TATA STEEL SPECIAL ECONOMIC ZONE

TATA

13TH ANNUAL REPORT FOR FY 2018-19

Gopalpur
INDUSTRIAL PARK
BY TATA STEEL SPECIAL ECONOMIC ZONE LIMITED

Contents

About Tata Steel Special Economic Zone

Tata Steel Special Economic Zone Limited, a 100% subsidiary of Tata Steel Limited is engaged in developing an Industrial Park in the state f Odisha at Gopalpur. The industrial park is spread over 2970 acres of continuous land parcel comprising of 1735 acres of Domestic Tariff Area (DTA) and 1235 acres of multi product Special Economic Zone(SEZ).

Gopalpur Industrial Park at glance

Construction of TSSEZL's Gate Complex

Tata Steel Ferro Chrome Plant

Industrial shed at DTA area

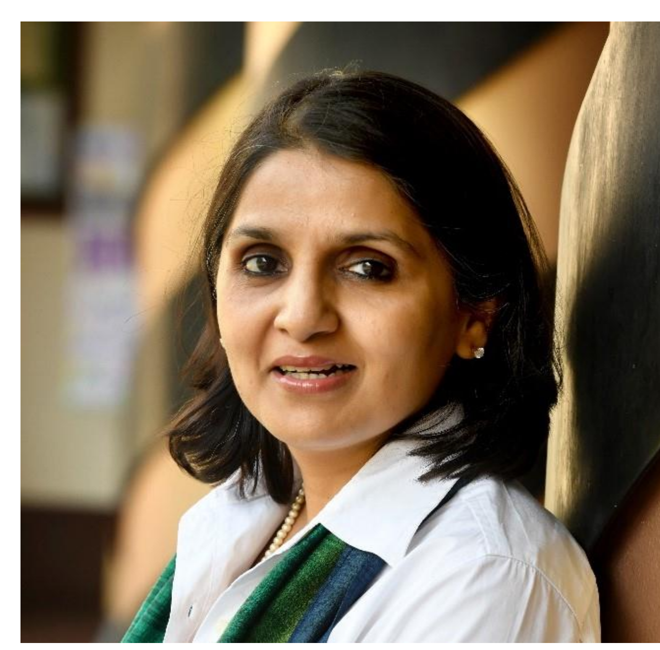
Electric Sub-station

Board of Directors

Mr. Arun Misra
Chairman
Non-Independent,
Non-Executive Director

Mr. Manoj T Thomas
Independent Director

Mr. R Ranganath
Non-Independent,
Non-Executive Director



Ms. Samita Shah
Non-Independent,
Non-Executive Director

Board and Committees

Board of Directors

Mr. Arun Misra	:	Chairman
Mr. R Ranganath	:	Non- Independent, Non- Executive Director
Mr. Manoj T Thomas	:	Independent Director
Ms. Samita Shah	:	Non- Independent, Non- Executive Director

Audit Committee

Mr. R Ranganath	:	Chairman
Mr. Manoj T Thomas	:	Independent Director
Ms. Samita Shah	:	Non- Independent, Non- Executive Director

Auditors

M/s. Price WaterHouse & Co.	:	Statutory Auditors
M/s. Saroj Ray & Associates	:	Secretarial Auditors

Key Managerial Personnel

Mr. Amit Kumar Kundu	:	Chief Financial Officer
Mr. Tanmay Kumar Sahu	:	Company Secretary

TATA STEEL SPECIAL ECONOMIC ZONE

TATA

Directors' Report for the financial year ended 31st March 2019

DIRECTORS' REPORT

To the Members,

Your Directors' take pleasure in presenting the 13th Director's report of the Company along with the summary of financial statements for the financial year ended at 31st March 2019.

1. FINANCIAL SUMMARY AND HIGHLIGHTS:

(Rs. In Lakh)

Particulars	FY 2018-19	FY 2017-18
Turnover	38.40	38.40
Profit/(Loss) before taxation	(568.07)	(342.85)
Less: Tax Expense	-	-
Profit/(Loss) after tax	(568.07)	(342.85)
Other comprehensive income	1.09	(0.33)
Add Balance B/F from the previous year	(655.39)	(312.22)
Balance Profit / (Loss) C/F to the next year	(1222.37)	(655.4)

Note:

The Company is a 100% subsidiary of Tata Steel Limited. The accounts of the Company are based on accrual method of accounting and in accordance with the Companies Act, 2013. It complies with the accounting standards specified under section 133 of the Act read with rule 7 of Companies (Accounts) Rules 2014 to the extent applicable to the Company.

2. PROJECT STATUS AND KEY DEVELOPMENTS:

The Company is developing an Industrial Park with a land spread of 2970 acres which includes 1235 acres land of Special Economic Zone (SEZ) and 1735 acres of land for Domestic Tariff Area (DTA). The development of infrastructure for the industrial park has been divided into three phases. The first phase of development, comprising 1050 acres of land out of which 840 acres will be sub-leased to the incoming units, is already in progress.

In the year under review, the Industrial Park has been granted critical approvals namely environmental approval, master plan development plan, consent to establish which shall be applicable both for developer and unit-holders. The Company has engaged itself in extensive marketing to attract customers to the Industrial Park and actively participated in many domestic exhibitions and business conventions to create awareness regarding the industrial park. The Company has earmarked five key focus sectors to attract investors which are Steel & Metal Downstream, Chemical, Food Processing, Manufacturing of Electronics & Electrical equipment and Logistics. Also, a dedicated zone has been earmarked for MSMEs.

In the year under review, two MSMEs have set up their units and operating within the Industrial Park, along with the Fe Cr unit of Tata Steel. The Company is in advanced stages of signing firm agreements with potential investors who have evinced interests in setting up their units in the Industrial park.

In order to make the Industrial Park infra ready for potential investors, the Infrastructure development activities including utilities and associated facilities have been planned in modular manner to align capacities and cater with the demand of the potential investors.

3. DIVIDEND:

The Company is in project stage and has not started its commercial operations; hence the Board is not able to recommend any dividend to the shareholders.

4. TRANSFER TO RESERVE:

In the Financial year 2018-19, the Company has not earned any profit, therefore, no amount has been transferred to Reserve A/c as a part of profit.

5. CAPITAL AND DEBT STRUCTURE:

a) Details of Authorized Share Capital:

During the financial year under review, the Company has increased its Authorized share capital from Rs. 250 Crores to Rs. 750 Crores which includes increase in authorized equity capital and authorized preference capital of Rs. 350 Crores and Rs. 200 Crores respectively.

b) Details of Issued/subscribed/Paid Up Capital:

During the financial year, the Company has allotted 3.05 Cr equity shares of Rs. 10 each to Tata Steel Limited, aggregating to Rs. 30.50 Crores. As on 31st March 2019, the total paid up capital of Company is Rs. 185.24 Crores. The details of the capital are given in the MGT-9(Extract of Annual return).

6. CORPORATE SOCIAL RESPONSIBILITY:

The provisions of the section 135 of the Companies Act, 2013 related to corporate social responsibility was not applicable to the Company during the financial year under review. However, the Company aims to take an active part in CSR activities after its commercial operations takes place

7. CORPORATE GOVERNANCE:

Being a 100% subsidiary of Tata Steel, the Company ensures and follows the group corporate governance guidelines and best practices of Industry for its business and operations. Also, the Company makes the best effort to comply with the Corporate and related laws as applicable to it in a timely and accurate manner.

8. MANAGEMENT:

a) Composition of Board:

At the beginning of the financial year 2018-19, the Board of the Company was comprised of following Directors:

Name of the Director	Designatio	Date of Appointment	Date of cessation	Remarks
At the beginning of the financial year 2018-19:				
Mr. T V Narendran	Chairman Not independent, Non-executive	29-09-2014	07-06-2018	Resigned from the Board
Mr. Koushik Chatterjee	Chairman Not independent, Non-executive	29-09-2014	11-06-2018	Resigned from the Board
Mr. Arun Misra	Managing Director Executive	29-09-2014		Stepped down as Managing Director and appointed as Chairman of the Company w.e.f 1st August 2018.
Mr. Manoj T Thomas	Independent Director	11-12-2015	-	-
Ms. Samita Shah	Not independent, Non-executive	22-03-2016	-	-
Changes during the financial year 2018-19:				
Mr. Ashish Mathur	Managing Director Executive	01-08-2018	-	Appointed as Managing Director
Mr. R Ranganath	Not independent, Non-executive	29-06-2018	-	

During the financial year under review, Mr. T V Narendran and Mr. Koushik Chatterjee have resigned from the Board with effect from 7th June 2019 and 11th June 2019 respectively. Mr. Arun Misra was appointed as Chairman of the Company with effect from 1st August 2018 subsequent to the resignation of Mr. T V Narendran.

During the year under review, Mr. R Ranganath joined the Board on 29th June 2018 as Non-independent and non-executive Director of the Company. Mr. Ashish Mathur was appointed as Managing Director of the Company for a period of 3 years with effect from 1st August 2018 in place of Mr. Arun Misra. Subsequently, both the appointment(s) were regularized by the shareholders in the 12th Annual General Meeting of the Company which was held on 25th September 2018.

At the end of the financial year, the Board was comprised of following members:

Name of the Director	Designation
Mr. Arun Misra	Chairman Not independent, Non-executive
Mr. R Ranganath	Director Not independent, Non-executive
Mr. Ashish Mathur	Managing Director Executive
Mr. Manoj T Thomas	Independent Director
Ms. Samita Shah	Director Not independent, Non-executive

Pursuant to section 152(6) of the Companies Act, 2013, Mr. Arun Misra (DIN-01835605) director of the Company shall retire by rotation at the ensuing annual general meeting and being eligible, offers for re-appointment. His re-appointment has been recommended by the Board for the consideration of shareholders.

b) Key Managerial Personnel:

During the Financial year under review, Mr. Arun Misra and Mr. Tanmay Kumar Sahu stepped down as Managing Director and Chief Financial Officer of the Company, respectively. In their places, Mr. Ashish Mathur and Mr. Amit Kumar Kundu was joined the Company as Managing Director and Chief Financial Officer with effect from 1st August 2018 and 10th September 2018, respectively.

As on 31st March 2019, the details of the Key Managerial Personnel was given as under:

Name of the person	Designation	Date of Appointment
Mr. Ashish Mathur	Managing Director	1st August 2018
Mr. Amit Kumar Kundu	Chief Financial Officer	10th September 2018
Mr. Tanmay Kumar Sahu	Company Secretary	27th March 2015

c) Board Meetings:

During the Financial Year 2018-19, five meetings of Board of Directors were held. The intervening gap between the meetings was within the period prescribed under the Companies Act 2013 & applicable secretarial standards. The date of the meetings is given as under:

Number of Board meeting	Meeting Dates
51st Board Meeting	27-Apr-2018
52nd Board Meeting	26-July-2018
53rd Board Meeting	03-Oct-2018
54th Board Meeting	30-Oct-2018
55th Board Meeting	11-Jan-2019

d) Composition of Audit Committee:

During the financial year under review, the Company had one statutory committee namely Audit Committee. The Audit committee of the Company was constituted in the year 2015 as per the provisions of section 177 of Companies Act 2013. The committee functions as per the scope and TOR laid down by the Board of directors and Companies Act 2013.

As on 1st April 2018, the Audit Committee was comprised of following members:

Name of the Member(s)	Nature of Appointment
Ms. Samita Shah	Chairperson Non-independent and non-executive
Mr. Manoj T Thomas	Member Independent Director
Mr. Arun Misra	Member Executive Director

During the financial year under review, Mr. Arun Misra has stepped down as member of Audit Committee and Mr. R Ranganath was appointed as member of the Committee in his place with effect from 26th July 2018. Accordingly, the audit Committee was reconstituted by the Board. The details of the members of re-constituted Audit Committee as on 31st March 2019 are given as under:

Name of the Member(s)	Nature of Appointment
Mr. R Ranganath	Chairman Non-independent and non-executive
Mr. Manoj T Thomas	Member Independent Director
Ms. Samita Shah	Member Non-independent and non-executive

During the Financial Year 2018-19, four meetings of Audit committee were held. The intervening gap between the meetings was within the period prescribed under the Companies Act 2013 & applicable secretarial standards. The date of the meetings is given as under:

Number of Board meeting	Meeting Dates
10th Audit Committee Meeting	27-Apr-2018
11th Audit Committee Meeting	26-July-2018
12th Audit Committee Meeting	30-Oct-2018
13th Audit Committee Meeting	11-Jan-2019

e) Declaration by Independent directors:

During the financial year under review, the Board of the Company was comprised of one Independent Director. As a requirement of section 149(7) of the Companies Act 2013, the Company has received necessary declaration from all Independent Directors stating that they meet the criteria of independence as laid out in sub-section (6) of the section 149 of the Companies Act 2013 for the financial year 2018-19.

The Independent Director has also complied with the code of Independent Directors as prescribed in schedule IV of the Act.

f) Company's policy on Director's appointment and remuneration:

- Policy on appointment and remuneration of Directors, Senior Management and Key Managerial Personnel.

  The Board has adopted the following policies in the financial year 2015-16:

  a) Policy on appointment and removal of directors which include Board membership criteria, Board Diversity policy and criteria for determining independent directors.

  b) Policy on remuneration for directors, key management personnel and other employees.

  The aforesaid policies are attached as **Annexure-1 & 2**, respectively.

- Familiarization program for Independent Directors:

  All Independent directors newly inducted onto the Board of the Company are given an orientation and overview on the operations so far, group structure, constitution and procedures to familiarize them with the Company's business operations. The Board had formulated a policy in the financial year 2015-16 on familiarization program for Independent Directors, which is available on Company's website https://tatasteelsez.com/

  During the financial year under review, the Company has not inducted any Independent Director in the Board.

g) Board Evaluation:

Pursuant to section 134(p) of the Act, the Board has evaluated the effectiveness of its functioning, the Committees and of individual Directors. Since, the Company does not have any Nomination and Remuneration Committee during the financial year under review, the Directors were requested to submit their feedback to the Chairman of the Board on various parameters such as:

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

The evaluation process helped in attaining effectiveness for conducting Board and Committee meetings, endorsed confidence of the Board in the ethical standards and policy of the Company. Further, the evaluation process also encouraged constructive relationship between the Board and the Management.

h) Directors' Responsibility Statement:

The Board of Directors based on the framework of internal financial controls and compliance system established and maintained by the Company, work performed by statutory and secretarial auditors and the review performed by the management and the relevant Committees, are of the opinion that the Company's financial controls were adequate and effective as on 31st March 2018.

In accordance with the provisions of Section 134(5) of the Companies Act 2013, the Board of Directors, to the best of their knowledge and ability, confirm:

i. that in the preparation of the annual accounts for the financial year ended 31st March 2019, the applicable accounting standards had been followed along with proper explanation relating to material departures;

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

iii. that we had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. that we had prepared the annual accounts on a going concern basis;

v. that we had laid down proper internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

vi. that we had devised proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems are adequate and operating effectively.

i) Internal Financial Controls:

The Company has in place an established internal control system commensurating with the size, scale and complexity of its operations. The internal control system has been designed to ensure orderly and efficient conduct of its business including adherence to the Company's policy by safeguarding of assets, the prevention and detection of frauds and errors, ensuring the accuracy and completeness of the accounting records and timely preparation of reliable financial information.

In compliance with section 143(3) clause (i) of the Act, the Statutory Auditors have issued a report on the internal financial controls over financial reporting which forms part of Statutory Auditors' report. The Company also assess and evaluate the adequacy of Internal controls on the parameters such as control environment, risk assessment, control activity, Information and communication and monitoring. The detailed report was placed for the Audit Committee's review and evaluation.

In order to have adequate controls, the Audit Committee of the Company regularly oversees the audit plans and significant issues raised by the Internal & Statutory auditors on Company's business operations, future plans and projections.

9. AUDITORS:

a) Statutory Auditors:

Price Waterhouse & Co. Chartered Accountant (PwC), LLP (FRN 304026E/E-300009) has been appointed as the statutory auditors of the company for a period of five years, who shall hold office from the conclusion of 11th Annual general meeting till the conclusion of 16th Annual General meeting. The Statutory Auditors have audited the book of accounts of the Company for the financial year ended 31st March 2019 and have issued Auditors' report.

The ratification of the appointment of Statutory Auditors is no more required pursuant to Companies Amendment Act, 2017 (notified on May 7, 2018). Accordingly, the notice convening the ensuing AGM does not carry any item relating to ratification of appointment of Statutory Auditors. PwC will continue to be the Statutory Auditors of the Company for Financial Year ending March 31, 2020.

b) Cost Auditors:

Pursuant to section 148 of Companies Act 2013, the appointment of cost auditors was not applicable to the Company during the financial year under review.

c) Secretarial Auditors:

Pursuant to section 204 of the Companies Act, 2013 read with respective rules, every unlisted public company having the prescribed paid capital, requires to annex a Secretarial Audit Report given by a Company Secretary in practice, in the prescribed form with Board's report.

Accordingly, the Board has appointed M/s. Saroj Ray & Associates, Company Secretaries firm bearing (CP No. 3770) as the secretarial auditors to conduct the secretarial audit of the Company for the financial year 2018-19. The Secretarial Auditors have conducted the secretarial audit of the Company for the financial year ending 31st March 2019 and have submitted their report in the form no MR-3 which is attached to this Board's report as **Annexure-3**.

10. AUDIT REPORTS:

There was no qualification, reservation or adverse remark contained in the reports of Statutory Auditors and the Secretarial Auditor for the financial year under review.

Therefore, no explanation(s) or comment(s) were offered by the Board.

11. DETAILS OF DEPOSITS:

During the financial year under review, the Company has neither accepted any deposit nor has defaulted in repayment of deposit or payment of interest thereon as under chapter V of the Act.

Therefore, as on 31st March 2019, no deposit remained unpaid or unclaimed.

12. PARTICULARS OF LOAN, GUARANTEE AND INVESTMENT:

During the financial year under review, the Company has not given any loans directly or indirectly to any person or to other body corporate, or any guarantee or any security in connection with a loan to any other body corporate or any person pursuant to section 186 of Companies Act, 2013. The Company has neither subscribed nor made any investment in securities of any other body corporate by way of purchase.

13. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All the related party transactions entered into by the Company during the financial year under review were in ordinary course of business and at arm's length basis. The transactions have prior approval of Audit Committee and Board.

14. DISCLOSURE OF POLICIES, GUIDELINES AND CONTROL MECHANISM:

a) Risk Management Policy:

Many factors such as geo-political environment, stringent regulatory and environment requirements have substantial impact on the operations of the Company. The Company is also exposed to inherent uncertainties owing to the sectors in which it operates. Therefore, the Board of Directors has adopted a Risk Management Policy which is already in place across the organization. The Senior Management team is involved in developing a robust risk matrix based on the operations of the Company. The Company's risk management process which focuses on timely identification of Risk and measures for mitigation thereof. The status of critical risks and measures to be taken for mitigations are reviewed on a periodical basis. The Company also has a system of assessing risks for critical business transaction before finalization of the same.

During the financial year under review, the Company has not identified any elements of risk which may threaten the existence of the Company.

b) Policy on Corporate Social Responsibility:

Since the provisions of Corporate Social Responsibility (CSR) as per section 135 of Companies Act 2013 is not the applicable to the Company, no policy on CSR has been formulated or developed during the financial year under review.

c) Disclosure as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013:

The Company has adopted and implemented a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. The POSH policy promotes gender neutrality. The Company organizes awareness program at the workplace to promote zero tolerance towards sexual harassment.

In the financial year 2018-19, no cases of sexual harassment have been reported in the Company.

d) Constitution of Internal Complaints Committee:

In compliance to the section 4 of Sexual harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 the Company has formed a four-member team of Internal Complaints Committee which includes an external independent member from non-governmental organization (NGO). The presiding officer of the Committee is the senior most female employee. The members of the

Committee meet time to time and will be responsible for redressal of grievances/complaints as and when made by the employees.

e) Vigil Mechanism System:

The Company is committed towards highest moral and ethical standards. As a part of Tata Group, the Company has adopted and follows the Tata Code of Conduct (TCoC) across the organization to implement highest standards of ethical standards.

In furtherance to prevent any unethical conduct in the organization, the Company has implemented vigil mechanism which adequate safeguards against victimization of persons who report genuine concerns such as unethical behavior, actual or suspected fraud or violation of Tata Code of Conduct (TCOC) in the Company. The Policy is available on Company's website https://tatasteelsez.com/.

The vigil mechanism is developed and established within the organization by the "Whistle Blower Policy" which ensures a mechanism system for directors, employees and vendors of the Company to have direct and assured access to the Ethics Counsellor/ Chairman of audit committee and make protective disclosures. The Company makes an effort to communicate and conduct training program for its internal as well as external stakeholders with an aim to create awareness among them.

In order to further strengthen the vigil mechanism of the Company, the Company has adopted the "Conflict of Interest" Policy which requires the employees of the Company to declare their interest at the beginning of every financial year and act in the best interest of the Company adhering to the ethical standards and guidelines as laid down.

During the financial year under review, the Company has not received any whistle blower complaints.

f) Frauds reported by Auditor:

During the financial year under review, no fraud has been reported by both the Statutory Auditor and Secretarial Auditor.

g) Compliance with Secretarial Standards:

The Company has complied with all applicable secretarial standards during the financial year under review. As on 31st March 2019, the Company has not adopted any voluntary secretarial standard.

15. DETAILS OF SUBSIDIARY(IES):

The Company did not have any subsidiary, joint venture or associate Company during the financial year 2018-19. Accordingly, no Company has become or ceased to be a subsidiary, joint venture or associate of the Company in the year under review.

16. DETAILS OF MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

During the financial year under review, there have been no significant and material orders passed by the regulators or court or tribunal impacting Company's development stage.

17. ANNUAL RETURN:

An extract of annual return for the financial year 2018-19 in form MGT-9 in compliance with rule 12 of Companies (Management and Administration) Rules, 2014 is annexed to this report as **Annexure-4**.

The copy of annual return shall be placed on the website of the Company https://tatasteelsez.com/,after the convening of 13th Annual General Meeting.

18. OTHER DISCLOSURES:

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

There was no change in the nature of business during FY 2018-19.

19. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Details of the Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo is given as under:

A. Conservation of Energy:

Particulars	Initiatives planned/ taken during FY 2018-19
The steps taken or impact on conservation of energy;	a) The Company has planned for use of solar street lightings within the industrial park. The Company is using LED Street lights within the Industrial Park.
The steps taken by the Company for utilizing alternate sources of energy;	b) The Company has planning to setting up solar power plant within the Industrial Park for internal consumption of energy. The Company has taken steps for water harvesting within the Industrial park which will cater to the internal water requirement.
The capital investment on energy conservation equipment's;	Not applicable at present.

B. Technology Absorption:

Particulars	Initiatives planned/ taken during FY 2018-19
i. The efforts made towards technology absorption;	The Company has planned for to introduce French well concept for sourcing of surface water sources.
ii. The benefits derived like product improvement, cost reduction, product development or import	NA
iii. In case of imported technology (imported during the last three years reckoned from the beginning of the	NA
a) The details of technology	
b) The year of import;	
c) Whether the technology been fully absorbed;	
d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	
iv. The expenditures incurred on Research & Development;	NA

C. Foreign Exchange Earnings and Outgo:

Particulars	Initiatives planned/ taken during FY 2018-19
Foreign Exchange earned in terms of actual inflow	Nil
Foreign Exchange outgo in terms of actual outflow	SGD 37555 USD 5404

ACKNOWLEDGEMENTS:

The Directors would like to place on record their appreciation for all employees of the Company for their effort and their contribution of the Company's performance.

The Directors would also like to thank the shareholder, customers, vendors, bankers, financial institutions, Central and State Government agencies and all other stakeholders for their trust and continuous support to the Company.

For and on behalf of the Board of Directors

----Sd----
CHAIRMAN

Place: Bhubaneswar
Date: 15th April 2019

ANNEXURE-1

POLICY ON APPOINTMENT AND REMOVAL OF DIRECTORS*

*(*The Nomination and Remuneration Committee has been dissolved with effect from 19th February 2018. All matters shall be directly reported to Board as applicable.)*

1. INTRODUCTION

1.1. In terms of Section 178 of the Companies Act, 2013, rules made thereunder and the Listing Regulations as amended from time to time, the Committee has formulated this policy on appointment and removal of Directors. The Policy has been adopted by the NRC vide its resolution dated 31st March 2016 and approved by the Board of Directors vide its resolution dated 31st March 2016.

1.2. This policy will be applicable to the Company to the extent required under the Companies Act, 2013 as the Company is not a listed Company. The Compliance of provisions of Listing Regulations forming part of this policy are to be observed as best practices and are voluntary in nature.

1.3. This policy shall act as a guideline for determining qualifications, positive attributes, independence of a Director and matters relating to the appointment and removal of Directors.

2. OBJECTIVE OF THE POLICY

To lay down criteria and terms and conditions with regards to the identification of persons who are qualified to become Directors (executive, non-executive and independent) including their qualifications, positive attributes and independence. [CA Sec. 178] and who may be appointed as the Senior Management of the Company.

3. APPOINTMENT OF DIRECTORS

This Policy enumerates guidelines to be used by NRC in selecting/appointing/re-appointing and removal of a Director.

For all the above stated matters, the Parent Company/GIM Center may make suggestions from time to time, to Chairman, NRC or to representative of the Parent Company, who may incorporate the same while recommending to the Board.

3.1. Assess skill-sets the Board needs given the strategies, challenges faced by the Company.

3.2. In selecting individuals for appointment/re-appointment/removal of directors, the NRC to refer to the following guidelines/policies:

3.2.1. Board Membership Criteria (Refer Schedule A)
3.2.2. Board Diversity Policy, if any, framed as per the requirement of law (Refer Schedule B)
3.2.3. Criteria for determining independence of directors (in case of appointment of Independent Directors (Refer Schedule C).
3.2.4. Request candidature from the database maintained by Parent Company/GIM Center.
3.2.5. NRC members (either jointly/individually, as delegated) shall meet the potential candidate and assess his/her suitability for the role.
3.2.6. NRC to recommend the appointment of shortlisted candidate to the Board for its consideration.

3.3. Emergency Succession: If position of a Director suddenly become vacant by reason of death or other unanticipated occurrence, the NRC shall convene a special meeting at the earliest opportunity to fill such vacancy.

4. POLICY IMPLEMENTATION

4.1. The Committee is responsible for recommending this Policy to the Board.

4.2. The Board is responsible for approving and overseeing implementation of this Policy (with the support of the Committee)

5. REVIEW OF THE POLICY

This Policy will be reviewed and reassessed by the Committee as and when required and appropriate recommendations shall be made to the Board to update this Policy based on changes that may be brought about due to any regulatory amendments or otherwise.

6. APPLICABILITY TO SUBSIDIARY / ASSOCIATE /JOINT VENTURE COMPANIES

This Policy may be adopted by the Company's subsidiaries/ Associates and Joint Ventures, if any, subject to suitable modifications and approval of the Board of Directors of the respective companies.

7. COMPLIANCE RESPONSIBILITY

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

Schedule-A
(BOARD MEMBERSHIP CRITERIA)

The Nominations and Remuneration Committee works with the Board to determine the appropriate characteristics, skills, and experience for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience in business, government, education, and public service. Characteristics expected of all directors include independence, integrity, high personal and professional ethics, sound business judgment, ability to participate constructively in deliberations and willingness to exercise authority in a collective manner.

In evaluating the suitability of individual Board members, the Committee considers many factors, including general understanding of marketing, finance, operations management, public policy, international relations, legal, governance and other disciplines relevant to the success of the Company in today's business environment; understanding of the Company's business; experience in dealing with strategic issues and long-term perspectives; maintaining an independent familiarity with the external environment in which the company operates and especially in the directors particular field of expertise; educational and professional background; personal accomplishment; and geographic, gender, age, and ethnic diversity.

The Board evaluates each individual in the context of the Board as a whole, with the objective of having a group that can best perpetuate the success of the Company's business and represent stakeholders' interests through the exercise of sound judgment, using its diversity of experience.

In determining whether to recommend a director for re-election, the Committee, , also considers the director's past attendance at meetings, participation in meetings and contributions to the activities of the Board, and the results of the most recent Board self-evaluation.

Board members are expected to rigorously prepare for, attend and participate in all Board and applicable committee meetings. Each member is expected to ensure that their other current and planned future commitments do not materially interfere with the responsibilities at Tata Steel Special Economic Zone Limited.

Schedule-B
(BOARD DIVERSITY POLICY)

1. PURPOSE

The need for diversity in the Board has come into focus post the changes in the provisions of the Companies Act, 2013 ("Act") and the corporate governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") under Listing Regulations.

The NRC has framed this policy to set out the approach to diversity on the Board of the Company ("Policy").

2. SCOPE

This Policy is applicable to the Board of the Company.

3. POLICY STATEMENT

The Company recognizes the importance of diversity in its success. It is essential that the Company has as diverse a Board as possible.

A diverse Board will bring in different set of expertise and perspectives. The combination of Board having different skill set, industry experience, varied cultural and geographical background and belonging to different race and gender will bring a variety of experience and viewpoints which will add to the strength of the Company.

While all appointments to the Board are made on merit, the diversity of Board in aggregate will be of immense strength to the Board in guiding the Company successfully through various geographies.

The Committee reviews and recommends appointments of new directors to the Board. In reviewing and determining the Board composition, the Committee will consider the merit, skill, experience, race, gender and other diversity of the Board.

To meet the objectives of driving diversity and an optimum skill mix, the Committee may seek the support of Parent company/GIM Center.

4. MONITORNG AND REPORTING

The Committee will report annually, in the corporate governance section of the Annual Report of the Company, the process it employed in Board appointments, if required by the law. The report will include summary of this Policy including purpose and the progress made in achieving the same.

5. REVIEW OF THE POLICY

This Policy will be reviewed and reassessed by the Committee as and when required and appropriate recommendations shall be made to the Board to update this Policy based on changes that may be brought about due to any regulatory amendments or otherwise.

6. APPLICABILITY TO SUBSIDARY/ASSOCIATE/JOINT VENTURE COMPANIES

This Policy may be adopted by the Company's subsidiaries/ Associates and Joint Ventures, if any, subject to suitable modifications and approval of the board of directors of the respective companies.

7. COMPLIANCE RESPONSIBILITY

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

Schedule-C

(CRITERIA FOR DETERMINING THE INDEPENDENCE OF DIRECTORS)

1. PURPOSE

The purpose of this policy is to define guidelines that will be used by the Board to assess the independence of Directors of the Company.

2. INDEPENDENCE GUIDELINES

A Director is considered independent if the Board makes an affirmative determination after a review of all relevant information. The Board has established the categorical standards set forth below to assist it in making such determinations. An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director—

a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;

b. i) who is or was not a promoter of the company or its holding, subsidiary or associate company;

ii)who is not related to promoters or directors in the company, its holding, subsidiary or associate company;

c. has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;

d. none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two percent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

e. who, neither himself nor any of his relatives—

i. holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

ii. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—

a. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
b. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten percent or more of the gross turnover of such firm;

iii. holds together with his relatives two percent or more of the total voting power of the company; or

iv. is a Chief Executive or director, by whatever name called, of any non-profit organization that receives twenty-five percent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two percent or more of the total voting power of the company; or

f. An independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the company's business.

3. <u>DEFINITIONS IN ADDITION TO THOSE PROVIDED ABOVE</u>

a. "Nominee Director" implies a Director nominated by any financial institution in pursuance of the provisions of any law for the time being in force, or of any agreement, or appointed by any government or any other person to represent its interests. [Companies Act 2013 – 149 Explanation]

b. "Associate Company" in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company. [Sec 2(6) of CA, 2013]

Explanation.—For the purposes of this clause, "significant influence" means control of at least twenty per cent. of total share capital, or of business decisions under an agreement;

c. "Relative" implies anyone who is related to another if they are members of HUF; if they are husband and wife; or if one person is related to the other in such manner as may be prescribed under the Act. A person shall be deemed to be the relative of another, if he or she is related to another in the following manner, namely – Father (includes step-father), Mother (includes step-mother), Son (includes step-son), Son's wife, Daughter, Daughter's husband, Brother (includes step-brother), Sister (includes step-sister) [CA Sec. 277].

4. EXPLANATIONS:

Consecutive Terms: He/ she shall be eligible for appointment as Independent Director after the expiration of three years of ceasing to be a Director on the Board of the Company provided that he / she shall not during the said period of three years, be appointed in or associated with Tata Steel Special Economic Zone Limited in any other category, either directly or indirectly.

ANNEXURE-2

REMUNERATION POLICY OF DIRECTORS, KMPs AND OTHER EMPLOYEES*

*(*The Nomination and Remuneration Committee has been dissolved with effect from 19th February 2018. All matters shall be directly reported to Board as applicable.)*

The philosophy for remuneration of directors, Key Managerial Personnel ("KMP") and all other employees of Tata Steel Special Economic Zone Limited ("Company") is based on the commitment of fostering a culture of leadership with trust. The remuneration policy is aligned to this philosophy.

This remuneration policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 ("Act") and Clause 49(IV)(B)(1) of the Equity Listing Regulations ("Listing Regulations"). In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail and the company shall abide by the applicable law. While formulating this policy, the Nomination and Remuneration Committee ("NRC") has considered the factors laid down under Section 178(4) of the Act, which are as under:

(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

(b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals"

For all matters related to remuneration to directors, the Parent Company/GIM Center may make suggestions from time to time, to Chairman, NRC or to representative of the Parent Company, who may incorporate the same while recommending to the Board.

Key principles governing this remuneration policy are as follows:

1. Remuneration for independent directors and non-independent non-executive directors

   1.1. Overall remuneration should be reflective of the size of the company, complexity of the sector/ industry/ company's operations and the company's capacity to pay the remuneration.

1.2. Independent directors ("ID") and non-independent non-executive directors ("NED") may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members). Quantum of sitting fees and NED Commission may be subject to review on a periodic basis, as required.

1.3. Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the NRC and approved by the Board.

1.4. Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the company (taking into consideration the challenges faced by the company and its future growth imperatives).

1.5. Overall remuneration practices should be consistent with recognized best practices.

1.6. The aggregate commission payable to all the NEDs and IDs will be recommended by the NRC to the Board, based on company's performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board.

1.7. The NRC will recommend to the Board, , the quantum of commission for each director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and committee meetings, individual contributions at the meetings and contributions made by directors other than in meetings.

1.8. In addition to the sitting fees and commission, the company may pay to any director such fair and reasonable expenditure, as may have been incurred by the director while performing his/ her role as a director of the company. This could include reasonable expenditure incurred by the director for attending Board/ Board committee meetings, general meetings, court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training (organized by the company for directors) and in obtaining professional advice from independent advisors in the furtherance of his/ her duties as a director.

2. **Remuneration for managing director ("MD")/ exec**utive directors **("EDs")/ KMP/ rest of the employees**:

2.1. The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be:

2.1.1. Market competitive (market for every role is defined as companies from which the company attracts talent or companies to which the company loses talent)

2.1.2. Driven by the role played by the individual,

2.1.3. Reflective of size of the company, complexity of the sector/ industry/ company's operations and the company's capacity to pay,

2.1.4. Consistent with recognized best practices and

2.1.5. Aligned to any regulatory requirements.

2.2. In terms of remuneration mix or composition,

2.2.1. The remuneration mix for the MD/ EDs is as per the contract approved by the shareholders. In case of any change, the same would require the approval of the shareholders.

2.2.2. Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.

2.2.3. In addition to the basic/ fixed salary, the company may provide employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where possible. The company may also provide all employees with a social security net (subject to limits) by covering medical expenses and hospitalization through re-imbursements or insurance cover and accidental death and dismemberment through personal accident insurance.

2.2.4. The company provides retirement benefits as applicable.

2.2.5. In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the company may provide MD/ EDs such remuneration by way of bonus/performance linked incentive and/or commission calculated with reference to the net profits of the company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the MD/ EDs would be based on performance as evaluated by the Board or the NRC and approved by the Board.

2.2.6. The company may provide the rest of the employees a performance linked bonus and/or performance linked incentive. The performance linked bonus/performance linked incentive would be driven by the outcome of the performance appraisal process and the performance of the company.

3. Remuneration payable to Director for services rendered in other capacity

3.1. The remuneration payable to the Directors shall be inclusive of any remuneration payable for services rendered by such director in any other capacity unless:

3.2. The services rendered are of a professional nature; and

3.3. The NRC is of the opinion that the director possesses requisite qualification for the practice of the profession.

4. Premium on Insurance policy

4.1. Where any insurance is taken by the Parent Company or by the company on behalf of the Company's NEDs, for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration.

4.2. Where any insurance is taken by the Parent Company or by the company on behalf of the Company's MD/EDs, KMP and any other employees for indemnifying them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the company, the premium paid on such insurance shall not be treated as part of the remuneration. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

5. Others

5.1. Policy implementation

The NRC is responsible for recommending the remuneration policy to the Board. The Board is responsible for approving and overseeing implementation of the remuneration policy.

5.2. Review of the Policy

This Policy will be reviewed and reassessed by the NRC as and when required and appropriate recommendations shall be made to the Board to update this Policy based on changes that may be brought about due to any regulatory amendments or otherwise.

5.3. Applicability to subsidiaries, associates and joint venture companies

This policy may be adopted by the company's subsidiaries, associates and joint venture companies, if any, subject to suitable modifications and approval of the board of directors of the respective companies.

5.4. Compliance Responsibility

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

GLOSSARY

"Act" or "CA,2013" or "CA"	means the Companies Act, 2013, to the extent notified, from time to time, and includes any re-enactment thereof, with all schedules and tables thereunder, as notified, with effect from the date of such notification in the official gazette of India including all rules, notifications, circulars, clarifications and orders issued thereunder including certain provisions of the Companies Act, 1956, as and where specified, and "Section" shall mean a section of the said Act
"Board"	implies the Board of Directors of the Company
"Company"	implies "Tata Steel Special Economic Zone Limited"
"Committee"/or "NRC"	implies the Nomination and Remuneration Committee of the Company
"Directors"	implies the directors on the Board
"Executive Director" or "ED"	implies Executive Director of the Company
"Independent Director" or "ID"	implies a non-executive Director of the Company, other than a nominee Director and who is neither a promoter nor belongs to the promoter group of the Company, and who satisfies other criteria for independence mentioned in the Companies Act, 2013 and the Listing Regulations entered into, with the respective Stock Exchanges in India
"Key Managerial Personnel" "KMP"	In relation to the Company, means the following key managerial personnel: the Chief Executive Officer and/or Managing Director Company Secretary Whole-time Director Chief Financial Officer
"Listing Regulations" or "LA"	implies the Listing Regulations as entered into by the Company with the Stock Exchanges in India
"MD"	implies the Managing Director of the Company
"Policy"	implies this Policy on appointment and removal of Directors as framed by the Committee; Policy on remuneration for directors, key managerial personnel and other employees; Process and criteria for annual performance evaluation of the Board, its Committees and Directors, as applicable
"Parent Company"	Parent Company means a person/company who has control over the affairs of the Company, directly or indirectly, as a shareholder or otherwise and in accordance with whose advice, directions or instructions, the Board of Directors of the company is accustomed to act.
"Group Investment Management Center" or "GIM Center"	Group Investment Management Center means department of Tata Steel Corporate function led by Group Director (Investments and New Ventures), Tata Steel. GIM acts as a single window among the Tata Steel Group Companies (i.e. Tata Steel, its subsidiaries, associates and JVs).

ANNEXURE-3

Secretarial Audit Report in form MR-3 for the financial year 2018-19

[Pursuant to section 204(1) of Companies Act, 2013 and Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014]

To

The Members,
Tata Steel Special Economic Zone Limited,
5th Floor, Zone- C/2, Fortune Towers, Chandrasekharpur,
Bhubaneswar, Odisha-751023.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Tata Steel Special Economic Zone Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of **M/s. Tata Steel Special Economic Zone Limited's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year 2018-19**,** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. Tata Steel Special Economic Zone Limited** for the financial year 2018-19 ended on 31st March, 2019, according to the provisions of:

(i) The Companies Act, 2013 (the Act), and the Rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under - **Not applicable during the period under review.**

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under ;

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas

Direct Investment and External Commercial Borrowings - **Not applicable during the period under review.**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):–

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 - **Not applicable during the period under review.**

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 - **Not applicable during the period under review.**

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 & Securities and Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015- **Not applicable during the period under review.**

d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - **Not applicable during the period under review.**

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- **Not applicable during the period under review.**

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client- **Not applicable during the period under review.**

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not applicable during the period under review.**

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - **Not applicable during the period under review.**

We have also examined the compliance system of the Company with applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).

Apart from the above laws/Rules/Regulations/Standards, following are the **specific SEZ laws applicable to the Company** and for the compliance of which the Company has given a declaration.

1) The Special Economic Zones Act, 2005
2) The Special Economic Zones Rules, 2006
3) Odisha SEZ Policy

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

We further report that;

(A) COMPOSITION OF THE BOARD:

During the financial year under review, the Board of Directors of the Company consists of the following Directors, as detailed below:

List of Directors for the Financial Year 2018-19					
Sl. No.	**Name of the Directors**	**Positions Held**	**Date of Appointment**	**Date of Cessation**	**Remarks**
1.	Mr. T. V. Narendran	Chairman Non-Executive & Non-Independent Director	29.09.2014	07.06.2018	-
2.	Mr. Koushik Chatterjee	Non-Executive & Non-Independent Director	29.09.2014	11.06.2018	-
3.	Mr. Arun Misra	Non-Executive & Non-Independent Director*	29.09.2014	-	Appointed as Chairman of the Company w.e.f 1st August 2018
4.	Mr. Manoj T. Thomas	Independent Director	11.12.2015	-	-
5.	Ms. Samita Shah	Non-Executive & Non-Independent Director	22.03.2016	-	-
6.	Mr. R. Ranganath	Non-Executive & Non-Independent Director	29.06.2018		-
7.	Mr. Ashish Mathur	Managing Director Executive & Non-Independent Director	01.08.2018	-	-

*Mr. Arun Misra stepped down as the Managing Director of the Company and Mr. Ashish Mathur was appointed in his place as the Managing Director of the Company w.e.f. 01.08.2018.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

(B) MEETINGS OF THE BOARD OF DIRECTORS

During the financial year under review, 5 (five) Meetings of the Board of Directors were held.

Board Meeting No.	Date of Board Meeting	Name of Directors present in the Meeting	Name of Directors absent in the Meeting
51st	27.04.2018	1. Mr. T. V. Narendran 2. Mr. Arun Misra 3. Mr. Manoj T. Thomas	1. Ms. Samita Shah 2. Mr. Koushik Chatterjee
52nd	26.07.2018	1. Mr. Arun Misra 2. Mr. R. Ranganath 3. Mr. Manoj T. Thomas	1. Ms. Samita Shah
53rd	03.10.2018	1. Mr. Arun Misra 2. Mr. Ashish Mathur 3. Mr. R. Ranganath 4. Mr. Manoj T. Thomas 5. Ms. Samita Shah	Nil
54th	30.10.2018	1. Mr. Arun Misra 2. Mr. Ashish Mathur 3. Mr. R. Ranganath 4. Mr. Manoj T. Thomas	1. Ms. Samita Shah
55th	11.01.2019	1. Mr. Arun Misra 2. Mr. Ashish Mathur 3. Mr. R. Ranganath 4. Mr. Manoj T. Thomas 5. Ms. Samita Shah	Nil

Adequate notice was given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

All the meetings were convened as per the provisions of the Companies Act, 2013 and as per the applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI). The requisite quorum was present in all the Board Meetings held during the financial year as per the provisions and requirements of the Companies Act, 2013 and Articles of Association of the Company.

All decisions at the Board Meetings were carried out unanimously and recorded in the minute book of the respective meetings.

(C) OTHER COMMITTEES OF THE BOARD:

The Company has constituted other Committees of the Board such as Audit Committee in compliance with the Companies Act 2013. The details of the meeting(s) of the Audit Committees are as follows:

i. Audit Committee:

The Audit Committee of the Company was re-constituted on 26th July 2018. The Committee comprised of the following members during the financial year under review:

1	Mr. Arun Misra	Member*
2	Mr. R. Ranganath	Chairman & Member
3	Mr. Manoj T. Thomas	Member
4	Ms. Samita Shah	Member

*Mr. R.Ranganath was inducted as the Chairman and member of the Committee in place of Ms. Samita Shah and Mr. Arun Misra w.e.f. 26.07.2018 respectively.

The Managing Director of the Company shall be a permanent invitee to attend all the Audit Committee Meetings of the Company.

The members of the Audit Committee and their attendance in the Audit Committee meetings were as follows:

Audit Committee Meeting No.	**Date of Committee Meeting**	**Name of Directors present in the Meeting**	**Name of Directors absent in the Meeting**
10th	27.04.2018	1. Mr. Arun Misra 2. Mr. Manoj T. Thomas	1. Ms. Samita Shah
11th	26.07.2018	1. Mr. Arun Misra 2. Mr. Manoj T. Thomas	1. Ms. Samita Shah
12th	30.10.2018	1. Mr. R. Ranganath 2. Mr. Manoj T Thomas	1. Ms. Samita Shah
13th	11.01.2019	1. Mr. R. Ranganath 2. Mr. Manoj T Thomas 3. Ms. Samita Shah	Nil

Adequate Notice for the Audit Committee Meetings was sent to all the Members of the Committee. Agenda and detailed notes on agenda were sent in advance, prior to 7 days of the Meeting and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meetings for meaningful participation at the meetings.

The decisions taken at the Committee Meeting was carried out unanimously and recorded in the minute book maintained for the purpose.

All the meetings of the Board Committees were convened as per the provisions of the Companies Act, 2013 and as per the applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).

(D) MAINTENANCE OF STATUTORY REGISTERS & RECORDS:

The Statutory Registers & Records have been kept and maintained properly by the Company with all the necessary entries made therein as prescribed under various provisions of the Companies Act, 2013 and rules made there under.

(E) FILING OF STATUTORY RETURNS:

All provisions of the Act and other statutes were duly complied with by the Company with regard to timely filing of various e-forms on the MCA portal and returns with the Registrar of Companies.

We further report that;

During the period under review, the company has taken following action, which has a major bearing on the affairs of the Company:

1) The Company has issued and allotted shares of Rs. 305,000,000/- consisting of 30,500,000 nos. of Equity Shares of Rs. 10 each to M/s. Tata Steel Limited (The Wholly Owned Holding Company).

We further report that on the basis of documents and explanations provided by the Management, there are adequate systems and processes exist in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, standards and guidelines.

Place: Bhubaneswar
Date: 05.04.2019

For Saroj Ray & Associates
Company Secretaries

--Sd/---
CS Saroj Kumar Ray, FCS
Sr. Partner
FCS No: 5098 CP No: 3770

(**Note:** This report is to be read with our letter of even date which is annexed as **Annexure-A** and forms an integral part of this report.)

Annexure A

To
The Members,
Tata Steel Special Economic Zone Limited,
2nd Floor-Fortune Towers, Chandrasekharpur,
Bhubaneswar-751023, Odisha

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verifications were done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, followed by the Company provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Place: Bhubaneswar
Date: 05.04.2019

For Saroj Ray & Associates
Company Secretaries

--Sd/---
CS Saroj Kumar Ray, FCS
Sr. Partner
FCS No: 5098 CP No: 3770

ANNEXURE-4

EXTRACT OF ANNUAL RETURN AS ON 31ST MARCH 2019

[Pursuant to rule12(1) of the Companies (Management and Administration) Rules, 2014]

Form No. MGT 9

REGISTRATION AND OTHER DETAILS:

CIN	U45201OR2006PLC008971
Registration Date	11th October, 2006
Name of the Company	Tata Steel Special Economic Zone Limited
Category/sub-category of the Company	Public unlisted Company having share capital
Address of the registered Office and contact details	5th Floor, Zone C/2, Fortune Towers Chandrasekharpur, Odisha-751023 tanmay.sahu@tatasteelsez.com
Whether listed Company-(Yes/No)	No
Name, Address and contact details of Registrar and Transfer Agent, if any	M/s. Alankit Assignments Limited Alankit Heights, 3E/7 Jhandewalan Extension, New Delhi-110055

PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company shall be stated.

Name and Description of the main products	NIC Code of the Company	% to total turnover of the Company
Development of Industrial park (Real estate activities with owned or leased property	68681681068100	100 %

PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr no	Name of the Company	CIN/GLN	Holding /Subsidiary /Associate	% of shares held	Applicable Section
1.	Tata Steel Limited including its nominees	L27100MH1907PLC000260	Holding	100%	2(46)

SHAREHOLDING PATTERN (Equity Share Capital Breakup as Percentage of the Total Equity):

Category-wise Shareholding-

	Category of shareholders	No of shares held								% change during the year
		Beginning of the Year (1 April 2018)				End of the Year (31 March 2019)				
		Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Share	
(A) Promoters (Including Promoter Group)										
(1)	Indian	-	-	-	-	-	-	-	-	-
(a)	Individuals/ Hindu undivided Family	-	60	60	0.00	-	60	60	0.00	0.00
(b)	Central Governme nt	-	-	-	-	-	-	-	-	-
(c)	State Governme nt	-	-	-	-	-	-	-	-	-
(d)	Bodies Corporate	-	154742571	154742571	99.99	185242571	-	185242571	99.99	19.71
(e)	Banks/Fi nancial Institutio ns									
(f)	Any other(Tru st)									
Sub Total (A) (1)		-	154742631	154742631	100	185242571	60	185242631	100	19.71
(2)	Foreign	-	-	-	-	-	-	-	-	-
(a)	NRIs-Individual s	-	-	-	-	-	-	-	-	-
(b)	Other Individual s	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Banks/Fi nancial institutio ns	-	-	-	-	-	-	-	-	-
(e)	Any other(Spe cify)	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)		-	-	-			-		-	
Total Shareholding of Promoter and promoter group(A)=(A)(1)+(A)(2)		-	154742631	154742631	100	185242571	60	185242631	100	19.71
(B)Public Shareholding-										
-		-	-	-	-	-	-	-	-	-
(C) Shares held by Custodian for GDRs and ADRs										
-		-	-	-	-	-	-	-	-	-
Grand Total (A)+(B)+(C)			154742631	154742631	100	185242571	60	185242631	100	19.71

Shareholding of Promoters-

No of Shares held								
Sr. no	Shareholder's Name	Beginning of the Year (1 April 2018)				End of the year (31 March 2019)		
		No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total shares	No. of shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total shares	% change in shareholding during the year
1	Tata Steel Limited & Nominees	154742631	100	-	185242631	100	-	19.71

Change in Promoter's Shareholding, please specify if no change-

Name of the Shareholder	Date	Shareholding at the Beginning of the year i.e. 1st April 2018		Cumulative Shareholding during the year i.e. (1st April 2018 to 31st March 2019)	
		No. of shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
Tata Steel Limited & its nominees					
At the beginning of the year	April 1, 2018	154742631	100	185242631	100
Change during the year	April 27, 2018	15000000	9.69	169742631	109.69
	February 12, 2019	15500000	10.01	185242631	119.70
At the end of the year	March 31, 2019	185242631	119.7	185242631	119.70

Shareholding Pattern of top ten Shareholders (Other than Directors, promoters and Holders of GDRs and ADRs)-

Sr no	Name of the Shareholder	Shareholding at the beginning of the year (1 April 2018)		Cumulative Shareholding at the end of the year (31 March 2019)	
		No. of shares	% of Total shares of the Company	No. of Shares	% of Total shares of the Company
------------------------NIL------------------------					

Shareholding of Directors and Key Managerial Personnel-

Sr no	For each of the Directors and KMP	Shareholding at the beginning of the year (1 April 2018)		Cumulative Shareholding at the end of the year (31 March 2019)	
		No. of shares	% of Total shares of the Company	No. of Shares	% of Total shares of the Company
1	Mr. Arun Misra*, Director	10	0.00	10	0.00

** Jointly Holding with Tata Steel Limited.*

INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(IN CRORES)

Particulars	Secured Loan excluding deposits	Unsecured Loan	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year (1st April 2018)				
(i) Principal Amount	-	0	-	0
(ii) Interest due but not paid	-	0	-	0
(iii) Interest accured but not due	-	-	-	
Total (i)+(ii)+(iii)	-	0	-	0
Change in indebted ness during the financial year 2018-19				
(i) Addition (Principal and Interest)	-	13.14	-	13.14
(ii) Reduction	-	0	-	0
Net Change	-	13.14	-	13.14
Indebtedness at the end of the financial year (31st March 2019)				
(i) Principal Amount	-	-	-	-
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
Total (i)+(ii)+(iii)	-	13.14	-	13.14

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration of Managing Director, Whole time Director and/or Manager:

(In Lakhs)

Sr. no	Particulars of Remuneration	Name of MD/WTD/Manager Mr. Ashish Mathur, Managing Director	Total Amount
1.	Gross Salary a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 b) Value of perquisites u/s 17(2) Income- tax Act, 1961 c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	 39.75 71.11 -	 39.75 71.11 -
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission- as % of profit	-	-
5	Others (retirement benefit)	-	-
	Total(A)	**110.9**	**110.9***
	Ceiling as per the Act		160.00*

**Salary and ceiling limit is for part of the year.*

B. Remuneration to other Directors:

(In Lakhs)

Particulars of Remuneration	Name of Director Mr. Manoj T Thomas
1. Independent Directors - Fee for attending board/committee meetings - Commission - Others, please specify	1.6
Total (1)	1.6
2. Others Non-Executive Directors - Fee for attending board/committee meetings - Commission - Others, please specify	Nil
Total (2)	Nil
Total (B)= (1)+(2)	1.6
Total Managerial Remuneration	**1.6**
Overall Ceilings as per the Act	

C. Remuneration to KMP other than MD/Manager/WTD:

(In Lakhs)

Sr. no	Particulars of Remuneration	Key Managerial Personnel		Total Amount (In INR)
		Mr. Amit Kumar Kundu	Mr. Tanmay Kumar Sahu	
		Chief Financial Officer	Company Secretary	
1.	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	23.73*	43.05	66.78
	b) Value of perquisites u/s 17(2) Income- tax Act, 1961	-	-	-
	c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission- as % of profit	-	-	-
5	Others (retirement benefit)	-	-	-
	Total	**23.73***	**43.05**	**66.78**

** salary is for part of the year*

PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties/punishments/compounding offences for the year ended 31st March 2019.

----Sd----
Managing Director

----Sd----
Company Secretary

Place : Bhubaneswar
Date : 15th April 2019

Independent Auditor's Report for the financial year ended 31st march 2019

Independent auditor's report

To the Members of Tata Steel Special Economic Zone Limited.

Report on the audit of the financial statements

Opinion

1. We have audited the accompanying financial statements of Tata Steel Special Economic Zone Limited ("the Company"), which comprise the balance sheet as at March 31, 2019, and the statement of Profit and Loss ((including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and total comprehensive income(comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

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

Other Information

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditor's report thereon. The Director's report is expected to be made available to us after the date of this auditor's report.

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

   In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

   When we read the Director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E300009
Kolkata

Price Waterhouse & Co Chartered Accountants LLP, 56 & 57, Block DN, Ground Floor, 'A' Wing, Sector V Salt Lake, Kolkata - 700091, India
T: +91 (33) 44001111 / 44662000, F: +91 (33) 44043065

INDEPENDENT AUDITORS' REPORT

To the Members of Tata Steel Special Economic Zone Limited
Report on the Financial Statements

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

5. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

7. 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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
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Kolkata

INDEPENDENT AUDITORS' REPORT

To the Members of Tata Steel Special Economic Zone Limited
Report on the Financial Statements

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

10. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

11. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E300009
Kolkata

INDEPENDENT AUDITORS' REPORT

To the Members of Tata Steel Special Economic Zone Limited
Report on the Financial Statements

12. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company has long-term contracts as at March 31, 2019 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2019.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/ E300009
Chartered Accountants

Ashish Taksali
Partner
Membership Number: 099625

Hyderabad
April 15, 2019

Annexure A to Independent Auditors' Report

Referred to in paragraph 12(f) of the Independent Auditors' Report of even date to the members of Tata Steel Special Economic Zone Limited on the financial statements for the year ended March 31, 2019.

Page 1 of 2

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

1. We have audited the internal financial controls with reference to financial statements of Tata Steel Special Economic Zone Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E300009
★ Kolkata ★

Annexure A to Independent Auditors' Report

Referred to in paragraph 12(f) of the Independent Auditors' Report of even date to the members of Tata Steel Special Economic Zone Limited on the financial statements for the year ended March 31, 2019.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/ E300009
Chartered Accountants

Ashish Taksali
Partner
Membership Number: 099625

Hyderabad
April 15, 2019

Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Tata Steel Special Economic Zone Limited on the financial statements as of and for the year ended March 31, 2019.

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of immovable properties, as disclosed in Note 3 on fixed assets to the financial statements, are held in the name of the Company.

ii. The Company is in the business of leasing of real estate, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, service-tax, duty of customs, and duty of excise or value added tax or goods and service tax which have not been deposited on account of any dispute.

viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.

ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments). Term loans have been applied, on an overall basis, for the purpose for which they were obtained.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E300009
Kolkata

Annexure B to Independent Auditors' Report
Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Tata Steel Special Economic Zone Limited on the financial statements as of and for the year ended March 31, 2019.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/ E300009
Chartered Accountants

Ashish Taksali
Partner
Membership Number: 099625

Hyderabad
April 15, 2019

TATA STEEL SPECIAL ECONOMIC ZONE

TATA

Financial Statements for the year 2018-19

Tata Steel Special Economic Zone Limited
Balance Sheet as at March 31, 2019

Amount in INR

	Note	As at March 31, 2019	As at March 31, 2018
(I) ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	03	43,60,08,023	19,45,27,313
(b) Intangible assets (Other than Goodwill	04	8,99,566	95,017
(c) Capital work-in-progress	05	1,57,86,57,790	62,87,86,642
(d) Intangible assets under development	06	4,90,494	2,81,058
		2,01,60,55,873	**82,36,90,030**
(e) Financial Assets -			
(i) Loans & Deposits	07	14,36,609	-
(f) Other Assets	08	1,87,59,74,443	12,31,11,928
(g) Tax Asset (Net)	09	7,68,000	6,40,000
		3,89,42,34,925	**94,74,41,958**
(2) Current assets			
(a) Financial assets			
(i) Trade Receivables	10	30,12,000	27,64,800
(ii) Cash and cash equivalents	11	19,08,07,922	10,31,12,162
(iii) Other Financial Assets	12	60,97,02,895	51,06,64,972
		80,35,22,817	**61,65,41,934**
(b) Other Assets	13	2,82,55,052	-
TOTAL ASSETS		**4,72,60,12,794**	**1,56,39,83,892**
(II) EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	14	1,85,24,26,310	1,54,74,26,310
(b) Other equity	15	2,62,96,43,730	(6,55,39,978)
		4,48,20,70,040	**1,48,18,86,332**
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Trade Payable	16	40,15,647	18,98,675
(ii) Borrowings	17	13,00,00,000	-
(iii) Other financial liabilities	18	12,24,614	-
(b) Retirement benefit obligations	19	7,02,233	3,80,051
(c) Other liabilities	20	-	6,40,000
		13,59,42,494	**29,18,726**
(3) Current liabilities			
(a) Financial liabilities			
(i) Trade payables	21	1,22,17,186	1,69,95,376
(ii) Other financial liabilities	22	8,75,30,729	5,61,27,551
(b) Retirement benefit obligations	23	14,78,082	3,99,186
(c) Other Liabilities	24	67,74,263	56,56,721
		10,80,00,260	**7,91,78,834**
TOTAL EQUITY AND LIABILITIES		**4,72,60,12,794**	**1,56,39,83,892**

The accompanying Notes form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our Report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No.304026E/E300009
Chartered Accountants

(Ashish Taksali)
Partner
Membership No.: 099625

Place: Hyderabad
Date: 15/04/2019

For and on behalf of Board of Directors

(Amit Kumar Kundu)	**(Tanmay Kumar Sahu**	**(Ashish Mathur)**	**(Arun Misra)**
Chief Financial Officer	Company Secretary	Managing Director	Chairman
FCA:53853)	(FCS:4872)	(DIN:03508443)	(DIN:01835605)

Place: Bhubaneswar
Date: 15/04/2019

Tata Steel Special Economic Zone Limited

Statement of Profit and Loss for the Year Ended March 31, 2019

Amount in INR

	Note	For the year ended March 31, 2019	For the year ended March 31, 2018
Income			
Revenue from operations	25	38,40,000	38,40,000
Other Income	26	37,67,948	47,38,576
Total Income		**76,07,948**	**85,78,576**
Expenses			
(a) Employee benefit expenses	27	2,48,28,813	1,13,80,455
(b) Depreciation and amortization expenses		77,95,421	66,65,321
(c) Other expenses	28	3,17,90,898	2,48,17,954
Total Expenses		**6,44,15,132**	**4,28,63,730**
Loss before tax		**(5,68,07,184)**	**(3,42,85,154)**
Tax Expense		-	-
Loss for the year		**(5,68,07,184)**	**(3,42,85,154)**
Other Comprehensive Income			
Item that will not be Reclassified to Profit or Loss in Subsequent Periods:			
Remeasurement gains / (losses) on defined benefit plans		**1,09,292**	**(33,393)**
Other Comprehensive Income / (Loss) for the year		**1,09,292**	**(33,393)**
Total Comprehensive Loss for the year		**(5,66,97,892)**	**(3,43,18,547)**
Earning per equity share			
[Nominal value per share Rs10 /- (March 31, 2018 : Rs 10 /-)			
Basic (In Rs.)		(0.33)	(0.23)
Diluted (In Rs.)		(0.33)	(0.23)

The accompanying Notes form an integral part of the Statement of Profit and Loss.

This is the Statement of Profit and Loss referred to in our Report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No.304026E/E300009
Chartered Accountants

For and on behalf of Board of Directors

(Ashish Taksali)
Partner
Membership No.: 099625

(Amit Kumar Kundu)
Chief Financial Officer
(FCA:53853)

(Tanmay Kumar Sahu)
Company Secretary
(FCS:4872)

(Ashish Mathur)
Managing Director
(DIN:03508443)

(Arun Misra)
Chairman
(DIN:01835605)

Place: Hyderabad
Date: 15/04/2019

Place: Bhubaneswar
Date: 15/04/2019

Tata Steel Special Economic Zone Limited

Statement of Cash Flows for the year ending March 31, 2019

Amount in INR

	For the year ended March 31, 2019	For the year ended March 31, 2018
A. Cash Flow from Operating Activities:		
Loss for the year	**(5,68,07,184)**	**(3,42,85,154)**
Adjustments for:		
Depreciation and amortisation expenses	77,95,421	66,65,321
Dividend from mutual fund	(36,68,828)	(47,18,612)
Profit on sale of Property, Plant & Equipment	(27,428)	(4,853)
Operating profit/(Loss) before working capital changes	**(5,27,08,019)**	**(3,23,43,298)**
Adjustments for:		
(Increase)/Decrease in trade receivable	(2,47,200)	(28,12,800)
Increase/(Decrease) in trade payables	(26,61,221)	(2,33,27,228)
Increase/(Decrease) in other financial liabilities	(2,71,54,414)	(6,27,92,542)
Increase/(Decrease) in other liabilities	4,77,542	20,57,403
Increase/(Decrease) in retirement obligation	15,10,370	3,17,606
(Increase)/Decrease in loans & deposits	(14,36,609)	-
(Increase)/Decrease in other assets	(20,97,57,478)	(74,35,498)
Cash generated from operations	**(23,92,69,010)**	**(9,39,93,059)**
Income Tax Paid/Refund	(1,28,000)	-
Net cash from operating activities	**(29,21,05,029)**	**(12,63,36,357)**
B. Cash Flow from Investing Activities:		
Payment for acquisition of property, plant and equipment including capital work in progress and intangible assets.	(12,48,81,485)	(7,47,63,837)
Sale of Property plant and equipment	51,369	31,862
Increase/(Decrease) capital advance for land	-	43,30,56,472
(Increase)/Decrease in prepaid lease for SEZ land	-	18,94,33,586
Dividend from Mutual Fund	36,68,828	47,18,612
Net cash from investing activities	**(12,11,61,288)**	**55,24,76,695**
C. Cash Flow from Financing Activities:		
Issue of equity capital	30,50,00,000	19,00,00,000
Share application money received	16,50,00,000	-
Proceeds from inter corporate deposit	13,00,00,000	70,00,00,000
Payment on behalf of Tata Steel Limited	(9,90,37,923)	(1,31,06,64,972)
Net cash from financing activities	**50,09,62,077**	**(42,06,64,972)**
Net increase/ (decrease) in cash or cash equivalents (A+B+C)	**8,76,95,760**	**54,75,366**
Cash and Cash Equivalents - Opening Balance (Refer Note 11)	**10,31,12,162**	**9,76,36,796**
Cash and Cash Equivalents - Closing Balance (Refer Note 11)	**19,08,07,922**	**10,31,12,162**

(a) The above Standalone Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

The accompanying Notes form an integral part of the Cash Flow Statement.

This is the Cash Flow Statement referred to in our Report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No.304026E/E300009
Chartered Accountants

For and on behalf of Board of Directors

(Ashish Taksali)
Partner
Membership No.: 099625

(Amit Kumar Kundu)
Chief Financial Officer
(FCA:53853)

(Tanmay Kumar Sahu)
Company Secretary
(FCS:4872)

(Ashish Mathur)
Managing Director
(DIN:03508443)

(Arun Misra)
Chairman
(DIN:01835605)

Place: Hyderabad
Date: 15/04/2019

Place: Bhubaneswar
Date: 15/04/2019

Tata Steel Special Economic Zone Limited

Statement of changes in equity for the year ended March 31, 2019

Amount in INR

As at March 31, 2019	Share capital		Retained earnings		
	Equity Share Capital	Share application money pending allotment	Balance of Statement of Profit and loss	Remeasurement Gains/ (Losses)	Total
At beginning of the period	1,547,426,310	-	(65,539,978)	-	(65,539,978)
Profit / (Loss) for the period	-	-	(56,807,184)	-	(56,807,184)
Other Comprehensive Income - Remeasurement Gain on Defined Benefit Plans	-	-	-	109,292	109,292
Total comprehensive income for the period	**-**	**-**	**(56,807,184)**	**109,292**	**(56,697,892)**
Additions	305,000,000	3,056,881,600	-	-	-
Remeasurement gains/(losses) t/f	-	-	109,292	(109,292)	-
Allotment of share	-	(305,000,000)	-	-	-
At end of period	**1,852,426,310**	**2,751,881,600**	**(122,237,870)**	**-**	**(122,237,870)**

As at March 31, 2018	Equity Share Capital	Share application money pending allotment	Balance of Statement of Profit and loss	Remeasurement Gains/ (Losses)	Total
At beginning of the period	1,257,426,310	100,000,000	(31,221,431)		(31,221,431)
Profit / (Loss) for the period	-	-	(34,285,154)	-	(34,285,154)
Other Comprehensive Income - Remeasurement Losses on Defined Benefit Plans	-	-	-	(33,393)	(33,393)
Total comprehensive income for the period	**-**	**-**	**(34,285,154)**	**(33,393)**	**(34,318,547)**
Additions	290,000,000	190,000,000	-	-	-
Remeasurement gains/(losses) t/f	-	-	(33,393)	33,393	-
Allotment of share	-	(290,000,000)	-	-	-
At end of period	**1,547,426,310**	**-**	**(65,539,978)**	**-**	**(65,539,978)**

The accompanying Notes form an integral part of the Statement of Changes in Equity

This is the Standalone Statement of Changes in Equity referred to in our Report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No.: 304026E/E-300009
Chartered Accountants

(Ashish Taksali)
Partner
Membership No.: 099625

Place: Hyderabad
Date: 15/04/2019

For and on behalf of the Board

(Amit Kumar Kundu) Chief Financial Officer (FCA:53853)

(Tanmay Kumar Sahu) Company Secretary (FCS:4872)

(Ashish Mathur) Managing Director (DIN:03508443)

(Arun Misra) Chairman (DIN:01835605)

Place: Bhubaneswar
Date: 15/04/2019

03. Property, Plant and Equipment

Amount in INR

As at March 31, 2019	Buildings and other stuctures	Furniture and fixtures	Office Equipments	Total Tangible Assets
	(A)	(B)	(C)	(A+B+C)
Cost at beginning of the year	20,06,02,084	1,62,368	17,24,648	20,24,89,100
Additions	24,30,49,237	50,47,560	9,98,016	24,90,94,813
Disposals	-	-	(1,50,000)	(1,50,000)
Cost at end of the year	**44,36,51,321**	**52,09,928**	**25,72,664**	**45,14,33,913**
Depreciation at beginning of the year	73,85,762	11,561	5,64,464	79,61,787
Charge for the year	69,42,889	16,123	6,31,150	75,90,162
Disposals	-	-	(1,26,059)	(1,26,059)
Depreciation at end of the year	**1,43,28,651**	**27,684**	**10,69,555**	**1,54,25,890**
Net book value at beginning of the year	**19,32,16,322**	**1,50,807**	**11,60,184**	**19,45,27,313**
Net book value at end of the year	**42,93,22,670**	**51,82,244**	**15,03,109**	**43,60,08,023**

As at March 31, 2018	Buildings and other stuctures	Furniture and fixtures	Office Equipments	Total Tangible Assets
Cost at beginning of period	3,05,24,915	73,738	11,35,776	**3,17,34,429**
Additions	17,00,77,169	88,630	6,38,872	**17,08,04,671**
Disposals	-	-	(50,000)	**(50,000)**
Cost at end of period	**20,06,02,084**	**1,62,368**	**17,24,648**	**20,24,89,100**
Depreciation at beginning of period	6,22,887	2,457	1,76,228	**8,01,572**
Charge for the period	67,62,875	9,104	4,11,227	**71,83,206**
Disposals	-	-	(22,991)	**(22,991)**
Depreciation at end of period	**73,85,762**	**11,561**	**5,64,464**	**79,61,787**
Net book value at beginning of period	**2,99,02,028**	**71,281**	**9,59,548**	**3,09,32,857**
Net book value at end of period	**19,32,16,322**	**1,50,807**	**11,60,184**	**19,45,27,313**

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TATA STEEL SPECIAL ECONOMIC ZONE LTD.

Tata Steel Special Economic Zone Limited
Notes to Financial Statements as at and for the year ended March 31, 2019

04. Intangible Assets (Other than Goodwill)

Amount in INR

As at March 31, 2019	**Software Costs**	**Company Logo**	**Total Intangible Assets**
Cost at beginning of the year	1,15,006	-	1,15,006
Additions	6,08,244	4,01,564	10,09,808
Cost at end of the year	**7,23,250**	**4,01,564**	**11,24,814**
Amortisation at beginning of the year	19,989	-	19,989
Charge for the year	1,04,409	1,00,850	2,05,259
Amortisation at end of the year	**1,24,398**	**1,00,850**	**2,25,248**
Net book value at beginning of the year	**95,017**	**-**	**95,017**
Net book value at end of the year	**5,98,852**	**3,00,714**	**8,99,566**

As at March 31, 2018	**Software Costs**	**Company Logo**	**Total Intangible Assets**
Cost at beginning of period	34,200	-	34,200
Additions	80,806	-	80,806
Cost at end of period	**1,15,006**	**-**	**1,15,006**
Amortisation at beginning of period	1,874		1,874
Charge for the year	18,115		18,115
Amortisation at end of period	**19,989**	**-**	**19,989**
Net book value at beginning of period	**32,326**	**-**	**32,326**
Net book value at end of period	**95,017**	**-**	**95,017**

Tata Steel Special Economic Zone Ltd. ★

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LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E300009
★ Kolkata ★

Tata Steel Special Economic Zone Limited

Notes to Financial Statements as at and for the year ended March 31, 2019

Amount in INR

	As at March 31, 2019	As at March 31, 2018
05- Capital Work in Progress		
Project development expenses	1,57,86,57,790	62,87,86,642
	1,57,86,57,790	**62,87,86,642**

	As at March 31, 2019	As at March 31, 2018
06- Intangible Assets Under Development		
Board App	-	1,49,494
Legatrix Software	4,60,494	-
Travel Management Software	30,000	-
Company Logo	-	1,31,564
	4,90,494	**2,81,058**

	As at March 31, 2019	As at March 31, 2018
07- Loans & Deposits (At amortised cost)		
Unsecured, considered good unless otherwise treated		
Security Deposits	14,36,609	-
	14,36,609	**-**

	As at March 31, 2019	As at March 31, 2018
08 - Other Assets - Non-current (Unsecured, considered good unless stated otherwise)		
Balance with Govt. Authorites	6,43,71,947	5,33,43,976
Capital advance for Land	-	6,52,27,778
Prepaid Expenses	4,47,719	-
Advance Recoverable in cash or in kind	28,31,422	45,40,174
Prepaid lease payment for operating lease	1,80,83,23,355	-
	1,87,59,74,443	**12,31,11,928**

	As at March 31, 2019	As at March 31, 2018
09- Tax Asset (Net)		
Advance Tax	7,68,000	6,40,000
	7,68,000	**6,40,000**

	As at March 31, 2019	As at March 31, 2018
10- Trade Receivables - Current (At amortised cost)		
Unsecured, considered good unless otherwise treated		
Considred good - unsecured	30,12,000	27,64,800
	30,12,000	**27,64,800**

	As at March 31, 2019	As at March 31, 2018
11- Cash and Cash Equivalents		
Balance with Bank -		
On Current Account	19,08,07,922	10,31,12,162
	19,08,07,922	**10,31,12,162**

	As at March 31, 2019	As at March 31, 2018
12- Other Financial Assets - Current (At Amortised Cost)		
Receivable from Tata Steel Limited [Refer Note 34]	60,97,02,895	51,06,64,972
	60,97,02,895	**51,06,64,972**

	As at March 31, 2019	As at March 31, 2018
13- Other Assets (Current)		
Prepaid lease payment for operating lease	2,82,55,052	-
	2,82,55,052	**-**

	As at March 31, 2019	As at March 31, 2018
14- Equity Share Capital		
Authorised:		
55,00,00,000 Equity shares of Rs. 10/- each	5,50,00,00,000	2,50,00,00,000
20,00,00,000 Preference shares of Rs. 10/- each	2,00,00,00,000	-
(March 31, 2018: 25,00,00,000 equity shares of Rs. 10/- each)		
(March 31, 2018: Preference share Nil)	**7,50,00,00,000**	**2,50,00,00,000**
Issued, Subscribed and Paid up:		
18,52,42,631 Equity shares of Rs. 10/- each fully paid up	1,85,24,26,310	1,54,74,26,310
(March 31, 2018: 15,47,42,631 equity shares of Rs. 10/- each fully paid up)		
	1,85,24,26,310	**1,54,74,26,310**
Shares issued to Tata Steel Limited, holding company and its nominee		
Balance at the beginning of the year	15,47,42,631	12,57,42,631
Add: Share issued during the year	3,05,00,000	2,90,00,000
Balance at the end of the year	**18,52,42,631**	**15,47,42,631**
Percentage of Shares issued to Holding Company	**100**	**100**

Term and rights attched to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- (March 31, 2018: Rs. 10/-) per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E300009
Kolkata

TATA STEEL SPECIAL ECONOMIC ZONE LTD.

Tata Steel Special Economic Zone Limited
Notes to Financial Statements as at and for the year ended March 31, 2019

Amount in INR

15 - Other Equity	As at March 31, 2019	As at March 31, 2018
(i) Retained Earnings		
Balance of Statement of Profit & Loss		
Opening balance of Profit/ (Loss)	(6,55,39,978)	(3,12,21,431)
Add: Loss during the year	(5,68,07,184)	(3,42,85,154)
Other Comprehensive Income/(Loss) during the year	1,09,292	(33,393)
	(12,22,37,870)	(6,55,39,978)
(ii) Share Application Money Pending Allotment		
Opening balance	-	10,00,00,000
Received from Tata Steel Limited, holding company	47,00,00,000	19,00,00,000
Transfer of Asset against equity pending allotment	2,58,68,81,600	-
	3,05,68,81,600	29,00,00,000
Less: Share allotted	30,50,00,000	29,00,00,000
Closing balance	2,75,18,81,600	-
Total Other Equity	2,62,96,43,730	(6,55,39,978)

16 - Trade Payable - Non-current	As at March 31, 2019	As at March 31, 2018
Trade Payble : Micro and Small Enterprises	-	-
Trade payables others	40,15,647	18,98,675
	40,15,647	18,98,675

17 - Borrowings - Non Current	As at March 31, 2019	As at March 31, 2018
Loans From related party [Refer Note 34]	13,00,00,000	-
	13,00,00,000	-

Long tem borrowings

Particulars	Maturity date	Terms of repayment	Coupon/Interest rate	As at 31st March, 2019	As at 31st March, 2018
Unsecured					
ICD from Tata Steel Ltd. (incl. interest)	-	Two to Three years (Previously one year)	10.50%	13,13,60,684	84,97,26,950
Less :Interest Accrued				13,60,684	4,97,26,950
Principal Amount of Borrowing				13,00,00,000	80,00,00,000
Less: Set off has been done against R&R payment				-	80,00,00,000
Net Balance as at year end				13,00,00,000	-

18 - Other financial liabilities - Non Current	As at March 31, 2019	As at March 31, 2018
Interest Accrued on Borrowings [Refer Note 34]	12,24,614	-
	12,24,614	-

19 - Retirement Benefit Obligations - Non-current	As at March 31, 2019	As at March 31, 2018
Gratuity [Refer Note 32 (ii)]	7,02,233	3,80,051
	7,02,233	3,80,051

20 - Other liabilities - Non-current	As at March 31, 2019	As at March 31, 2018
Advance Rent From Sure Safety Solutions	-	6,40,000
	-	6,40,000

21 - Trade Payables - Current	As at March 31, 2019	As at March 31, 2018
Trade Payble : Micro and Small Enterprises	-	-
Trade Payble : Others	1,22,17,186	53,22,777
Trade Payble Related parties - [Refer Note 34]	-	1,16,72,599
	1,22,17,186	1,69,95,376

22 - Other Financial Liabilities- Current	As at March 31, 2019	As at March 31, 2018
Employee Related Liabilities	37,36,368	8,90,782
Security deposit from vendor	4,58,706	4,58,706
Payable for purchase of Property, Plant & Equipment	8,33,35,655	5,47,78,063
	8,75,30,729	5,61,27,551

23 - Retirement Benefits Obligation - Current	As at March 31, 2019	As at March 31, 2018
Gratuity [Refer Note 32 (ii)]	6,785	3,146
Leave Benefits [Refer Note 32 (iii)]	14,71,297	3,96,040
	14,78,082	3,99,186

24 - Other Liabilities - Current	As at March 31, 2019	As at March 31, 2018
Statutory Dues	26,69,037	30,38,951
Advance Rent From Sure Safety Solutions	6,40,000	-
Advance from customer	34,65,226	26,17,770
	67,74,263	56,56,721

Price Waterhouse & Co Chartered Accountants LLP LLPIN AAC-4362 Chartered Accountants FRN 304026E/E300009 * Kolkata *

Tata Steel Special Economic Zone Ltd.

Tata Steel Special Economic Zone Limited
Notes to Financial Statements as at and for the year ended March 31, 2019

Amount in INR

	For the year ended March 31, 2019	For the year ended March 31, 2018
25 - Revenue from Operations		
Income from Lease rent and other services	38,40,000	38,40,000
	38,40,000	**38,40,000**

	For the year ended March 31, 2019	For the year ended March 31, 2018
26 - Other Income		
Mutual fund dividend	36,68,828	47,18,612
Other Non-operating income	99,120	19,964
	37,67,948	**47,38,576**

	For the year ended March 31, 2019	For the year ended March 31, 2018
27- Employee Benefit Expenses		
Salary & Other Benefits	2,27,28,922	1,02,03,807
Contribution to provident fund [Refer Note 32 (i)]	14,18,347	8,53,190
Gratuity [Refer Note 32 (ii)]	4,35,113	1,98,412
Staff Welfare Expenses	2,46,431	1,25,046
	2,48,28,813	**1,13,80,455**

	For the year ended March 31, 2019	For the year ended March 31, 2018
28- Other Expenses		
Legal & professional fees	12,42,149	6,19,230
Bank charges	4,986	9,483
Rent	18,48,565	-
Telecommunication expenses	32,847	21,220
Payment to Auditors		
- As Audit Fees	57,000	67,450
Outsourcing expenses	68,38,033	6,94,639
Travelling and Conveyances	37,38,495	31,68,630
Directors' sitting fee	1,60,000	2,40,351
Marketing expenses	86,63,716	1,86,01,477
Rates & taxes	71,34,819	88,346
Bad Debt Written Off	5,826	-
Miscellaneous Expenses	20,64,462	13,07,128
	3,17,90,898	**2,48,17,954**

TATA STEEL SPECIAL ECONOMIC ZONE LTD.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
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FRN 304026E/E300009
Kolkata

1) Background

Tata Steel Special Economic Zone Limited ("the Company") is a public limited company incorporated in India with its registered office in Bhubaneswar, Odisha.

The Company, a 100% subsidiary of Tata Steel Limited, is in the process of developing an Industrial Park at Gopalpur, in Ganjam District of Odisha. The Industrial park includes a Domestic Tariff Area and a multi-product Special Economic Zone in which the Company will act as a developer.

2) Significant Accounting Policies:

This note provides a list of the significant accounting policies adopted in the presentation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

(i) Compliance with Ind AS

The financial statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act') [Companies (Accounting Standards) Rules, 2015] and other provisions of the Act.

(ii) Historical Cost Convention
The financial statements have been prepared on a historical cost basis.

(iii) Current versus Non-current Classification
The Company presents assets and liabilities in the Balance Sheet based on current / non-current classification.

An asset is classified as current when it is:

a) expected to be realised or intended to be sold or consumed in the normal operating cycle,

b) held primarily for the purpose of trading,

c) expected to be realised within twelve months after the reporting period, or

d) cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

a) it is expected to be settled in the normal operating cycle,

b) it is held primarily for the purpose of trading,

c) it is due to be settled within twelve months after the reporting period, or

d) there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as Non-current.

2.2 Critical Estimates and Judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each Balance Sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements
is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

· Employee Benefits (Estimation of Defined Benefit Obligations) — Notes 2.11 and 32

Post-employment benefits represent obligations that will be settled in the future and require assumptions to project benefit obligations. Post-employment benefit accounting is intended to reflect the recognition of future benefit costs over the employee's approximate service period, based on the terms of the plans and the investment and funding decisions made. The accounting requires the Company to make assumptions regarding variables such as discount rate and salary growth rate. Changes in these key assumptions can have a significant impact on the defined benefit obligations.

· Estimation of Expected Useful Lives of Property, Plant and Equipment and Intangible Assets— Notes 2.3 ,3 and 4

Management reviews its estimate of the useful lives of property, plant and equipment and intangible assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of property, plant and equipment and intangible assets.

2.3 Property, plant and equipment

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they occurred. Trial run expenses (net of revenue) are capitalized.

The gain or loss arising on disposal of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset, and is recognized in the statement of profit and loss.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives.

The useful lives have been determined based on technical evaluation done by the management's experts which are same as those specified by Schedule II to the Act, except in case of Porta Cabins and Portable toilet units capitalized under building and other structures, where the useful life is less than that specified in Schedule II. The residual values are not more than 5% of the original cost of the assets.

The estimated useful lives for the categories of property, plant and equipment are:

Particulars	Estimated useful life (years)
Buildings and other structures	3 to 30 years
Furniture and fixture	10 years
Office equipment	3 to 5 year

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The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2.4 Intangible assets

Intangible assets have a finite useful life and are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

Computer Software

Computer Software for internal use, which is primarily acquired from third-party vendors is capitalised. Subsequent costs associated with maintaining such software are recognised as expense as incurred. Cost of computer software includes license fees and cost of implementation/system integration services, where applicable.

Computer Software are amortised on a pro-rata basis using the straight-line method over its estimated useful life of 3 to 5 years from the date they are available for use. Amortisation method and useful lives are reviewed periodically including at each financial year end.

2.5 Impairment of Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units).

2.6 Leases

As a Lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.7 Cash and Cash Equivalents

For the purpose of presentation in the Cash Flow Statement, cash and cash equivalents includes cash on hand, deposits held with banks / financial institutions with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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2.8 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the year in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.9 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of trade discounts, rebates, value added taxes, goods and service tax (GST) and amounts collected on behalf of third parties.

The Company recognizes revenue when the amount can be reliably measured, and it is probable that the economic benefits will flow to the Company and specific criteria have been met for each of the company's activities as described below. The company bases its estimates on historical results, taking into consideration the type of transaction and the specifics of each arrangement.

(i) Rental income

Rental income from is recognized on a straight-line basis over the term of the relevant leases.

2.10 Foreign currency transactions and translation

(i) Functional and Presentation Currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (`the functional currency'). The financial statements are presented in Indian Rupee (Rupees or Rs.), which is the Company's functional and presentation currency.

(ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. At the year-end, monetary assets and liabilities denominated in foreign currencies are restated at the year-end exchange rates. The exchange differences arising from settlement of foreign currency transactions and from the year-end restatement are recognised in statement of profit and loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

2.11 Employee benefits

i. Short-term Employee Benefit:

Liabilities for short-term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

ii. Other Long Term Employee Benefit Obligation

Long-term compensated absences are provided for based on actuarial valuation, as per projected unit credit method, done at the end of each financial year. Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

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iii. Post-employment obligations

Defined Benefit Plans

The liability recognised in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in 'Employee Benefits Expense' in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. These are included in 'Retained Earnings' in the Statement of Changes in Equity.

Defined Contribution Plans

Contributions under defined contribution plans payable in keeping with the related schemes are recognised as expenses for the period in which the employee has rendered the service.

2.12 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expenses relating to a provision is recognised in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.13 Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

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The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax are recognized in the statement of profit and loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.14 Trade Receivables

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.15 Investments and other Financial Assets

i. Classification

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- Those measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the statement of profit and loss or other comprehensive income. For investments in debt instrument, this will depend on the business model in which the investment in held. For investment in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

ii. Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit and loss.

a. Debt Instruments:

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

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- **Amortized cost**

  Assets that are held for collection of contractual cash flows where the cash flows represents solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in the statement of profit and loss when the asset is derecognized or impaired.

- **Fair value through Other Comprehensive Income (FVOCI)**

  Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, if any, which are recognized in the statement of profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to the statement of profit and loss and recognized in Other Income/Other Expenses.

- **Fair value through Profit or Loss (FVTPL)**

  Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented net in the statement of profit and loss within 'Other Income'/'Other Expenses' in the period in which it arises.

b. Equity Instruments:

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in 'Other Income/Other Expenses' in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

iii. Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost and FVOCI debt instruments, if any. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the company applies the simplified approach required by Ind AS 109- "Financial Instruments", which requires expected lifetime losses to be recognized at the time of initial recognition of the receivables.

iv. De-recognition of financial assets

A financial asset is derecognized only when:

- The Company has transferred the rights to receive cash flows from the financial assets, or

- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipient.

Where the company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

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Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if it has not retained control of the financial asset. Where the company retains control of the financial asset, the asset continues to be recognized to the extent of continuing involvement in the financial asset.

v. Income recognition

- **Interest Income**

Interest income from debt instruments is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

- **Dividends**

Dividends are recognized in the statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

2.16 Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest rate method.

2.17 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable rights must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.18 Earnings per Share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

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2.19 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired.

2.20 Recent Accounting Pronouncements

Standards Issued but not yet Effective

Ind AS 116, Leases
The Ministry of Corporate Affairs (MCA) has notified Ind AS 116, 'Leases', on March 30, 2019, which is effective for accounting periods beginning on or after April 1, 2019. The new lease standard on leases, which has a lease term of more than 1 year to be recognized in the balance sheet of the lessee as a right to use asset with a corresponding liability. The company is evaluating the impact of the new standard.

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29. The Company is in the process of developing an Industrial Park at Gopalpur, in Ganjam District of Odisha over a land parcel of 2970 acres. The Industrial park includes a multi-product special economic zone and domestic tariff area. Land admeasuring 1235 acres meant for development of special economic zone has been leased in favour of the Company by Industrial Infrastructure Development Corporation of Odisha and the same has been notified as Special Economic Zone by Ministry of Commerce & Industry, Government of India. Land admeasuring 1720 acres meant for development of domestic tariff area has been leased in favour of the Company by Industrial Infrastructure Development Corporation of Odisha during the current year.

Cost of the land, premium, ground rent, cess, boundary wall, periphery road and common infrastructure amounting to Rs 259 crore has been paid by Tata Steel Limited, the Holding Company and the same has been transferred in our books during the current year. The aforesaid amount of Rs 259 crore has be treated as non-cash transfer in the form of Equity share pending allotment.

30. Contingent Liability and Commitments:

There is no contingent liability as on March 31, 2019.

Particulars	As at March 31, 2019 (in Rs.)	As at March 31, 2018 (in Rs.)
Estimated amount of contracts remaining to be executed on Capital account	33,07,23,405	11,43,22,729

31. On the basis of information available with the Company there are no Micro, Small and Medium Enterprises identified by the Company as required to be disclosed under the 'Micro, Small and Medium Enterprise Development Act' 2006.

32. Employee Benefits:

i. Defined Contribution Obligation:

The Company maintains a provident fund with Regional Provident Fund Commissioner. Contributions are made to provident fund for employees at the rate of 12% of basic salary as per regulation. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expenses recognized during the period towards defined contribution plan is Rs.14,18,347 (March 31, 2018- Rs. 8,53,190)

ii. Defined Benefit Obligation:

The Company has defined benefit gratuity plan as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible to get gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days multiplied with number of years of completed services. The gratuity plan is unfunded plan.

The following tables summarize the component of net benefit expenses recognized in the Statement of Profit & Loss and Balance Sheet as at March 31, 2019 as required by Ind AS - 19 Employee benefits.

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Notes to Financial Statements as at and for the year ended March 31, 2019

Gratuity Benefit:

Table showing changes in Present Value of Obligations for Gratuity Liability:

(in Rupees)

Changes in Present Value of Obligation	For the year ended	
	March 31, 2019	March 31, 2018
Present value of obligation as on last valuation	3,83,197	1,51,392
Current Service Cost	4,06,067	1,86,755
Interest Cost	29,046	11,657
Actuarial gain/loss on obligations due to Change in Financial Assumption	10,517	(14,119)
Actuarial gain/loss on obligations due to Unexpected Experience	(1,19,809)	47,512
Present value of obligation as on valuation date	7,09,018	3,83,197

Table showing Reconciliation to Balance Sheet:

(in Rupees)

Reconciliation to Balance Sheet	For the year ended	
	March 31, 2019	March 31, 2018
Funded Status	(7,09,018)	(3,83,197)
Fund Liability	7,09,018	3,83,197

Table Showing Plan Assumptions:

(In Rupees)

Plan Assumptions	For the year ended	
	March 31, 2019	March 31, 2018
Discount Rate	7.58%	7.70%
Rate of Compensation Increase (Salary Inflation)	6.00%	6.00%
Average expected future service (Remaining working Life)	14	23
Average Duration of Liabilities	14	23
Mortality Table	IALM 2006-2008 Ultimate	IALM 2006-2008 Ultimate
Superannuation at age -Male	60	60
Superannuation at age -Female	60	60
Early Retirement & Disablement (All Causes Combined)	1.00%	1.00%

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Table showing Expense Recognized in statement of Profit/Loss:

(In Rupees)

Expense Recognized in statement of Profit/Loss	For the year ended	
	March 31, 2019	March 31, 2018
Current Service Cost	4,06,067	1,86,755
Cost(Loss/(Gain) on settlement	29,046	11,657

Table showing Other Comprehensive Income:

(in Rupees)

Other Comprehensive Income	For the year ended	
	March 31, 2019	March 31, 2018
Actuarial gain/loss on obligations due to Change in Financial Assumption	10,517	(14,119)
Actuarial gain/loss on obligations due to Unexpected Experience	(1,19,809)	47,512
Total Actuarial (gain)/losses	(1,09,292)	33,393
Net (Income)/Expense for the Period Recognized in OCI	(1,09,292)	33,393

Table showing Sensitivity Analysis:

(In Rupees)

Sensitivity Analysis	March 31, 2019		March 31, 2018	
	Increase	Decrease	Increase	Decrease
Discount Rate (-/+ 1%)	6,66,612	7,55,310	3,20,939	4,60,299
%Change Compared to base due to sensitivity	(5.981%)	6.529%	(16.25%)	12.01%
Salary Growth (-/+ 1%)	7,56,019	6,65,640	4,60,492	3,19,805
%Change Compared to base due to sensitivity	6.629%	(6.118%)	12.02%	16.54%

During the Current year, Company has considered discount rate 1% instead of 0.5% as considered in Previous Year.

iii. Leave Benefits:

The Company provides for accumulation of leave by its employees. The employees can carry forward a portion of the unutilised leave balances and utilise it in future periods or receive cash in lieu thereof as per the Company's policy. The Company records a provision for leave benefits in the period in which the employee renders the services that increases this entitlement. This is an unfunded plan.

The total provision recorded by the Company towards these benefits as at year end was Rs. 14,71,297 (March 31, 2018: Rs. 3,96,040). The amount of the provision is presented as current, since the Company does not have an unconditional right to defer settlement for any of these benefits. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

iv. Risk Exposure

Interest rate volatility: - The gratuity liability is calculated using discount rate set with reference to Govt. securities yield. If there is any change in yield of Govt. securities, the provision may change accordingly.

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33. Computation of Earnings Per Share (EPS):

(In Rupees)

Particulars	Current Year	Previous Year
Number of equity shares at the beginning of the year	15,47,42,631	12,57,42,631
Number of equity shares at the end of the year	18,52,42,631	15,47,42,631
Loss for the year (Rupees)	5,68,07,184	3,42,85,154
Weighted average number of shares considered for computation of Basic EPS (Numbers)	17,07,12,494	14,66,24,823
Weighted average number of shares for computation of Diluted EPS (Numbers)	17,07,12,494	14,66,24,823
Face Value of Each Equity Share (Rs.)	10	10
Earnings Per Shares Basic in Rupees	(0.33)	(0.23)
Earnings Per Share Diluted in Rupees	(0.33)	(0.23)

34. Related Parties Transactions:
i. List of Related Parties and Relationship

Name of the Related Party	Relationship
Tata Steel Limited	Holding Company
Tata Steel Processing and Distribution Limited (TSPDL)	Fellow Subsidiary

(in Rupees)

Transactions	Tata Steel Ltd. (Holding Company)		TSPDL (Fellow Subsidiary)	
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
Share Application money received and alloted	30,50,00,000	19,00,00,000	-	-
Share Application received pending for allotment	16,50,00,000	-	-	-
Share Application pending allotment (Non-Cash Transfer)	2,58,68,81,600	-	-	-
Inter Corporate deposit received	13,00,00,000	70,00,00,000	-	-
Purchase of Capital goods	-	-	1,74,380	29,94,973
Receiving of services	1,90,23,716	1,98,95,054	-	-
Interest expenses	13,60,684	4,90,33,781	-	-

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Balances outstanding as at the year end	Tata Steel Ltd. (Holding Company)		TSPDL (Fellow Subsidiary)	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Trade Payables- Current	-	1,16,72,599	-	
Borrowings- Non Current	13,00,00,000	-	-	-
Other Financial Liabilities- Current	80,86,104	-	-	5,10,551
Other financial liabilities - Non Current	12,24,614	-	-	-
Other Financial Assets - Current	60,97,02,894	51,06,64,972	-	-

Transactions	Independent Director	
	Year ended March 31, 2019	Year ended March 31, 2018
Sitting Fees	1,60,000	2,40,350

ii. List of Key Managerial Person and Relationship

Transactions	Ashish Mathur, Managing Director		Amit Kumar Kundu, Chief Financial Officer		Tanmay Kumar Sahu Company Secretary	
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
Short Term Employee Benefits	41,12,325	-	21,79,408	-	40,18,020	33,86,647
Contribution to Provident Fund	3,61,939	-	92,460	-	1,63,024	1,44,270
Other Long Term Benefits	19,54,500	-	-	-	-	-
Balances outstanding as at the year end	**Ashish Mathur, Managing Director**		**Amit Kumar Kundu, Chief Financial Officer**		**Tanmay Kumar Sahu Company Secretary**	
	Year ended March 31, 2019	**Year ended March 31, 2018**	**Year ended March 31, 2019**	**Year ended March 31, 2018**	**Year ended March 31, 2019**	**Year ended March 31, 2018**
Employee Related Liabilities	19,54,500	-	2,11,602	-	8,34,443	-

The remuneration to key managerial personnel does not include provisions made for gratuity and leave benefits as they are determined on an actuarial basis for the Company as a whole.

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Kolkata

35. Deferred Taxes:

The deferred tax liability is primarily in respect of property, plant and equipment. As the company is in the process of initial phase of setting up the industrial park, the company has recognized deferred tax asset on unabsorbed depreciation and carry forward of losses to the extent of deferred tax liability, resulting in net deferred tax liability of nil (previous year: nil).

Particulars	As on March 31, 2018	Charge/Credit	As on March 31, 2019
Deferred Tax Liability on difference in WDV	39,61,002	61,68,028	1,01,29,030
Deferred Tax Asset on carried forward loss	39,61,002	61,68,028	1,01,29,030
Difference	-	-	-

Particulars	As on March 31, 2017	Charge/Credit	As on March 31, 2018
Deferred Tax Liability on difference in WDV	6,16,342	33,44,659	39,61,002
Deferred Tax Asset on carried forward loss	6,16,342	33,44,659	39,61,002
Difference	-	-	-

36. Leases

Company's office premises is obtained under non-cancellable operating lease. The lease term is for 3 years and renewable for further period on mutual consent. Lease agreements has no price escalation clause and rent is not based on any contingencies. There is no restriction under the lease agreement. There are no subleases.

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows	As at March 31, 2019	As at March 31, 2018
Within one year	34,59,456	-
Later than one year but not later than five year	54,77,472	-

The company has taken land on long term lease from IDCO, refer note -29

37. Fair value measurement

Financial instrument by category

Particulars	As at March 31, 2019	As at March 31, 2018
	Amortized cost	Amortized cost
Financial assets		
Loans & Deposits	14,36,609	-
Trade receivables	30,12,000	27,64,800
Cash and cash equivalents	19,08,07,922	10,31,12,162
Other financial assets	60,97,02,895	51,06,64,972
Total Financial assets	**80,49,59,426**	**61,65,41,934**

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TATA STEEL SPECIAL ECONOMIC ZONE LTD.

Particulars	As at March 31, 2019	As at March 31, 2018
	Amortized cost	Amortized cost
Financial liabilities		
Trade payable – Non Current	40,15,647	18,98,675
Borrowings	13,00,00,000	-
Other financial liabilities – Non Current	12,24,614	-
Trade payables - Current	1,22,17,186	1,69,95,376
Other financial liabilities – Current	8,75,30,729	5,61,27,551
Total Financial liabilities	**23,49,88,176**	**7,50,21,602**

The fair value of these assets and liabilities is not significantly different from there carrying values.

38. Financial risk management

The Company's principal financial instruments comprise financial liabilities and financial assets. The Company's principal financial liabilities comprise of trade payable, borrowings and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations.

Risk exposures and responses
The Company manages its exposure to key financial risks in accordance with the direction of board of directors. The main risks that could adversely affect the Company's financial assets, liabilities or future cash flows are foreign currency risk, liquidity risk and credit risk. Management reviews and agrees policies for managing each of these risks which are summarized below.

(a) Foreign currency risk management
Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company undertakes transactions denominated in foreign currencies due to which exposures to exchange rate fluctuations arise. Presently, the exposure to foreign currency risk is not significant.

(b) Liquidity risk
Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credits, bank loans among others.

Maturity profile of Financial Liabilities
Maturity profile of all financial liabilities is as under:

Particulars	As at March 31, 2019	As at March 31, 2018
Maturing within one year		
Trade Payables	1,22,17,186	1,69,95,376
Other Financial Liabilities	8,75,30,729	5,61,27,551
Maturing within one to three year.		
Borrowings	13,00,00,000	-
Trade Payables	40,15,647	18,98,675
Other Financial Liabilities @	3,13,63,930	-

'@ Includes contractual interest payment based on interest rate prevailing at the end of the reporting period.

(c) Credit Risk:

Credit risk is the risk of financial loss arising from the counter party failure to repay or service debt according to the contractual terms and obligations. Financial instruments that are subjected to concentration of credit risk principally consists of investments, trade and other receivables. None of the financial instruments of the Company results in the material concentration of the credit risk.

39. Capital Management

(a) Risk Management

The company's objective when managing capital are to

- Safeguard its ability to continue as a going concern, so that company can continue to provide returns for shareholders and benefit for other stakeholders and,
- Maintain an optimal capital structure to reduce cost of capital.

40. The Honourable Supreme Court of India in its judgment in the matter of Vivekanada Vidyamandir & Others Vs The Regional Provident Fund Commissioner (II) West Bengal laid principles in relation to inclusion of allowances for determination of wages for the purposes of computing the provident fund contributions. The management is currently evaluating the matter together with the legal advisors to determine the applicability/ effective date (i.e., prospective or retrospective) and the operation of the Order. However, based on initial assessment the impact of the same is not expected to be material on these financial statements.

41. In terms of G.S.R. 308(E) dated March 30, 2017 the disclosures relating to specified bank notes are required to be provided for the period 8th November 2016 to 30 December 2016 and accordingly such disclosures are not applicable in the current year.

42. Previous year's figure have been regrouped / reclassified wherever necessary to correspond with the current year's figure.

43. The financial statements were approved for issue by the Board of Directors on April 15, 2019.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No.304026E/E300009
Chartered Accountants

For and on behalf of Board of Directors

(Ashish Taksali) Partner M No.099625	Amit Kumar Kundu Chief Financial Officer (FCA:53853)	Tanmay Kumar Sahu Company Secretary (FCS:4872)	Ashish Mathur Managing Director (DIN:03508443)	Arun Misra Chairman (DIN:01835605)

Place : Hyderabad
Date : April 15, 2019

Place : Bhubaneswar
Date : April 15, 2019

Notice of 13th Annual General Meeting

TATA STEEL SPECIAL ECONOMIC ZONE LIMITED

Registered Office: 5th Floor, Zone: C/2, Fortune Tower, Chandrasekharpur, Bhubaneswar, Odisha-751023
Email: tanmay.sahu@tatasteelsez.com
CIN: U45201OR2006PLC008971

NOTICE

Notice is hereby given that the 13th Annual General Meeting of the members of Tata Steel Special Economic Zone Limited will be held on Friday, 28th June 2019 at 11 A.M. at its registered office, 5th Floor, Zone C/2, Fortune Towers, Chandrasekharpur, Bhubaneswar, Odisha-751023 to transact the following business:

ORDINARY BUSINESS:

1. Adoption of Audited Financial Statements:

To receive, consider and adopt the audited Balance Sheet and Statement of Profit and Loss Account for the year ended 31st March 2019 together with the report of the Board of Directors and Auditors thereon.

2. Re-appointment of Director:

To re-appoint Mr. Arun Misra (DIN-01835605) as Director who retires by rotation as per the provisions of section 152 (6) of the Companies Act 2013 and Articles of Association of the Company; and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

3. Issue of Equity Shares on Preferential basis for consideration other than cash:

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 62, and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder ("Act") (including any statutory modification(s) or re-enactment thereof for the time being in force) and Memorandum and Articles of

Association of the Company, the consent of the Members of the Company be and is hereby accorded to issue, offer and allot, in one or more tranches up to 2,84,50,000 (Two Crores Eighty- four Lakhs Fifty Thousand) for Rs. 10 each fully paid aggregating to Rs. 284,50,00,000 (Rupees Two hundred Eighty-Four Crores Fifty Lakhs only) on a preferential basis to Tata Steel Limited for consideration other than cash and in such form and manner and upon such terms and conditions as the Board may in its absolute discretion deem appropriate.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters or things as necessary, to issue and allot Equity Shares to Tata Steel Limited and entering into contracts, arrangements, agreements, in connection therewith and incidental thereto."

By Order of the Board of Directors
For **Tata Steel Special Economic Zone Limited**

Tanmay Kumar Sahu
Company Secretary

Date : 5th June 2019
Place : Bhubaneswar

NOTES

1. A member is entitled to attend and vote at the Annual General Meeting (the "Meeting") and is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself. The proxy need not be a member of the Company. The instrument appointing the proxy in Form MGT-11 annexed hereto, in order to be effective, should reach the registered office of the Company at least 48 hours before the time of the meeting.

2. Pursuant to section 91 of Companies Act 2013, the register of members and the share transfer book of the Company will remain closed from 17th June 2019 till 24th June 2019.

3. Statement of facts pursuant to Section 102(1) of the Companies Act, 2013 in respect to the business stated above is annexed hereto.

4. All documents referred to in the accompanying Notice and Statement of facts are open for inspection at the Registered Office of the Company on all working days between 11.00 a.m. and 1.00 p.m upto the date of the Annual General Meeting.

5. Member(s)/Proxy(ies) should bring duly filled in attendance slip for attending the meeting.

STATEMENT OF FACTS

[PURSUANT TO SECTION 102(1) OF COMPANIES ACT 2013]

The following statement sets out all material facts relating to Item no. 3 as mentioned in the accompanying notice.

Item No.3: Issue of Equity Shares on Preferential basis for consideration other than cash:

In order to transfer capital expenditures for an amount upto Rs. 284.50 Crores from books of Tata Steel Limited to the books of the Company, the Board in its meeting held on 15th April 2019 has approved the non-cash transfer of capital expenditure by issue of 28.45 Crores Equity shares of Rs. 10 each on a preferential basis in tranches.

Pursuant to 62(1) (c) of Companies Act 2013 read with Companies (Share Capital and Debenture) Rules, 2014, any issue and allotment of the equity shares on preferential basis needs to be approved by shareholders by way of special resolution in General Meeting. The following are the salient features of the issue:

a) **Object of the issue:**

   The preferential issue is being made to transfer capital expenditures for an amount upto Rs. 284.50 Crores from Tata Steel Limited to Company. The said transfer shall be made in exchange of issue of equity shares.

b) **Total number of equity shares to be issued:** 28,45,00,000 equity shares

c) **The price or price band at/within which the allotment is proposed:** Rs. 10 each per share.

d) **Basis on which the price has been arrived at along with report of the registered valuer:** Net Present value of total cash flows- Enterprise value.

e) **Relevant date with reference to which the price has been arrived at:** 30th September 2018

f) **the class or classes of persons to whom the allotment is proposed to be made:** Promoter-Holding Company Tata Steel Limited.

g) **intention of promoters, directors or key managerial personnel to subscribe to the offer:** Directors/Key Management Personnel do not intend to subscribe the offer except Promoter Tata Steel Limited who intends to subscribe the preferential offer to the extent mentioned in Point (b).

h) **the proposed time within which the allotment shall be completed:** Within one year from the date of passing the special resolution by the shareholders.

i) **the names of the proposed allottees and the percentage of post preferential offer capital that may be held by them:** Tata Steel Limited who holds 100% shares of the Company including its nominees. The percentage will remain same post preferential offer capital.

j) **the change in control, if any, in the company that would occur consequent to the preferential offer:** No change.

k) **the number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price:** None

l) **the justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer:** To transfer the non-cash capital expenditure.

m) **The Pre-issue and Post-issue shareholding pattern of the Company in the following format:**

Sr. No.	Category	Pre-issue		Post-issue	
A	**Promoters' holding:**	No. of shares held	% of shareholding	No of shares held	% of shareholding
1	Indian:				
	Individual	60	0.01	60	0.01
	Bodies Corporate	20,17,42,571	99.99	486242571	99.99
	Sub-Total	20,17,42,631	100	486242571	100
2	Foreign Promoters	-	-	-	-

Sr. No.	Category	Pre-issue		Post-issue	
	Sub-Total (A)	20,17,42,631	100	486242631	100
B	**Non-Promoters' holding:**				
1	Institutional Investors	-	-	-	-
2	Non-Institution:	-	-	-	-
	Private Corporate Bodies	-	-	-	-
	Directors and Relatives	-	-	-	-
	Indian Public	-	-	-	-
	Others (Including NRIs)	-	-	-	-
	Sub Total(B)	20,17,42,631	100	486242631	100
	GRAND TOTAL	20,17,42,631	100	486242631	100

The Board of Directors in its meeting held on 15th April 2019 has recommended the aforesaid item for approval of the shareholders which relates to issue of equity shares on preferential offer.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives to whom the resolution relates, is concerned or interested in the resolution.

The Board recommends the above resolution(s) for the approval of members.

By Order of the Board of Directors
For **Tata Steel Special Economic Zone Limited**

Place : Bhubaneswar

Date : 5th June 2019

Tanmay Kumar Sahu
Company Secretary

PROXY FORM

Registered Office: 5th Floor, Zone C/2, Fortune Tower, Chandrasekharpur, Bhubaneswar, Odisha-751023 Tel no: 0674-2603000
CIN: U45201OR2006PLC008971

[Pursuant to the provisions of section 105(6) of Companies Act 2013 and rule 19(3) of the Companies (Management and Administration) Rules 2014.]

Name of the member(s): : ……………………………………………….

Address: : ……………………………………………….

Email ID : ……………………………………………….

Folio No/Client ID : ……………………………………………….

**I/We being the member(s) of Tata Steel Special Economic Zone Limited holding ………………… Equity shares of Rs. 10/- each, hereby appoint:

Name : ……………………………………………

Email ID : ……………………………………………

Address : ……………………………………………

Signature* : ……………………………………………

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at Annual General Meeting of the Company, to be held on Friday, 28th June 2019 at 11.00 a.m. at its registered office, and at any adjournment(s) thereof, in respect of the resolutions, as indicated below:

*[Please add pages for more Proxy(ies)]
** I wish my above Proxy to vote in the manner as indicated in the box below:

Resolution no.	Particulars of Resolution	For	Against
Ordinary Business:			
1.	To receive, consider and adopt the audited Balance Sheet and Statement of Profit and Loss Account for the financial year ending 31st March 2018\9.		
2.	Re-appointment of Mr. Arun Misra (DIN-01835605) as director who retires by rotation and being eligible, seeks re-appointment		
Special Business:			
3.	Issue of Equity Shares on Preferential basis for consideration other than cash:		

Signed this ……………… day of ……………….2019

Signature of shareholder : ……………………………………………

Signature of Proxy holder : ……………………………………………

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

2. ** This is only optional. Please put a '◎' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

3. Appointing proxy does not prevent a member from attending in person if he so wishes.

4. In case of joint-holders, the signature of any one holder will be sufficient, but names of all the joint-holders should be stated.

Gopalpur
INDUSTRIAL PARK
BY TATA STEEL SPECIAL ECONOMIC ZONE LIMITED

TATA STEEL SPECIAL ECONOMIC ZONE LIMITED

(CIN: U45201OR2006PLC008971)
Registered Address: 5th Floor Fortune Towers, C/2, Chandrashekharpur,
Bhubaneswar 751023, Odisha, India
www.tatasteelsez.com