

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