

**14TH ANNUAL REPORT FOR THE FINANCIAL YEAR  
2019-20**

## The Board of Directors



**Mr. Chanakya Chaudhary**  
Chairman  
Non-Independent,  
Non-Executive Director



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



**Mr. Manoj T Thomas**  
Independent Director



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



**Mr. Prasanta Mallick**  
Managing Director

## Gopalpur Industrial Park at glance



**Construction of TSSEZL's Gate Complex**



**Tata Steel Ferro Chrome Plant**



**Industrial shed at DTA area**



**Construction of Tata Consumer Product (formerly TGBL) shed**

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## Board and Committees

### Board of Directors

Mr. Chanakya Chaudhary	Chairman
Mr. Prasanta Mallick	Managing Director
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 Water house & 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



# Notice of 14<sup>th</sup> Annual General Meeting



Registered Office: 5<sup>th</sup> Floor, C/2, Fortune Tower, Chandrasekharpur,  
Bhubaneswar, Odisha-751023

Email: [tanmay.sahu@tatasteelsez.com](mailto:tanmay.sahu@tatasteelsez.com)

CIN: U45201OR2006PLC008971

### **NOTICE**

Notice is hereby given that the 14<sup>th</sup> Annual General Meeting of the members of Tata Steel Special Economic Zone Limited will be held on August 25, 2020 at 11:30 AM(IST) through video conferencing('VC')/Other Audio visual Means('OAVM'), to transact the following business:

#### **ORDINARY BUSINESS:**

##### **Item no.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 March 31, 2020 together with the report of the Board of Directors and Auditors thereon.

##### **Item no.2 - Re-appointment of a Director:**

To appoint a Director in place of R Ranganath, Director (DIN:06725337) 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, seeks re-appointment..

##### **Item no.3- Fixation of Remuneration of the Statutory Auditors for the FY-21 & FY-22:**

To fix remuneration of the Statutory Auditors of the Company i.e. Price Waterhouse & Co. Chartered Accountants, for a period of two years i.e. financial year 2020-21 & financial year 2021-22.

**"RESOLVED THAT** pursuant to provisions of section 139(1) read with rules of the Companies Act, 2013 and any other applicable provision, the remuneration of statutory auditors i.e. Price Waterhouse & Co. Chartered Accountants, LLP [Firm Regn. No. 304026E/ E-300009] is and hereby fixed at Rs. 57,000 per annum excluding tax and out of pocket expenses for a period of 2 years (FY-21 & FY-22)."

#### **SPECIAL BUSINESS:**

##### **Item no.4- Appointment of Mr. Chanakya Chaudhary as Director:**

To consider and if thought fit, to pass with or without modification, the following Resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** Mr. Chanakya Chaudhary (DIN:02139568), who was appointed by the Board of Directors, as an Additional Director of the Company effective November 20, 2019 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 and any other applicable provisions, if any, of the Companies Act, 2013 ('Act') (including any modification or re-enactment thereof) and who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of a Director of the Company, be and is hereby appointed as a Director of the Company and that his period of office be liable to determination by retirement of Directors by rotation."

**RESOLVED FURTHER THAT** Mr. Tanmay Kumar Sahu, Company Secretary of the company be and is hereby authorized to do all such act(s), deed(s), thing(s) and writing(s) as may be necessary, expedient and incidental to give effect to this resolution.”

### **NOTES**

1. The Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the business under Item No. 4 above is annexed hereto. Additional information, pursuant to Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India in respect of Director(s) seeking appointment/re-appointment at the Annual General Meeting is furnished, is annexed hereto.
2. In view of the global outbreak of the COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circular No. 20/2020 dated May 5, 2020 in relation to 'Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM) read with General Circular No. 14/2020 dated April 8, 2020 and the General Circular No. 17/2020 dated April 13, 2020 in relation to 'Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by COVID-19' (collectively referred to as 'MCA Circulars') permitted the holding of the AGM through VC or OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Act, the 14<sup>th</sup> AGM of the Company is being held through VC/OAVM on Tuesday, August 25, 2020 at 11.30 a.m. (IST). The deemed venue for the 14<sup>th</sup> AGM will be at 5<sup>th</sup> Floor, Zone C/2 Fortune Towers, Chandrasekharpur, Bhubaneswar-751023.
3. Pursuant to provisions of the Act, 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. Since this AGM is being held pursuant to the MCA circulars through VC/OAVM, the requirement of physical attendance of members has been dispensed with. Accordingly, in terms of the MCA Circulars, the facility for appointment of proxies by the members will not be available for this AGM and hence the proxy form, route map and attendance slip are not annexed to this notice.
4. The Members can join the AGM in the VC/OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. In case of joint holders, the Member whose name appears as the first holder in the order of the names as per the Register of Members of the Company will be entitled to vote at the meeting.
7. In line with the MCA Circular dated May 5, 2020, the Notice of the AGM along with the annual report & Annual Accounts 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company. The Notice convening the 14<sup>th</sup> AGM has been uploaded on the website of the Company at [www.tatasteelsez.com](http://www.tatasteelsez.com).
8. Corporate members intending to appoint their authorized representatives to attend the AGM through VC are requested to send a certified copy of the Board Resolution to the Company on e-

- mail ID [company.secretary@tatasteelsez.com](mailto:company.secretary@tatasteelsez.com) authorizing their representative to attend and vote on their behalf at the meeting.
9. Members can post their questions in advance at the above-mentioned email, in relation to the items of business proposed to be placed at the Meeting. They can post their queries on the same email Id during the meeting as well.
10. Voting on each resolution will be done by show of hands by Members during the Meeting.
11. If a poll is demanded under Section 109 of the Act, the designated email id of the Company viz. [company.secretary@tatasteelsez.com](mailto:company.secretary@tatasteelsez.com) will be used for voting purposes.
12. The manner in which members can participate in the VC AGM is given hereunder:
- The Members will be provided with a facility to attend the AGM through VC using 'Microsoft Teams', which is a two-way Video-conferencing facility. The weblink for the same is sent to the members on their registered e-mail address along with the notice of the AGM and Annual Report for Financial Year 2019-20.
  - Members are encouraged to join the Meeting through Laptops having webcam for better experience.
  - Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
  - Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
  - The Members who would like to express their views/have questions may send their questions in advance mentioning their name, demat account number/folio number, email id, mobile number at [company.secretary@tatasteelsez.com](mailto:company.secretary@tatasteelsez.com). The same will be replied by the Company suitably during the AGM.
13. Pursuant to section 91 of Companies Act 2013, the register of members and the share transfer book of the Company will remain closed from August 11, 2020 till August 25, 2020.
14. 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.
15. In case of any queries with respect to joining the meeting, the Members may write to the Company at [company.secretary@tatasteelsez.com](mailto:company.secretary@tatasteelsez.com) or call at +91 9778114453 (Ms. Susovita Tripathy for Support other than IT related issues) or +91 9937069852 (Mr. Dipti Ranjan Bal for IT support) before or during the meeting.

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



Tanmay Kumar Sahu  
Company Secretary

Date : August 3, 2020  
Place : Bhubaneswar

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

The following statement sets out all material facts relating to Item no. 4 mentioned in the accompanying notice.

**Item No.4: Appointment of Mr. Chanakya Chaudhary as Director:**

Pursuant to the provisions of section 152 of Companies Act 2013, Mr. Chanakya Chaudhary was appointed as an additional Director w.e.f 20<sup>th</sup> November 2019 by the Board of Directors of the Company. As per section 161 of Companies Act 2013, Mr. Chaudhary shall hold office till the conclusion of this Annual General Meeting.

Pursuant to the provisions of Section 161 of the Act, Mr. Chanakya Chaudhary will hold office up to the date of the ensuing Annual General Meeting ('AGM') and is eligible to be appointed as a Director of the Company. The Company has, in terms of Section 160(1) of the Act, received a notice in writing from a Member, proposing the candidature of Mr. Chaudhary for the office of Director. Mr. Chaudhary once appointed will be liable to retire by rotation.

The Company has received from Mr. Chaudhary (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 and (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act

**Brief Profile of Mr. Chanakya Chaudhary (DIN:02139568):**

Mr. Chanakya Chaudhary (Age:55 years) joined Tata Steel in 1988 as Graduate Engineer Trainee in the Raw Material Division at Jharia, Dhanbad. During his stint in the Collieries division, he has worked in various capacities in the Fluidised Bed Power Plant, Training Institute, Underground mine, Jamadoba Coal Washery etc. Subsequently, he was transferred to Total Quality Management (TQM) (Business Excellence Group), wherein he was responsible for working with various divisions of Tata Steel for getting ISO-9000 certification, employee involvement in small group activities and preparation of annual quality improvement plans. He is a Certified Auditor for ISO 9000 and has been working as a lead assessor for Tata Group in its journey of Business Excellence and for JRD Quality Value Award. He was heading the Corporate Affairs office of Tata Steel at New Delhi as Chief Resident Executive and on 1st November 2013 he was appointed as Group Director-Corporate Communication & Regulatory Affairs. In his last assignment, he has served as Vice President - Raw Materials. Currently, he is the Vice President - Corporate Services in Tata Steel.

Mr. Chaudhary is a Bachelor of Engineering (Honours) Mechanical from BITS, Pilani and has undergone various prestigious management programmes like Young Managers Programme at

INSEAD, France in 1997, Tata Group Executive Leadership Programme in 2007 conducted by Michigan Ross School of Business & Executive MBA from CEDEP, France in 2008-09.

### **Board Meeting Attendance and Remuneration**

Mr. Chaudhary has been appointed at nil remuneration and has attended one Board meeting during the financial year 2019-20.

### **Relationship with other Directors, Manager and other KMPs**

There is no inter-se relationship between Mr. Chaudhary and other Members of the Board or KMP(s).

### **Terms and Conditions of Appointment**

Mr. Chaudhary is a Non-Executive Director of the Company.

### **Shareholding in the Company**

Mr. Chaudhary does not hold any Share in the Company.

### **Bodies Corporate (other than Tata Steel Special Economic Zone Limited) in which Mr. Chaudhary holds Directorships and Committee memberships**

#### **Directorships:**

S&T Mining Company Pvt. Ltd

T M Mining Company Ltd.

Tata Steel Foundation

Medica TS Hospital Pvt. Ltd

Jamshedpur Football and Sporting Pvt. Ltd

Steel City Press Ltd

Jamshedpur Utilities and Services Company Ltd

Hockey Ace Foundation

NICCO Jubilee Park Ltd

Federation of India Mineral Industries

Tata Steel Mining Limited

### **Chairman/Member of Committees in other body corporates (other than Tata Steel Special Economic Zone Limited) [Committees include statutory Committee]:**

#### ***Nomination and Remuneration Committee***

Jamshedpur Utilities and Services Company Ltd : Member

The Board of Directors in its meeting held on 12<sup>th</sup> May 2020 has recommended passing of resolution no.4 by the shareholders which relates to appointment of Mr. Chanakya Chaudhary as Director of the Company, whose office shall be liable to retire by rotation.

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

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

Date : August 3, 2020  
Place : Bhubaneswar

  
Tanmay Kumar Sahu  
Company Secretary



# Directors' Report for the financial year ended 31<sup>st</sup> March 2020



## BOARD'S REPORT

To the Members,

The Directors present the 14<sup>th</sup> Annual Report of Tata Steel Special Economic Zone Limited along with Annual Accounts on the business and operations of your Company along with the summary of financial statements for the year ended March 31, 2020.

### 1. FINANCIAL SUMMARY AND HIGHLIGHTS:

(Rs. In Lakh)		
Particulars	FY 2019-20	FY 2018-19
Revenue from Operations	39.80	38.40
Other Income	74.00	37.68
Total Income	113.80	76.08
Total Expenses	1,863.97	644.15
Profit/(Loss) before taxation	(1,750.18)	(568.07)
Tax Expense	-	-
Profit/(Loss) after tax	(1,750.18)	(568.07)
Other comprehensive income/(Loss)	0.36	1.09
Profit/(Loss) carried for the Year (Carried forward)	(1,749.81)	(566.98)
Profit/(Loss) at the beginning of the year	(1,222.38)	(655.40)
Profit/(Loss) at the end of the year	(2,972.19)	(1,222.38)

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 2,797 acres which includes 1,235 acres land of Special Economic Zone (SEZ) and 1562 acres of land for Domestic Tariff Area (DTA).

In the year under review, the Company has signed an agreement to lease with a leading Beverage Company for renting of an industrial shed admeasuring ~2.75 lakhs sq. ft. The industrial shed is under construction and the same is expected to be completed by September 2020. Apart from that the Company has also signed two separate agreements with MSME customers for 2 acres each. Discussions with various potential customers are in progress and the Company expects to sign firm agreements in the current year.

The operations of the Company for the year have been impacted due to the COVID-19 pandemic. Site operations and construction works were suspended as per the order of Government. As a measure of safety, all the employees of the Company were advised to "Work from Home" during the lockdown period. The Company is following all guidelines being issued by Government from time to time. Keeping in view the long-term effect of pandemic on the business of the Company and overall economy, the Company has prepared its future strategy.

**3. DIVIDEND:**

The Board has not recommended dividend to the shareholders as the Company is yet to earn profit.

**4. TRANSFER TO RESERVES:**

In the Financial year 2019-20, 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:**

The authorized share capital of the Company is Rs. 750 Crore which includes 55,00,00,000 equity shares of Rs.10 each and 20,00,00,000 preference shares of Rs.10 each.

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

During the financial year, the Company has allotted 21,42,17,870 equity shares of Rs. 10 each to Tata Steel Limited aggregating to Rs. 214,217,8700/-. As on March 31, 2020, the total paid up capital of Company stands at Rs.399,460,5010. 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.

**7. CORPORATE GOVERNANCE:**

Being a 100% subsidiary of Tata Steel, the Company ensures and follows the group corporate governance guidelines and best practices of Industries 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. DIRECTORS' RESPONSIBILITY STATEMENT:**

Based on the framework of internal financial controls and compliance system established and maintained by the Company, the work performed by internal, statutory and secretarial auditors including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during financial year 2019-20.

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 that:

- i. 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. 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. 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. we had prepared the annual accounts on a going concern basis;
- v. 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. 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.

## 9. MANAGEMENT:

### a) Composition of Board:

At the beginning of the financial year 2019-20, the Board of the Company comprises of the following Directors:

Name of the Director	Designation	Date of Appointment	Date of cessation	Remarks
<b>At the beginning of the financial year 2019-20:</b>				
Mr. Arun Misra	Chairman Not independent, Non-executive	29-09-2014	-	-
Mr. Ashish Mathur	Managing Director Executive	01-08-2018	-	-
Mr. R Ranganath	Not independent, Non-executive	29-06-2018	-	-
Mr. Manoj T Thomas	Independent Director	11-12-2015	-	-
Ms. Samita Shah	Not independent, Non-executive	22-03-2016	-	-

Name of the Director	Designation	Date of Appointment	Date of cessation	Remarks
<b>Changes during the financial year 2019-20:</b>				
Mr. Arun Misra	Chairman Not independent, Non-executive	29-09-2014	06-11-2019	Resigned from the Board
Mr. Ashish Mathur	Managing Director Executive	01-08-2018	29-04-2019	Resigned from the Board
Mr. Chanakya Chaudhary	Chairman Not independent, Non-executive	20-11-2019	-	Appointment as Additional Director and Chairman of the Company
Mr. Prasanta Mallick	Managing Director Executive	01-07-2019	-	Appointed as Managing Director of the Company

During the financial year under review:

1. Mr. Ashish Mathur and Mr. Arun Misra have resigned from the Board with effect from 29<sup>th</sup> April 2019 and 6<sup>th</sup> November 2019 respectively.
2. During the year under review, Mr. Prasanta Mallick was appointed as Managing Director of the Company with effect from 1<sup>st</sup> July 2019 for a period of 2 years. The appointment of Mr. Prasanta Mallick was approved by the shareholders in the 6<sup>th</sup> Extra ordinary General Meeting of the Company which was held on 11<sup>th</sup> October 2019.
3. Mr. Chanakya Chaudhary joined the Board as non-independent and non-executive Director of the Company with effect from 20<sup>th</sup> November 2019 and was appointed as Chairman of the Board of Directors. The appointment of Mr. Chanakya Chaudhary is being placed before the shareholders in the ensuing General Meeting for their approval.

At the end of the financial year, the Board comprises of following members:

Name of the Director	Designation
Mr. Chanakya Chaudhary	Chairman Not independent, Non-executive
Mr. Prasanta Mallick	Managing Director Executive
Mr. R Ranganath	Director Not independent, Non-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. R Ranganath (DIN-06725337) director of the Company shall retire by rotation at the ensuing annual general meeting and being eligible, offers himself for re-appointment. His re-appointment has been recommended by the Board for the consideration of shareholders.

During the financial year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/Committee of the Company.

**b) Key Managerial Personnel:**

During the Financial year under review, Mr. Prasanta Mallick joined the Company as Managing Director with effect from 1<sup>st</sup> July 2019. Pursuant to section 203 of Companies Act 2013, the details of the Key Managerial Personnel as on March 31, 2020 were given as under:

Name of the person	Designation	Date of Appointment
Mr. Prasanta Mallick	Managing Director	1 <sup>st</sup> July 2019
Mr. Amit Kumar Kundu	Chief Financial Officer	10 <sup>th</sup> September 2018
Mr. Tanmay Kumar Sahu	Company Secretary	27 <sup>th</sup> March 2015

**c) Board Meetings:**

During the Financial Year 2019-20, four 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
56 <sup>th</sup> Board Meeting	15-Apr-2019
57 <sup>th</sup> Board Meeting	12-July-2019
58 <sup>th</sup> Board Meeting	18-Oct-2019
59 <sup>th</sup> Board Meeting	14-Jan-2020

**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 terms of reference laid down by the Board of directors and Companies Act 2013.

As on March 31, 2020, the Audit Committee comprises of following members:

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
The Managing Director of the Company is the permanent invitee of the Audit Committee.	

During the Financial Year 2019-20, 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
14 <sup>th</sup> Audit Committee Meeting	10-Apr-2019
15 <sup>th</sup> Audit Committee Meeting	12-July-2019
16 <sup>th</sup> Audit Committee Meeting	18-Oct-2019
17 <sup>th</sup> Audit Committee Meeting	14-Jan-2020

e) **Declaration by Independent directors:**

Pursuant to the provisions of Section 149 of the Act, Mr. Manoj T Thomas Independent director has submitted declarations stating that he meets the criteria of independence as provided in Section 149(6) of the Act along with Rules. There has been no change in the circumstances affecting their status as independent directors of the Company.

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

f) **Board Evaluation:**

The Board has formulated a Policy and formats for evaluation of the Board, its Committees and individual Directors. Pursuant to section 134 (3) (p) of the Companies Act, 2013 and the policy of the Company, Annual evaluation of performance of board, committees, and individual directors pursuant to the provisions of the Act has been carried out for the year under review.

g) **Company's policy on Director's appointment and remuneration:**

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

Pursuant to section 178(3) of Companies Act 2013, the Board has adopted the following policies in the financial year 2015-16:

- Policy on appointment and removal of directors which include Board membership criteria, Board Diversity policy and criteria for determining independent directors.
- 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://www.tatasteelsez.com/>.

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

**h) Internal Financial Controls:**

The Company has an established internal control system which commensurate 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.

**10. AUDITORS:**

**a) Statutory Auditors:**

Price Waterhouse & Co. Chartered Accountant (PwC), LLP (FRN 304026E/E-300009) were appointed as the statutory auditors of the company for a period of five years commencing from the conclusion of 11<sup>th</sup> Annual General Meeting (AGM) until the conclusion of 16<sup>th</sup> AGM. .

The report of the Statutory Auditors forms part of the Annual Report. The said report does not contain any qualification, reservation, adverse remarks or disclaimer.

**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 2019-20. The Secretarial Auditors have conducted the secretarial audit of the Company for the financial year ending March 31, 2020 and have submitted their report in the form no MR-3 which is attached to this Board's report as **Annexure-3**.

**11. AUDIT REPORT:**

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.

**12. 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 March 31, 2020, no deposit remained unpaid or unclaimed.

**13. 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.

**14. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

The Company has formulated a policy on Related Party Transaction which is appearing in the website of the Company. 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. During the year, transactions with related parties were approved by the Audit Committee and Board.

**15. 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 has been implemented in the organization. The Company prepares its risk register on an annual basis by identifying 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 2019-20, 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://www.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 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. The Company has association with a third-party helpline which takes care of the ethical complaints.

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.

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.

**16. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES:**

The Company did not have any subsidiary, joint venture or associate Company during the financial year 2019-20.

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

During the financial year under review, there have been no material orders passed by the regulators or court or tribunal against the Company.

**18. ANNUAL RETURN:**

An extract of annual return for the financial year 2019-20 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://www.tatasteelsez.com>, after the convening of 14<sup>th</sup> Annual General Meeting.

**19. 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 2019-20.

**20. 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 2019-20
The steps taken or impact on conservation of energy;	The Company is using LED lights in office and LED Street Lights within the Industrial park.
The steps taken by the Company for utilizing alternate sources of energy;	The Company has a plan to set up a Solar Power Plant within the Industrial Park for its own use and also for the use by the units within the industrial parks,
The capital investment on energy conservation equipment's;	Not Applicable at present

## B. Technology Absorption:

Particulars	Initiatives planned/ taken during FY 2019-20
i. The efforts made towards technology absorption;	The Company is at an initial stage. The has future plans for technology absorption.
ii. The benefits derived like product improvement, cost reduction, product development or import substitution;	NA
iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	NA
a) The details of technology imported;	
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 the reasons thereof; and	
iv. The expenditures incurred on Research & Development;	NA

## C. Foreign Exchange Earnings and Outgo:

Particulars	Initiatives planned/ taken during FY 2019-20
Foreign Exchange earned in terms of actual inflow	NIL
Foreign Exchange outgo in terms of actual outflow	NIL

**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 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: 12<sup>th</sup> May 2020

## ANNEXURE-1

### POLICY ON APPOINTMENT AND REMOVAL OF DIRECTORS\*

*(\*The Nomination and Remuneration Committee (NRC) has been dissolved with effect from 19<sup>th</sup> February 2018. All matters shall be directly reported to Board as applicable. The term "NRC" in the policy will be termed as "Board")*

#### 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 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.

Note : Pursuant to The Companies (Appointment and Qualification of Directors) Amendment Rules, 2017[1] ('Amendment Rules, 2017') dated July 5, 2017, appointment of Independent Director is not mandatory for the Company. Therefore, the provisions related to independent Directors contained in the "Policy on Appointment and removal of directors" are voluntary in nature.

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. MONITORING AND REPORTING

The Committee will report annually, in the corporate governance section of the Annual Report of the Company, the process it employed in Board appointments, 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 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-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—

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

2.2. 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;

2.3. 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;

2.4. 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;

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

2.5.1. 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;

2.5.2. 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—

2.5.2.1. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

- 2.5.2.2. 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;
- 2.5.3. holds together with his relatives two percent or more of the total voting power of the company; or
- 2.5.4. 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
- 2.6. 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. DEFINITIONS IN ADDITION TO THOSE PROVIDED ABOVE
- 3.1. "Nominee Director" implies a Director nominated by any financial institution in pursuance of the provisions of any law for the time being in force, or of any agreement, or appointed by any government or any other person to represent its interests. [Companies Act 2013 – 149 Explanation]
- 3.2. "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.
- 3.3. "Relative" implies anyone who is related to another if they are members of HUF; if they are husband and wife; or if one person is related to the other in such manner as may be prescribed under the Act. A person shall be deemed to be the relative of another, if he or she is related to another in the following manner, namely – Father (includes step-father), Mother (includes step-mother), Son (includes step-son), Son's wife, Daughter, Daughter's husband, Brother (includes step-brother), Sister (includes step-sister) [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 19<sup>th</sup> 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")/ executive 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 2019-20**  
*[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,  
 5<sup>th</sup> Floor, Zone-C/2, Fortune Towers, Chandrasekharapur,  
 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, which was conducted based on the documents provided to us by the Company via e-mail, owing to the present lock-down situation spread globally, resulting from the ongoing 2019-20 coronavirus pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year 2019-20, 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 2019-20 ended on 31<sup>st</sup> March 2020, 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 2019-20					
Sl. No.	Name of the Directors	Positions Held	Date of Appointment	Date of Cessation	Remarks
1.	Mr. Chanakya Chaudhary	Chairman	20.11.2019	-	Appointed as Chairman of the Company w.e.f 20-11-2019.
		Non-Executive & Non-Independent Director			
2.	Mr. Arun Misra	Executive & Non-Independent Director	29.09.2014	6-11-2019	-
3.	Ms. Samita Shah	Non-Executive & Non-Independent Director	22.03.2016	-	-
4.	Mr. R. Ranganath	Non-Executive & Non-Independent Director	29.06.2018		-
5.	Mr. Prasanta Mallick	Managing Director	01.07.2019	-	-
		Executive & Non-Independent Director			
6.	Mr. Manoj T. Thomas	Independent Director	11.12.2015		

\*Mr. Ashish Mathur stepped down as the Managing Director of the Company w.e.f. 29.04.2019 and Mr. Prasanta Mallick was appointed in his place as the Managing Director of the Company w.e.f. 01.07.2019.

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, 4 (four) 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
56 <sup>th</sup>	15.04.2019	1. Mr. Arun Misra 2. Mr. Ashish Mathur 3. Mr. R. Ranganath-VC* 4. Mr. Manoj T. Thomas	1. Ms. Samita Shah

Board Meeting No.	Date of Board Meeting	Name of Directors present in the Meeting	Name of Directors absent in the Meeting
57 <sup>th</sup>	12.07.2019	1. Mr. Arun Misra 2. Mr. Prasanta Mallick 3. Ms. Samita Shah-VC* 4. Mr. Manoj T. Thomas-VC*	1. Mr. R. Ranganath
58 <sup>th</sup>	18.10.2019	1. Mr. Arun Misra 2. Mr. Prasanta Mallick 3. Mr. R. Ranganath- VC* 4. Ms. Samita Shah-VC* 5. Mr. Manoj T. Thomas-VC*	Nil
59 <sup>th</sup>	14.01.2020	1. Mr. Chanakya Chaudhary-VC* 2. Mr. Prasanta Mallick 3. Mr. R. Ranganath- VC* 4. Ms. Samita Shah-VC* 5. Mr. Manoj T. Thomas-VC*	Nil

\*attended through video-conferencing

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.

The required confirmation has been obtained from the Directors attending the meetings through video conferencing and proper roll check has been conducted by 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 comprised of the following members during the financial year under review:

- |    |                     |                   |
|----|---------------------|-------------------|
| 1. | Mr. R. Ranganath    | Chairman & Member |
| 2. | Mr. Manoj T. Thomas | Member            |
| 3. | Ms. Samita Shah     | Member            |

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:

<b>Audit Committee Meeting No.</b>	<b>Date of Committee Meeting</b>	<b>Name of Directors present in the Meeting</b>	<b>Name of Directors absent in the Meeting</b>
14 <sup>th</sup>	10.04.2019	1. Mr. R. Ranganath 2. Mr. Manoj T Thomas 3. Ms. Samita Shah-VC*	Nil
15 <sup>th</sup>	12.07.2019	1. Mr. R. Ranganath-Skype* 2. Mr. Manoj T Thomas-VC* 3. Ms. Samita Shah-VC*	Nil
16 <sup>th</sup>	18.10.2019	1. Mr. R. Ranganath-VC* 2. Mr. Manoj T Thomas-VC* 3. Ms. Samita Shah-VC*	Nil
17 <sup>th</sup>	14.01.2020	1. Mr. R. Ranganath-VC* 2. Mr. Manoj T Thomas-VC* 3. Ms. Samita Shah-VC*	Nil

\*attended through video-conferencing

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).

The required confirmation has been obtained from the Directors attending the meetings through video conferencing and proper roll check has been conducted by the Company.

**(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.

**(F) DEMATERIALIZATION OF SHARES:**

The Ministry of Corporate Affairs had vide Rule 9A of Companies (Prospectus and Allotment of Securities) Third Amendment Rules, 2018 mandated that every unlisted public company making an offer for issue of any securities or buy-back of securities or issue of bonus shares or rights shares or security holder who intends to transfer its shares shall ensure that before making such offer, entire holding of securities of its promoters, directors and key-managerial personnel has been dematerialized in accordance with the provisions of the Depositories Act, 1996 and regulations made thereunder.

M/s. Tata Steel Special Economic Zone Limited, being an unlisted public company has complied with the above requirements and has been allotted INE04MD01010 as its International Securities Identification Number (ISIN) and hence, all subsequent issue and allotment of shares are in compliance with the provisions of the Act.

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. 2,14,21,78,700/- consisting of 21,42,17,870 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: 04.05.2020**

**For Saroj Ray & Associates  
Company Secretaries**

**-Sd/-**

**CS Saroj Kumar Ray, FCS**

**Sr. Partner**

**FCS No: 5098 CP No: 3770**

**UDIN: F005098B000198225**

**(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,  
5<sup>th</sup> Floor, Zone- C/2, Fortune Towers, Chandrasekharpur,  
Bhubaneswar, Odisha-751023.

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 : 04.05.2020**

**For Saroj Ray & Associates**  
**Company Secretaries**

**-Sd/-**  
**CS Saroj Kumar Ray, FCS**  
**Sr. Partner**  
**FCS No: 5098 CP No: 3770**  
**UDIN: F005098B000198225**

**ANNEXURE-4****EXTRACT OF ANNUAL RETURN AS ON MARCH 31, 2020**

[Pursuant to rule 12(1) of the Companies (Management and Administration) Rules, 2014]

Form No. MGT 9

## REGISTRATION AND OTHER DETAILS:

CIN	U45201OR2006PLC008971
Registration Date	11 <sup>th</sup> 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	5 <sup>th</sup> Floor, Zone C/2, Fortune Towers Chandrasekharapur, 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
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 wise Shareholding										
Sr. N o.	Category of shareholders	Number of Share held								% chan ge durin g the year
		Beginning of the Year (April1, 2019)				End of the Year (March 31, 2020)				
		Demat	Ph ysi ca l	Total	% of Tota l Shar e	Demat	Ph ysi ca l	Total	% of Total Share	
(A) Promoters (Including Promoter Group)										
1)	Indian									
a	Individual s/ HUF	-	60	60	0.00	-	60	60	0.00	0.00
b	Central Government	-	-	0	0.00	-	-	0	0.00	0.00
c	State Government	-	-	0	0.00	-	-	0	0.00	0.00
d	Bodies Corporate	185242571	-	185242571	100.00	399460441	-	399460441	100.00	115.64
e	Banks/Financia l Institutions	-	-	0	0.00	-	-	0	0.00	0.00
f	Any other (Trust)	-	-	0	0.00	-	-	0	0.00	0.00
	Sub Total (A) (1)	185242571	60	185242631	100.00	399460441	60	399460501	100.00	115.64
2)	Foreign									
(a)	NRIs- Individuals	-	-	0	0.00	-	-	0	0.00	0.00
(b )	Other Individuals	-	-	0	0.00	-	-	0	0.00	0.00
(c)	Bodies Corporate	-	-	0	0.00	-	-	0	0.00	0.00
(d )	Banks/Financia l institutions	-	-	0	0.00	-	-	0	0.00	0.00
(e)	Any other(Specify)	-	-	0	0.00	-	-	0	0.00	0.00
	Sub Total (A) (2)	0	0	0	0.00	0	0	0	0	0.00
	Total Shareholding of Promoter and promoter group(A)=(A) (1) + ( A)(2)	185242571	60	185242631	100	399460441	60	399460501	1	115.64
(B) Public Shareholding										
-	-	-	-	-	-	-	-	-	-	-
(C) Shares held by Custodian for GDRs and ADRs										
-	-	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	185242571	60	185242631	100	399460441	60	399460501	1	115.64

## Shareholding of Promoters-

No of Shares held								
Sr. no	Shareholder's Name	Beginning of the Year (April 1, 2019)			End of the year (March 31, 2020)			% change in shareholding during the year
		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	
1	Tata Steel Limited & Nominees	185242631	100	-	399460501	100	-	115.64

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

Name of the Shareholder	Date	Shareholding at the Beginning of the year i.e. (April 1, 2019)		Cumulative Shareholding during the year i.e. (April 1, 2019 to March 31, 2020)	
		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, 2019	185242631	100.00%	185242631	100.00%
Change during the year	April 15, 2019*	16500000	8.91%	201742631	108.91%
	July 12, 2019*	197717870	106.73%	399460501	215.64%
At the end of the year	March 31, 2020	399460501	100.00%	399460501	100.00%

\*The shares are issued to Tata Steel only.

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

	Name of the Shareholder	Shareholding at the beginning of the year (April 1, 2019)		Cumulative Shareholding at the end of the year (March 31, 2020)	
		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 (April 1, 2019)		Cumulative Shareholding at the end of the year (March 31, 2020)	
		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. Mr. Misra resigned from the Board with effect from 6<sup>th</sup> November 2019

## INDEBTEDNESS:

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

(In Rs. Cr)

Particulars	Secured Loans excluding Deposits	Unsecured Loan	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year (April 1, 2019)				
(i) Principal Amount	-	13	-	13
(ii) Interest due but not paid	-	0.12	-	0.12
(iii) Interest accrued but not due	-	-	-	0
Total (i) + (ii) + (iii)	0	13.12	0	13.12
Change in indebtedness during the financial year 2019-20				
(i) Addition (Principal and Interest)	0	27.07	0	27.07
(ii) Reduction	0	0.21	0	0.21
Net Change	0	26.86	0	26.86
Indebtedness at the end of the financial year (March 31, 2020)				
(i) Principal Amount	-	38	-	38
(ii) Interest due but not paid	-	1.98	-	1.98
(iii) Interest accrued but not due	-	-	-	0
<b>Total (i) + (ii) + (iii)</b>	<b>0</b>	<b>39.98</b>	<b>0</b>	<b>39.98</b>

## REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

(In Rs. Lakhs)

Sr. no	Particulars of Remuneration	Name of MD/WTD/Manager	Name of MD/WTD/Manager	Total Amount
		Mr. Ashish Mathur, Managing Director (1-4-2019 to 29-4-2019)*	Mr. Prasanta Mallick, Managing Director (1-7-2019 to 31-3-2020)*	
	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	13.23	80.26	93.39
	b) Value of perquisites u/s 17(2) Income- tax Act, 1961	-	-	-
1.	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)	-	-	-
	<b>Total(A)</b>	<b>13.23</b>	<b>80.26</b>	<b>93.39</b>
	Ceiling as per the Act			120*

Remuneration to other Directors:

(In Rs. Lakhs)

Particulars of Remuneration	Name of Directors	
	Mr. Manoj T Thomas	Mr. R Ranganath
1. Independent Directors		
- Fee for attending board/committee meetings	1.4	-
- Commission	-	-
- Others, please specify	-	-
Total (1)	1.4	-
2. Others Non-Executive Directors		
- Fee for attending board/committee meetings	Nil	1.2
- Commission	-	-
- Others, please specify	-	-
Total (2)	1.4	1.2
Total (B)= (1)+(2)	1.4	1.2
<b>Total Managerial Remuneration</b>	<b>2.6</b>	

## A. 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	45.19	45.83	91.02
	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)	-	-	-
	<b>Total</b>	<b>45.19</b>	<b>45.83</b>	<b>91.02</b>

## PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties/punishments/compounding offences for the year ended March 31, 2020.

-----Sd-----  
Managing Director

-----Sd-----  
Company Secretary

Place : Bhubaneswar  
Date : 12<sup>th</sup> May 2020



# **Independent Auditor's Report for the financial year ended March 31, 2020**



# Price Waterhouse & Co Chartered Accountants LLP

## 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, 2020, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the 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, 2020 and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

#### Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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.

#### Emphasis of Matter

4. We draw your attention to Note 44 to the financial statements, which describes the management's assessment of the impact of the outbreak of Coronavirus (Covid-19) on the business operations of the Company. The management believes that no adjustments are required in the financial statements as it does not impact the current financial year, however, in view of the various preventive measures taken (such as complete lock-down restrictions by the Government of India, travel restrictions etc.) and highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

#### Other Information

5. 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.

Price Waterhouse & Co Chartered Accountants LLP, Plot No. 77/A, 8-2-624/A/1, 3<sup>rd</sup> Floor Road No. 10 Banjara Hills Hyderabad 500034

T: +91 (40) 44246000, F: +91 (40) 44246300

Registered office and Head Office: Plot No. Y-14, Block-EP, Sector-V, Salt Lake Electronic Complex, Bidhan Nagar, Kolkata - 700 091

Price Waterhouse & Co. (a Partnership Firm) Converted into Price Waterhouse & Co Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPINAAC-4362) with effect from July 7, 2014. Post its conversion to Price Waterhouse & Co Chartered Accountants LLP, its ICAI registration number is 304026E/E-300009 (ICAI registration number before conversion was 304026E)

# Price Waterhouse & Co Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

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

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

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

We have nothing to report in this regard.

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

6. 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.
7. 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**

8. 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.
9. 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

AP



# Price Waterhouse & Co Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

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

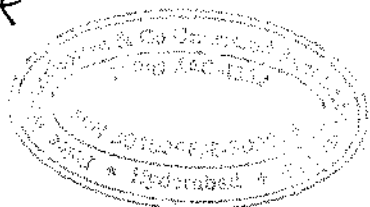
misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- 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.
  - 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.
10. 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.
11. 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

12. 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.
13. 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.






# Price Waterhouse & Co Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

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

- e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company do not have any pending litigations which would impact its financial position.
  - ii. The Company has long-term contracts as at March 31, 2020 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2020.
  - 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, 2020.
  - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2020.
- 14. The Company has provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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



Ashish Taksali  
Partner  
Membership Number : 99625

Place : Hyderabad  
Date : May 12, 2020  
UDIN: 20099625AAAAAN1767

# Price Waterhouse & Co Chartered Accountants LLP

## Annexure A to Independent Auditors' Report

Referred to in paragraph 13(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, 2020

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, 2020 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 controls with reference to financials 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.

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# Price Waterhouse & Co Chartered Accountants LLP

## Annexure A to Independent Auditors' Report

Referred to in paragraph 13(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, 2020

Page 2 of 2

### 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, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. Also refer paragraph 4 of the main audit report.

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



Ashish Taksali  
Partner  
Membership Number: 99625

Place: Hyderabad  
Date: May 12, 2020

# Price Waterhouse & Co Chartered Accountants LLP

## Annexure B to Independent Auditors' Report

Referred to in paragraph 12 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, 2020.

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.  
  
(a) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.  
  
(b) 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 generally regular in depositing undisputed statutory dues in respect of income tax, goods and service tax though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, cess, 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) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

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# Price Waterhouse & Co Chartered Accountants LLP

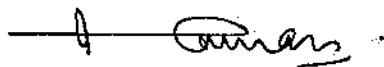
## Annexure B to Independent Auditors' Report

Referred to in paragraph 12 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, 2020.

Page 2 of 2

- 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/E-300009  
Chartered Accountants



Ashish Taksali  
Partner  
Membership Number : 99625  
Place: Hyderabad  
Date: May 12, 2020.



# **Financial Statements for the period ended March 31, 2020**



**Tata Steel Special Economic Zone Limited**  
**Balance Sheet as at March 31, 2020**

Amount in INR

	Note	As at March 31, 2020	As at March 31, 2019
<b>(I) ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment	03	77,44,02,911	43,60,08,023
(b) Intangible assets	04	6,03,167	8,99,566
(c) Right of use assets	05	1,83,55,73,065	-
(c) Capital work-in-progress	06	1,50,65,33,311	1,57,86,57,790
(d) Intangible assets under development	07	5,20,703	4,90,494
		<b>4,11,76,33,157</b>	<b>2,01,60,55,873</b>
(e) Financial Assets -			
(i) Deposits	08	20,47,339	14,36,609
(f) Other Assets	09	10,14,95,299	1,87,59,74,443
(g) Tax Asset (Net)	10	10,82,228	7,68,000
		<b>4,22,22,58,023</b>	<b>3,89,42,34,925</b>
<b>2 Current assets</b>			
(a) Financial assets			
(i) Trade Receivables	11	3,45,600	30,12,000
(ii) Cash and cash equivalents	12	14,43,82,696	19,08,07,922
(iii) Other Financial Assets	13	41,810	60,97,02,895
		<b>14,47,70,106</b>	<b>80,35,22,817</b>
(b) Other Assets	14	-	2,82,55,052
<b>TOTAL ASSETS</b>		<b>4,36,70,28,129</b>	<b>4,72,60,12,794</b>
<b>(II) EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity share capital	15	3,99,46,05,010	1,85,24,26,310
(b) Other equity	16	(29,72,19,029)	2,62,96,43,730
		<b>3,69,73,85,981</b>	<b>4,48,20,70,040</b>
<b>(2) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Trade Payable	17	-	-
(a) Total outstanding dues to micro and small enterprises		-	-
(b) Total outstanding dues other than (i) (a) above		-	40,15,647
(ii) Borrowings	18	4,00,00,000	13,00,00,000
(iii) Other financial liabilities	19	2,87,70,750	12,24,614
(b) Other liabilities	20	5,04,64,127	-
(c) Retirement benefit obligations	21	7,76,786	7,02,233
		<b>12,00,11,663</b>	<b>13,59,42,494</b>
<b>(3) Current liabilities</b>			
(a) Financial liabilities			
(i) Trade payables	22	-	-
Total outstanding dues to micro and small enterprises		-	-
Total outstanding dues other than (i) (a) above		4,48,57,371	1,22,17,186
(ii) Other financial liabilities	23	13,83,03,089	8,75,30,729
(iii) Borrowings	24	34,00,00,000	-
(b) Retirement benefit obligations	25	9,27,039	14,78,082
(c) Other Liabilities	26	2,55,42,986	67,74,263
		<b>54,96,30,485</b>	<b>10,80,00,260</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,36,70,28,129</b>	<b>4,72,60,12,794</b>

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

For and on behalf of Board of Directors

(Ashish Taksali)  
Partner  
Membership No.: 99625

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

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

(Prasanta Mallick)  
Managing Director  
(DIN:02347304)

(Chanakya Chaudhary)  
Chairman  
(DIN:02139568)

Place: Hyderabad  
Date: May 12, 2020

Place: Bhubaneswar  
Date: May 12, 2020

**Tata Steel Special Economic Zone Limited**  
**Statement of Profit and Loss for the Year Ended March 31, 2020**

Amount in INR

	Note	For the Year Ended March 31, 2020	For the year ended March 31, 2019
<b>Income</b>			
Revenue from operations	27	39,80,002	38,40,000
Other Income	28	73,99,762	37,67,948
<b>Total Income</b>		<b>1,13,79,764</b>	<b>76,07,948</b>
<b>Expenses</b>			
(a) Employee benefit expenses	29	2,10,35,649	2,48,28,813
(b) Finance Cost	30	8,82,193	-
(c) Depreciation and amortization expenses	31	12,09,20,868	77,95,421
(d) Other expenses	32	4,35,58,573	3,17,90,898
<b>Total Expenses</b>		<b>18,63,97,283</b>	<b>6,44,15,132</b>
<b>Loss before tax</b>		<b>(17,50,17,519)</b>	<b>(5,68,07,184)</b>
<b>Tax Expense</b>		-	-
<b>Loss for the year</b>		<b>(17,50,17,519)</b>	<b>(5,68,07,184)</b>
<b>Other Comprehensive Income</b>			
Item that will not be Reclassified to Profit or Loss in Subsequent Periods:			
Remeasurement gains / (losses) on defined benefit plans		36,350	1,09,292
<b>Other Comprehensive Income / (Loss) for the year</b>		<b>36,350</b>	<b>1,09,292</b>
<b>Total Comprehensive Loss for the year</b>		<b>(17,49,81,169)</b>	<b>(5,66,97,892)</b>
<b>Earning per equity share</b>			
<b>[Nominal value per share Rs10 /- (March 31, 2019 : Rs 10 /-)]</b>			
Basic (In Rs.)		(0.51)	(0.33)
Diluted (In Rs.)		(0.51)	(0.33)

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



(Ashish Taksali)  
Partner  
Membership No.: 99625

Place: Hyderabad  
Date: May 12, 2020



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

Place: Bhubaneswar  
Date: May 12, 2020

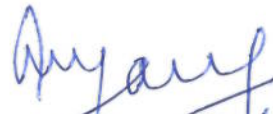


(Tanmay Kumar Sahu)  
Company Secretary  
(FCS:4872)

**For and on behalf of Board of Directors**



(Prasanta Mallick)  
Managing Director  
(DIN:02347304)



(Chanakya Chaudhary)  
Chairman  
(DIN:02139568)

**Tata Steel Special Economic Zone Limited**  
**Statement of Cash Flows for the Year Ended March 31, 2020**

Amount in INR

	For the Year Ended March 31, 2020	For the year ended March 31, 2019
<b>A. Cash Flow from Operating Activities:</b>		
Loss for the period	(17,50,17,519)	(5,68,07,184)
Adjustments for:		
Depreciation and amortization expenses	12,09,20,868	77,95,421
Dividend/Gain from mutual fund	58,77,336	(36,68,828)
Finance Cost	8,82,193	-
Interest on Sweep Account	(1,42,071)	-
Interest on unwinding of security deposit - IDCO	(1,86,550)	-
Profit on sale of Property, Plant & Equipment	(24,559)	(27,428)
<b>Operating profit/(Loss) before working capital changes</b>	<b>(4,76,90,302)</b>	<b>(5,27,08,019)</b>
Adjustments for:		
(Increase)/Decrease in Trade Receivable	26,66,400	(2,47,200)
Increase/(Decrease) in Trade Payables (Current and Non-current)	2,86,24,538	(26,61,221)
Increase/(Decrease) in Other Financial Liabilities (Current and Non-current)	15,23,397	(2,71,54,414)
(Increase)/Decrease In Other Financial Assets	(6,000)	-
Increase/(Decrease) in Other Liabilities (Current and Non-current)	6,92,32,850	4,77,542
Increase/(Decrease) in Retirement Obligation	(4,40,140)	15,10,370
(Increase)/Decrease in Deposits	(4,24,180)	(14,36,609)
(Increase)/Decrease in Other Assets (Current and Non-current)	(3,24,20,480)	(20,97,57,478)
<b>Cash generated from operations</b>	<b>2,10,66,083</b>	<b>(23,92,69,010)</b>
Income Tax Paid/Refund	(3,14,228)	(1,28,000)
<b>Net cash from operating activities</b>	<b>2,07,51,855</b>	<b>(29,21,05,029)</b>
<b>B. Cash Flow from Investing Activities:</b>		
Payment for acquisition of property, plant and equipment including capital work in progress and intangible assets.	(30,70,08,628)	(12,48,81,485)
Sale of Property plant and equipment	39,178	51,369
Interest on Sweep Account	1,06,261	-
Dividend/Gain from mutual fund	(58,77,336)	36,68,828
<b>Net cash from investing activities</b>	<b>(31,27,40,525)</b>	<b>(12,11,61,288)</b>
<b>C. Cash Flow from Financing Activities:</b>		
Proceeds from issue of Equity Share Capital	-	30,50,00,000
Share Application Money received/(pending allotment)	-	16,50,00,000
Principal Elements of Lease Payments	(41,94,201)	-
Interest Paid on Lease Liabilities	(2,42,355)	-
Proceeds from Inter Corporate Deposit	25,00,00,000	13,00,00,000
Payment on behalf of Tata Steel Limited	-	(9,90,37,923)
<b>Net cash from financing activities</b>	<b>24,55,63,444</b>	<b>50,09,62,077</b>
<b>Net increase/ (decrease) in cash or cash equivalents (A+B+C)</b>	<b>(4,64,25,226)</b>	<b>8,76,95,760</b>
<b>Cash and Cash Equivalents - Opening Balance (Refer Note 12)</b>	<b>19,08,07,922</b>	<b>10,31,12,162</b>
<b>Cash and Cash Equivalents - Closing Balance (Refer Note 12)</b>	<b>14,43,82,696</b>	<b>19,08,07,922</b>

(a) The above 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

(Ashish Taksali)  
Partner  
Membership No.: 99625

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

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

(Prasanta Mallick)  
Managing Director  
(DIN:02347364)

(Chanakya Chaudhary)  
Managing Director  
(DIN:02139568)

Place: Hyderabad  
Date: May 12, 2020

Place: Bhubaneswar  
Date: May 12, 2020

**TATA STEEL SPECIAL ECONOMIC ZONE LIMITED**  
**Statement of other comprehensive income for the period**

Amount in INR

	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
I Items subsequently reclassified to profit or loss		
II Items not subsequently reclassified to profit or loss		
(f) Remeasurement gains / (losses) on defined benefit plans	36,350.00	1,09,292.00
III Total Other Comprehensive Income (I+II)	36,350.00	1,09,292.00
IV Other comprehensive income attributable to:		
1 Owners of the Company	36,350.00	1,09,292.00

**Tata Steel Special Economic Zone Limited**  
**Statement of changes in equity for the Year Ended March 31, 2020**

**A) Equity Share Capital**

Particulars	Number	Amount in INR
		Amount
Balance as at March 31, 2018	15,47,42,631	1,54,74,26,310
Issue of Equity Shares	3,05,00,000	30,50,00,000
Balance as at March 31, 2019	18,52,42,631	1,85,24,26,310
Issue of Equity Shares	21,42,17,870	2,14,21,78,700
Balance as at March 31, 2020	39,94,60,501	3,99,46,05,010

**B) Other Equity**

Amount in INR

As at March 31, 2020	Share application money pending allotment	Retained Earnings	Total
At beginning of the period	2,75,18,81,600	(12,22,37,870)	2,62,96,43,730
Profit / (Loss) for the period	-	(17,50,17,519)	(17,50,17,519)
Other Comprehensive Income	-	36,350	36,350
- Remeasurement Gain on Defined Benefit Plans	-		
<b>Total comprehensive income for the period</b>	-	<b>(17,49,81,169)</b>	<b>(17,49,81,169)</b>
<b>Transactions with Owners in their Capacity as Owners:</b>			
Adjusted with Receivable from Tata Steel Limited	(60,97,02,890)	-	(60,97,02,890)
Allotment of share	(2,14,21,78,700)	-	(2,14,21,78,700)
<b>At end of period</b>	<b>10</b>	<b>(29,72,19,039)</b>	<b>(29,72,19,029)</b>

As at March 31, 2019	Share application money pending allotment	Balance of Statement of Profit and loss	Total
At beginning of the period	-	(6,55,39,978)	(6,55,39,978)
Profit / (Loss) for the period	-	(5,68,07,184)	(5,68,07,184)
Other Comprehensive Income	-	1,09,292	1,09,292
- Remeasurement Losses on Defined Benefit Plans	-		
<b>Total comprehensive income for the period</b>	-	<b>(5,66,97,892)</b>	<b>(5,66,97,892)</b>
<b>Transactions with Owners in their Capacity as Owners:</b>			
Additions	3,05,68,81,600	-	3,05,68,81,600
Allotment of share	(30,50,00,000)	-	(30,50,00,000)
<b>At end of period</b>	<b>2,75,18,81,600</b>	<b>(12,22,37,870)</b>	<b>2,62,96,43,730</b>

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

This is the Statement of Changes in Equity 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.: 99625

Place: Hyderabad

Date: May 12, 2020

**For and on behalf of the Board**



(Amit Kumar Kundu)

Chief Financial Officer

(FCA:53853)

Place: Bhubaneswar

Date: May 12, 2020



(Tanmay Kumar Sahu)

Company Secretary

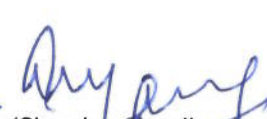
(FCS:4872)



(Prasanta Mallick)

Managing Director

(DIN:02347304)



(Chanakya Chaudhary)

Chairman

(DIN:02139568)

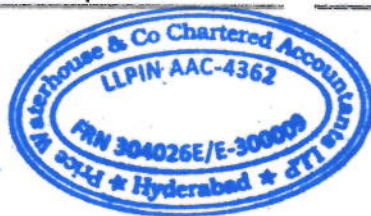
**Tata Steel Special Economic Zone Limited**  
**Notes to Financial Statements as at and for the Year Ended March 31, 2020**

**03. Property, Plant and Equipment**

Amount in INR

As at March 31, 2020	Buildings and other structures	Roads	Furniture and fixtures	Office Equipments	Vehicles	Electrical Installation & Equipments	Laboratory Equipment	Total Tangible Assets
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(A+B+C+D+E+F+G)
Cost at beginning of the period	44,36,51,321	-	52,02,368	25,80,224	-	-	-	45,14,33,913
Additions	6,20,76,143	34,61,82,737	40,90,512	57,59,807	25,74,505	41,49,019	5,30,500	42,53,63,223
Disposals	-	-	-	(1,96,693)	-	-	-	(1,96,693)
<b>Cost at end of the period</b>	<b>50,57,27,464</b>	<b>34,61,82,737</b>	<b>92,92,880</b>	<b>81,43,338</b>	<b>25,74,505</b>	<b>41,49,019</b>	<b>5,30,500</b>	<b>87,66,00,443</b>
Depreciation at beginning of the period	1,43,28,651	-	26,985	10,70,254	-	-	-	1,54,25,890
Charge for the period	1,67,98,523	6,66,92,618	15,84,480	9,99,541	4,90,496	3,80,050	8,008	8,69,53,716
Disposals	-	-	-	(1,82,074)	-	-	-	(1,82,074)
<b>Depreciation at end of the period</b>	<b>3,11,27,174</b>	<b>6,66,92,618</b>	<b>16,11,465</b>	<b>18,87,721</b>	<b>4,90,496</b>	<b>3,80,050</b>	<b>8,008</b>	<b>10,21,97,532</b>
<b>Net book value at beginning of the period</b>	<b>42,93,22,670</b>	<b>-</b>	<b>51,75,383</b>	<b>15,09,970</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>43,60,08,023</b>
<b>Net book value at end of the period</b>	<b>47,46,00,290</b>	<b>27,94,90,119</b>	<b>76,81,415</b>	<b>62,55,617</b>	<b>20,84,009</b>	<b>37,68,969</b>	<b>5,22,492</b>	<b>77,44,02,911</b>

As at March 31, 2019	Buildings and other structures	Roads	Furniture and fixtures	Office Equipments	Vehicles	Electrical Installation & Equipments	Laboratory Equipment	Total Tangible Assets
Cost at beginning of period	20,06,02,084	-	1,62,368	17,24,648	-	-	-	20,24,89,100
Additions	24,30,49,237	-	50,40,000	10,05,576	-	-	-	24,90,94,813
Disposals	-	-	-	(1,50,000)	-	-	-	(1,50,000)
<b>Cost at end of period</b>	<b>44,36,51,321</b>	<b>-</b>	<b>52,02,368</b>	<b>25,80,224</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>45,14,33,913</b>
Depreciation at beginning of period	73,85,762	-	11,561	5,64,464	-	-	-	79,61,787
Charge for the period	69,42,889	-	15,424	6,31,849	-	-	-	75,90,162
Disposals	-	-	-	(1,26,059)	-	-	-	(1,26,059)
<b>Depreciation at end of period</b>	<b>1,43,28,651</b>	<b>-</b>	<b>26,985</b>	<b>10,70,254</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,54,25,890</b>
<b>Net book value at beginning of period</b>	<b>19,32,16,322</b>	<b>-</b>	<b>1,50,807</b>	<b>11,60,184</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,45,27,313</b>
<b>Net book value at end of period</b>	<b>42,93,22,670</b>	<b>-</b>	<b>51,75,383</b>	<b>15,09,970</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>43,60,08,023</b>



**Tata Steel Special Economic Zone Limited**  
**Notes to Financial Statements as at and for the Year Ended March 31, 2020**

**04. Intangible Assets**

**Amount in INR**

<b>As at March 31, 2020</b>	<b>Software Costs</b>	<b>Company Logo</b>	<b>Total Intangible Assets</b>
Cost at beginning of the period	7,23,250	4,01,564	11,24,814
Additions	-	-	-
<b>Cost at end of the period</b>	<b>7,23,250</b>	<b>4,01,564</b>	<b>11,24,814</b>
Amortization at beginning of the period	1,24,398	1,00,850	2,25,248
Charge for the period	1,62,177	1,34,222	2,96,399
<b>Amortization at end of the period</b>	<b>2,86,575</b>	<b>2,35,072</b>	<b>5,21,647</b>
<b>Net book value at beginning of the period</b>	<b>5,98,852</b>	<b>3,00,714</b>	<b>8,99,566</b>
<b>Net book value at end of the period</b>	<b>4,36,675</b>	<b>1,66,492</b>	<b>6,03,167</b>

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

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**Tata Steel Special Economic Zone Limited**

**Notes to Financial Statements as at and for the Year Ended March 31, 2020**

**05. Right of Use assets**

	Amount in INR
	As at
	March 31, 2020
Carrying amounts of:	As at
	March 31, 2019
Office Building	63,90,305
Leasehold Land	1,82,91,82,760
<b>Total</b>	<b>1,83,55,73,065</b>

	Leasehold Land	Office Building	Total Right to use assets
Gross Carrying Amount as at Apr 1, 2019 (On Account of adoption of IND AS 116)	1,83,65,78,407	1,04,47,888	1,84,70,26,295
Additions	2,22,17,523	-	2,22,17,523
<b>Deemed cost as at March 31, 2020</b>	<b>1,85,87,95,930</b>	<b>1,04,47,888</b>	<b>1,86,92,43,818</b>
Accumulated Depreciation as at Apr 1, 2019	-	-	-
Charge for the year	2,96,13,170	40,57,583	3,36,70,753
<b>Accumulated depreciation as at March 31, 2020</b>	<b>2,96,13,170</b>	<b>40,57,583</b>	<b>3,36,70,753</b>
<b>Net book value as at April 1, 2019</b>	<b>1,83,65,78,407</b>	<b>1,04,47,888</b>	<b>1,84,70,26,295</b>
<b>Net book value as at March 31, 2020</b>	<b>1,82,91,82,760</b>	<b>63,90,305</b>	<b>1,83,55,73,065</b>

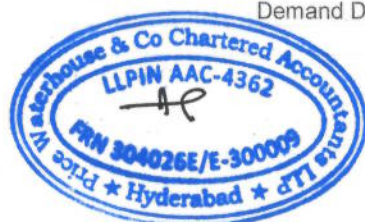
The Company leases Office space. Rental Contract are made for a fixed period of 3 years.



**Tata Steel Special Economic Zone Limited**  
**Notes to Financial Statements as at and for the year ended March 31, 2020**

Amount in INR

	As at March 31, 2020	As at March 31, 2019
<b>06- Capital Work in Progress</b>		
Capital Work in Progress	1,50,65,33,311	1,57,86,57,790
	<b>1,50,65,33,311</b>	<b>1,57,86,57,790</b>
	As at March 31, 2020	As at March 31, 2019
<b>07- Intangible Assets Under Development</b>		
Legatrix Software	4,60,494	4,60,494
Travel Management Software	30,000	30,000
Website Domain Registration	30,209	-
	<b>5,20,703</b>	<b>4,90,494</b>
	As at March 31, 2020	As at March 31, 2019
<b>08- Deposits (At amortized cost)</b>		
Unsecured, considered good unless otherwise treated		
Security Deposits	20,47,339	14,36,609
	<b>20,47,339</b>	<b>14,36,609</b>
	As at March 31, 2020	As at March 31, 2019
<b>09 - Other Assets - Non-current (Unsecured, considered good unless stated otherwise)</b>		
Balance with Govt. Authorities	9,71,09,859	6,43,71,947
Prepaid Expenses	-	4,47,719
Capital Advances	42,86,207	24,14,757
Advance Recoverable in cash or in kind	99,233	4,16,665
Prepaid lease payment for operating lease	-	1,80,83,23,355
	<b>10,14,95,299</b>	<b>1,87,59,74,443</b>
	As at March 31, 2020	As at March 31, 2019
<b>10- Tax Asset (Net)</b>		
Advance Tax	10,82,228	7,68,000
	<b>10,82,228</b>	<b>7,68,000</b>
	As at March 31, 2020	As at March 31, 2019
<b>11- Trade Receivables - Current (At amortized cost)</b>		
Unsecured, considered good unless otherwise treated		
Considered good - unsecured	3,45,600	30,12,000
	<b>3,45,600</b>	<b>30,12,000</b>
	As at March 31, 2020	As at March 31, 2019
<b>12- Cash and Cash Equivalents</b>		
Balance with Bank -		
On Current Account	13,65,66,370	19,08,07,922
Deposits with Original Maturity of Less Than Three Months	74,13,001	-
Demand Draft in Hand	4,03,325	-
	<b>14,43,82,696</b>	<b>19,08,07,922</b>



	As at March 31, 2020	As at March 31, 2019
<b>13- Other Financial Assets - Current (At Amortized Cost)</b>		
Accrued Int. on Sweep Account	35,810	-
Others	6,000	-
Receivable from Tata Steel Limited	-	60,97,02,895
	<b>41,810</b>	<b>60,97,02,895</b>
	As at March 31, 2020	As at March 31, 2019
<b>14- Other Assets (Current)</b>		
Prepaid lease payment for operating lease	-	2,82,55,052
	<b>-</b>	<b>2,82,55,052</b>
	As at March 31, 2020	As at March 31, 2019
<b>15- Equity Share Capital</b>		
<b>Authorized:</b>		
55,00,00,000 Equity shares of Rs. 10/- each	5,50,00,00,000	5,50,00,00,000
20,00,00,000 Preference shares of Rs. 10/- each	2,00,00,00,000	2,00,00,00,000
(March 31, 2019: 550,000,000 equity shares of Rs. 10/- each)		
(March 31, 2019: 200,000,000 equity shares of Rs. 10/- each)	<b>7,50,00,00,000</b>	<b>7,50,00,00,000</b>
<b>Issued, Subscribed and Paid up:</b>		
39,94,60,501 Equity shares of Rs. 10/- each fully paid up	3,99,46,05,010	1,85,24,26,310
(March 31, 2019: 185,242,631 equity shares of Rs. 10/- each fully paid up)	<b>3,99,46,05,010</b>	<b>1,85,24,26,310</b>
Shares issued to Tata Steel Limited, holding company and its nominee		
Balance at the beginning of the year	18,52,42,631	15,47,42,631
Add: Share issued during the period	21,42,17,870	3,05,00,000
<b>Balance at the end of the period</b>	<b>39,94,60,501</b>	<b>18,52,42,631</b>
<b>Percentage of Shares issued to Holding Company</b>	<b>100</b>	<b>100</b>

Term and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- (March 31, 2019: 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.

<b>16 - Other Equity</b>		
	As at March 31, 2020	As at March 31, 2019
<b>(i) Retained Earnings</b>		
Balance of Statement of Profit & Loss		
Opening balance of Profit/ (Loss)	(12,22,37,870)	(6,55,39,978)
Add: Loss during the period	(17,50,17,519)	(5,68,07,184)
Other Comprehensive Income/(Loss) during the period	36,350	1,09,292
	<b>(29,72,19,039)</b>	<b>(12,22,37,870)</b>
<b>(ii) Share Application Money Pending Allotment</b>		
Opening balance	2,75,18,81,600	-
Received from Tata Steel Limited, holding company	-	47,00,00,000
Transfer of Asset against equity pending allotment	-	2,58,68,81,600
	<b>2,75,18,81,600</b>	<b>3,05,68,81,600</b>
Less: Share allotted	2,14,21,78,700	30,50,00,000
Less: Adjusted with Receivable from Tata Steel	60,97,02,890	-
Closing balance	<b>10</b>	<b>2,75,18,81,600</b>
<b>Total Other Equity</b>	<b>(29,72,19,029)</b>	<b>2,62,96,43,730</b>



	As at March 31, 2020	As at March 31, 2019
<b>17 - Trade Payable - Non-current</b>		
Trade Payable : Micro and Small Enterprises	-	-
Trade payables others	-	40,15,647
	<b>-</b>	<b>40,15,647</b>

	As at March 31, 2020	As at March 31, 2019
<b>18 - Borrowings - Non Current</b>		
Loans From related party	4,00,00,000	13,00,00,000
	<b>4,00,00,000</b>	<b>13,00,00,000</b>

**Long term borrowings**

Particulars	Terms of repayment	Coupon/Interest rate	As at March 31, 2020	As at 31st March, 2019
<b>Unsecured</b>				
ICD from Tata Steel Ltd. (incl. interest)	Three years (Previously Two to Three years)	10.50%	4,48,98,461	13,13,60,684
Less : Interest Accrued			48,98,461	13,60,684
<b>Principal Amount of Borrowing</b>			<b>4,00,00,000</b>	<b>13,00,00,000</b>

	As at March 31, 2020	As at March 31, 2019
<b>19 - Other financial liabilities - Non Current</b>		
Interest Accrued on Borrowings	48,98,461	12,24,614
Lease Liability	20,09,250	-
Security Deposits	35,56,692	-
Payable for purchase of Property, Plant & Equipment	1,83,06,347	-
	<b>2,87,70,750</b>	<b>12,24,614</b>

	As at March 31, 2020	As at March 31, 2019
<b>20 - Other Liabilities - Non-current</b>		
Deferred Rent	2,31,64,127	-
Prepaid Rent - Land Sublease	2,73,00,000	-
	<b>5,04,64,127</b>	<b>-</b>

	As at March 31, 2020	As at March 31, 2019
<b>21 - Retirement Benefit Obligations - Non-current</b>		
Gratuity	7,76,786	7,02,233
	<b>7,76,786</b>	<b>7,02,233</b>

	As at March 31, 2020	As at March 31, 2019
<b>22 - Trade Payables - Current</b>		
Trade Payable : Micro and Small Enterprises	-	-
Trade Payable : Others	4,48,57,371	1,22,17,186
	<b>4,48,57,371</b>	<b>1,22,17,186</b>



	As at March 31, 2020	As at March 31, 2019
<b>23 - Other Financial Liabilities- Current</b>		
Employee Related Liabilities	20,15,348	37,36,368
Security deposit from vendor	4,58,706	4,58,706
Lease Liability	44,36,556	-
Payable for purchase of Property, Plant & Equipment	11,64,35,346	8,33,35,655
Interest Accrued on Borrowings	1,49,57,133	-
	<b>13,83,03,089</b>	<b>8,75,30,729</b>

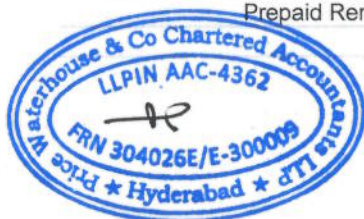
	As at March 31, 2020	As at March 31, 2019
<b>24 - Borrowings - Current</b>		
Loans From related party	34,00,00,000	-
	<b>34,00,00,000</b>	<b>-</b>

#### Short Term Borrowings

Particulars	Terms of repayment	Coupon/Interest rate	As at March 31, 2020	As at 31st March, 2019
<b>Unsecured</b>				
ICD from Tata Steel Ltd. (incl. interest)	One to Two years	10.00% to 10.5%	35,49,57,133	-
Less : Interest Accrued			1,49,57,133	-
<b>Principal Amount of Borrowing</b>			<b>34,00,00,000</b>	<b>-</b>

	As at March 31, 2020	As at March 31, 2019
<b>25 - Retirement Benefits Obligation - Current</b>		
Gratuity	6,385	6,785
Leave Benefits	9,20,654	14,71,297
	<b>9,27,039</b>	<b>14,78,082</b>

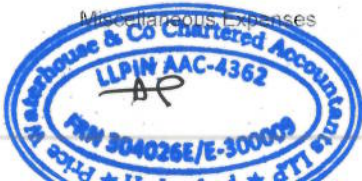
	As at March 31, 2020	As at March 31, 2019
<b>26 - Other Liabilities - Current</b>		
Statutory Dues	58,77,760	26,69,037
Advance Rent From Sure Safety Solutions	6,40,000	6,40,000
Advance from customer	1,84,65,226	34,65,226
Prepaid Rent - Land Sublease	5,60,000	-
	<b>2,55,42,986</b>	<b>67,74,263</b>



**Tata Steel Special Economic Zone Limited**

**Notes to Financial Statements as at and for the year ended March 31, 2020**

		Amount in INR
	For the Year ended March 31, 2020	For the year ended March 31, 2019
<b>27 - Revenue from Operations</b>		
Income from Lease rent and other services	39,80,002	38,40,000
	<b>39,80,002</b>	<b>38,40,000</b>
	For the Year ended March 31, 2020	For the year ended March 31, 2019
<b>28 - Other Income</b>		
Mutual fund dividend	58,77,336	36,68,828
Interest on Sweep Account	1,42,071	-
Interest on IT Refund	17,280	-
Interest on unwinding of security deposit - IDCO	1,86,550	-
Gain on Sales of Property, Plant and Equipment	24,559	-
Other Income	11,51,966	99,120
	<b>73,99,762</b>	<b>37,67,948</b>
	For the Year ended March 31, 2020	For the year ended March 31, 2019
<b>29- Employee Benefit Expenses</b>		
Salary & Other Benefits	1,89,28,569	2,27,28,922
Contribution to provident fund	11,45,780	14,18,347
Gratuity	3,28,015	4,35,113
Staff Welfare Expenses	6,33,285	2,46,431
	<b>2,10,35,649</b>	<b>2,48,28,813</b>
	For the Year ended March 31, 2020	For the year ended March 31, 2019
<b>30- Finance Cost</b>		
Interest Expenses - Others	8,82,193	-
	<b>8,82,193</b>	<b>-</b>
	For the Year ended March 31, 2020	For the year ended March 31, 2019
<b>31- Depreciation and amortization expenses</b>		
Depreciation of property plant and equipment	8,69,53,716	75,90,162
Amortisation of intangible assets	2,96,399	2,05,259
Depreciation of Right of use assets	3,36,70,753	-
	<b>12,09,20,868</b>	<b>77,95,421</b>
	For the Year ended March 31, 2020	For the year ended March 31, 2019
<b>32- Other Expenses</b>		
Legal & professional fees	13,35,008	12,42,149
Bank charges	3,900	4,986
Rent	-	18,48,565
Telecommunication expenses	1,75,209	32,847
Payment to Auditors		
- As Audit Fees	57,000	57,000
Outsourcing expenses	1,89,58,748	68,38,033
Travelling and Conveyances	15,09,769	37,38,495
Directors' sitting fee	2,25,000	1,60,000
Marketing expenses	18,73,687	86,63,716
Rates & taxes	1,37,04,550	71,34,819
Bad Debt Written Off	-	5,826
Miscellaneous Expenses	57,15,702	20,64,462
	<b>4,35,58,573</b>	<b>3,17,90,898</b>



## Tata Steel Special Economic Zone Limited

### Notes to Financial Statements as at and for the year ended March 31, 2020

#### 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.

###### (ii) 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.

###### (iii) New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time in the reporting period commencing April 1, 2019:

- Ind AS 116, Leases
- Uncertainty over Income Tax Treatments – Appendix C to Ind AS 12, Income Tax

The Company had to change its accounting policies as a result of adopting Ind AS 116. This is disclosed in note 34. The other amendments listed above did not have any impact on the amounts recognised in the current period.

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## **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 37**

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, 2.4, 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**

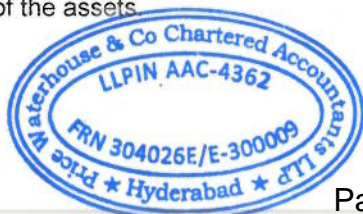
All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, 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 derecognised 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 recognised 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 Companies Act 2013, except in case of Porta Cabins and Portable toilet units capitalized under building and other structures and furniture and fixtures, 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.



## Tata Steel Special Economic Zone Limited

### Notes to Financial Statements as at and for the year ended March 31, 2020

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
Roads	3 to 5 years
Furniture and fixtures	5 to 10 years
Office Equipment	3 to 5 years
Vehicles	5 years
Electrical Installation and Equipment	10 years
Laboratory Equipment	10 years

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

Till March 31, 2019:

##### **As a Lessee**

Leases of property, plant and equipment where the company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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 (net of any incentives received from the lessor) are charged to the statement of profit and 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.

## Tata Steel Special Economic Zone Limited

### Notes to Financial Statements as at and for the year ended March 31, 2020

With effect from April 1, 2019:

#### As a Lessee

From April 1, 2019, Leases are recognised as right of use assets and a correspondence liability at the date at which the leased asset is available for use by the company. Contract may contain both lease and non lease components. The Company allocates the consideration in the contract to the lease and non lease components based on their relative standalone prices.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payment: -

- (a) Fixed payments (including in substance fixed payments) less any lease incentive receivable.
- (b) Variable lease payment that are based on an index or a rate, initially measured using the index or a rate at the commencement date.
- (c) Amount expected to be paid by the Company under residual value guarantees.
- (d) Exercise price of a purchase option if the Company is reasonably certain to exercise that option.
- (e) Payment of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Right-of-use assets are measured at cost comprising the following: -

- (a) The amount of the initial measurement of lease liability.
- (b) Any lease payment made at or before the commencement date less any lease incentive received.
- (c) Any initial direct cost and
- (d) Restoration costs.

Right of use of assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight line basis.

Payment associated with short-term leases of equipment and all the leases of low value assets are recognised on a straight line basis as an expenses in the statement of profit and loss. Short term leases are leases with a lease term of 12 months or less.

#### As a Lessor

Lease income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in relation to an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature. The Company did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

## 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.

## 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.

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## **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 is recognised 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.

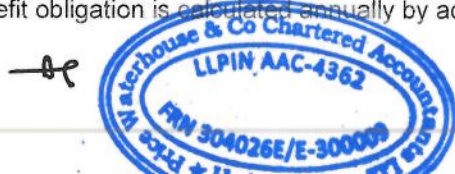
### **(ii) Other Long-Term Employee Benefit Obligation**

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.

### **(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 recognised 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.

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

##### **• 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 recognised in the statement of profit and loss when the asset is derecognised 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 recognised in the statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit and loss and recognised 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 recognised 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 recognised 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 recognised at the time of initial recognition of the receivables.

- iv. De-recognition of financial assets**

A financial asset is derecognised 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 derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

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 derecognised if it has not retained control of the financial asset. Where the company retains control of the financial asset, the asset continues to be recognised to the extent of continuing involvement in the financial asset.

- v. Income recognition**

- **Interest Income**

Interest income from debt instruments is recognised 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 recognised 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 recognised 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 recognised 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.

**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.





## Tata Steel Special Economic Zone Limited

### Notes to Financial Statements as at and for the year ended March 31, 2020

33. 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 1735 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 previous year.

#### 34. Changes in accounting policies

This note explains the impact of the adoption of Ind AS 116, Leases on the Company's financial statement.

As indicated in note 2.1(iii) above, the Company has adopted Ind AS 116 from April 1, 2019, but has not restated comparatives for year ended March 31, 2019, as permitted under the specific transition provisions in the standard. The new accounting policies are disclosed in note 2.6.

On adoption of Ind AS 116, the company recognised lease liabilities in relation to leases which has previously been classified as 'operating leases' under the principle of Ind AS 17, Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate as of April 1, 2019, the weighted average incremental borrowing rate applied to the lease liabilities on April 1, 2019 was 10.50%.

##### (i) Measurement of lease liability

Particulars	Amounts in Rupees
Operating lease commitments as at March 31, 2019	11,461,103
Discounted using the lessee's incremental borrowing rate of at the date of initial application	10,000,169
<b>Lease liability recognised as at April 1, 2019</b>	<b>10,000,169</b>
Disclosed as:	
Current	4,194,202
Non-current	5,805,967
<b>Total</b>	<b>10,000,169</b>

##### (ii) Measurement of right-of-use assets

The associated right-of-use asset for leases were measured at an amount equal to the lease liability (adjusted by the amount of previously recognised prepaid lease payments relating to that lease, where applicable) at the date of initial application.

The change in accounting policy affected the following items in the Balance Sheet on April 1, 2019:

- Right-of-use Assets – increase by Rs. 1,847,026,295
- Prepaid lease payment for operating lease – decrease by Rs. 1,836,578,407
- Lease Liabilities – increase by Rs 10,000,169

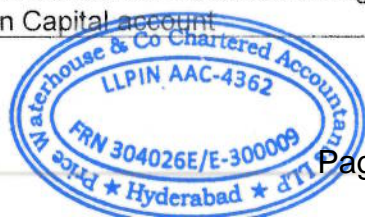
There is no impact (net) on the retained earnings on April 1, 2019.

#### 35. Contingent Liability and Commitments:

There is no contingent liability as on March 31, 2020.

Particulars	As at March 31, 2020 (in Rs.)	As at March 31, 2019 (in Rs.)
Estimated amount of contracts remaining to be executed on Capital account	492,572,361	330,723,405

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# Tata Steel Special Economic Zone Limited

## Notes to Financial Statements as at and for the year ended March 31, 2020

36. 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

### 37. 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 recognised during the period towards defined contribution plan is Rs.1,145,780 (March 31, 2019- Rs. 1,418,347)

#### 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 recognised in the Statement of Profit & Loss and Balance Sheet as at March 31, 2020 as required by Ind AS - 19 Employee benefits.

#### Gratuity Benefit:

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

Changes in Present Value of Obligation	(in Rupees)	
	For the year ended	
	March 31, 2020	March 31, 2019
Present value of obligation as on last valuation	709,018	3,83,197
Current Service Cost	288,038	4,06,067
Interest Cost	39,977	29,046
Actuarial gain/loss on obligations due to Change in Financial Assumption	87,398	10,517
Actuarial gain/loss on obligations due to Unexpected Experience	(123,748)	(1,19,809)
Benefits paid	(217,512)	-
Present value of obligation as on valuation date	783,171	7,09,018

Table showing Reconciliation to Balance Sheet:

Reconciliation to Balance Sheet	(in Rupees)	
	For the year ended	
	March 31, 2020	March 31, 2019
Fund Status	(783,171)	(7,09,018)
Fund Liability	783,171	7,09,018

Table Showing Plan Assumptions:

Plan Assumptions	(in Rupees)	
	For the year ended	
	31-Mar-20	31-Mar-19
Discount Rate	6.66%	7.58%
Rate of Compensation Increase (Salary Inflation)	6.00%	6.00%

Plan Assumptions	For the year ended	
	31-Mar-20	31-Mar-19
Average expected future service (Remaining working Life)	17	14
Average Duration of Liabilities	17	14
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%

Table showing Expense Recognised in statement of Profit/Loss:

Expense Recognised in statement of Profit/Loss	(in Rupees) For the year ended	
	31-Mar-20	31-Mar-19
Current Service Cost	288,038	406,067
Cost(Loss)/(Gain) on settlement	39,977	29,046

Table showing Other Comprehensive Income:

Other Comprehensive Income	(in Rupees) For the year ended	
	31-Mar-20	31-Mar-19
Actuarial gain/loss on obligations due to Change in Financial Assumption	87,398	10,517
Actuarial gain/loss on obligations due to Unexpected Experience	(123,748)	(119,809)
Total Actuarial (gain)/losses	(36,350)	(109,292)
Net(Income)/Expense for the Period Recognised in OCI	(36,350)	(109,292)

Table showing Sensitivity Analysis:

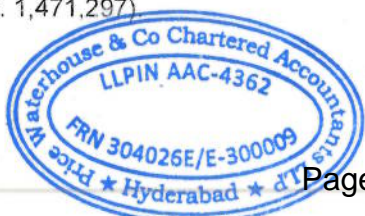
Sensitivity Analysis	March 31, 2020		March 31, 2019	
	Increase	Decrease	Increase	Decrease
Discount Rate (-/+ 1%)	7,33,823	8,37,406	6,66,612	7,55,310
%Change Compared to base due to sensitivity	-6.30%	6.93%	-5.98%	6.53%
Salary Growth (-/+ 1%)	8,37,249	7,33,526	7,56,019	6,65,640
%Change Compared to base due to sensitivity	6.91%	-6.34%	6.63%	-6.12%

### 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. 920,654/- (March 31, 2019: Rs. 1,471,297)

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**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.

**38. Computation of Earnings Per Share (EPS):**

(in Rupees)

Particulars	Current Year	Previous Year
Number of equity shares at the beginning of the year	185,242,631	154,742,631
Number of equity shares at the end of the year	399,460,501	185,242,631
Loss for the year (Rupees)	175,017,519	56,807,184
Weighted average number of shares considered for computation of Basic EPS (Numbers)	343,727,652	170,712,494
Weighted average number of shares for computation of Diluted EPS (Numbers)	343,727,652	170,712,494
Face Value of Each Equity Share (Rs.)	10	10
Earnings Per Shares Basic and Diluted in Rupees	(0.51)	(0.33)

**39. Related Parties Transactions:****i. List of Related Parties and Relationship**

Name of the Related Party	Relationship
Tata Steel Limited	Holding Company

Transactions	Tata Steel Ltd. (Holding Company)	
	Year ended March 31, 2020	Year ended March 31, 2019
Equity Share Capital issued (against share application money pending allotment)	2,142,178,700	-
Share Application money received and allotted	-	305,000,000
Share Application received pending for allotment	-	165,000,000
Receivable Balance adjusted with Share Application pending allotment (Non-Cash Transfer)	609,702,890	2,586,881,600
Inter Corporate deposit received	250,000,000	130,000,000
Outsourcing Expenses (Including GST)	36,051,774	18,705,902
Legal and Professional Fees (Including GST)	341,620	137,814
Interest expenses on Borrowings (Capitalised to Capital work in progress)	20,701,096	1,360,684
Balances outstanding as at the year end	Tata Steel Ltd. (Holding Company)	
	Year ended March 31, 2020	Year ended March 31, 2019
Share Application Money pending Allotment	10	2,751,881,600
Trade Payables- Current	21,190,528	-
Borrowings- Non Current	40,000,000	130,000,000
Borrowings- Current	340,000,000	-
Other Financial Liabilities- Current	-	8,086,104
Other financial liabilities - Non Current	-	1,224,614

**Tata Steel Special Economic Zone Limited**
**Notes to Financial Statements as at and for the year ended March 31, 2020**

Other Financial Assets – Current	-	609,702,894
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Transactions	Independent Director	
	Year ended March 31, 2020	Year ended March 31, 2019
Sitting Fees	225,000	160,000

**ii. List of Key Managerial Person and Relationship**

Transactions	Ashish Mathur, Managing Director (Till 29.04.19)		Amit Kumar Kundu, Chief Financial Officer		Tanmay Kumar Sahu Company Secretary	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Short Term Employee Benefits	1,323,407	4,112,325	4,342,260	2,179,408	4,399,075	4,018,020
Contribution to Provident Fund	-	361,939	177,684	92,460	183,996	163,024
Other Long Term Benefits	-	1,954,500	-	-	-	-
Total	1,323,407	6,428,764	4,519,944	2,271,868	4,583,071	4,181,044
Balances outstanding as at the year end	Ashish Mathur, Managing Director (Till 29.04.19)		Amit Kumar Kundu, Chief Financial Officer		Tanmay Kumar Sahu, Company Secretary	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Employee Related Liabilities	-	1,954,500	390,076	211,602	403,222	834,443

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.

Mr. Prasanta Mallick, Managing Director, Tata Steel Special Economic Zone is on Deputation from Tata Steel Ltd. With effect from 1st July 2019, his remuneration is shown under Outsource / Deputation charges.

**40. 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 recognised 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, 2019	Charge/Credit	As on March 31, 2020
Deferred Tax Liability on difference in WDV	10,129,030	(9,142,915)	986,115
Deferred Tax Asset on carried forward losses	10,129,030	(9,142,915)	986,115
Difference	-	-	-

Particulars	As on March 31, 2018	Charge/Credit	As on March 31, 2019
Deferred Tax Liability on difference in WDV	3,961,002	6,168,028	10,129,030
Deferred Tax Asset on carried forward loss	3,961,002	6,168,028	10,129,030
Difference	-	-	-

**41. Fair value measurement**

Financial instrument by category

Particulars	As at March 31, 2020	As at March 31, 2019
	Amortized cost	Amortized cost
<b>Financial assets</b>		
Deposits	2,047,339	1,436,609
Trade receivables	345,600	3,012,000
Cash and cash equivalents	144,382,696	190,807,922
Other financial assets	41,810	609,702,895
<b>Total Financial assets</b>	<b>146,817,445</b>	<b>804,959,426</b>
<b>Financial liabilities</b>		
Trade payable – Non Current	-	4,015,647
Borrowings – Non Current	40,000,000	130,000,000
Other financial liabilities – Non Current	28,770,750	1,224,614
Borrowings – Current	340,000,000	-
Trade payables – Current	44,857,370	12,217,186
Other financial liabilities – Current	138,303,089	87,530,729
<b>Total Financial liabilities</b>	<b>591,931,210</b>	<b>234,988,176</b>

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

**42. 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 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 all financial liabilities is as under:

Particulars	Carrying Amount	Contractual Cash flows	Between 0 to 1 years	Between 1 to 3 Years	More than 3 years
<b>As at March 31, 2020</b>					
a) Lease Liabilities (Current and Non Current)	6,445,806	7,024,547	4,436,556	2,587,991	-
b) Trade payables (Current and Non Current)	44,857,370	44,857,370	44,857,370	-	-
c) Other financial liabilities @	160,628,033	202,292,828	168,316,533	33,976,295	-
d) Borrowings (Current and Non Current)	380,000,000	380,000,000	340,000,000	40,000,000	-
<b>As at March 31, 2019</b>					
a) Trade payables (Current and Non Current)	16,232,833	16,232,833	12,217,186	4,015,647	-
b) Other financial liabilities (Current and Non Current) @	88,755,343	118,894,659	87,530,729	31,363,930	-
c) Borrowings	130,000,000	130,000,000	-	130,000,000	-

@ 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

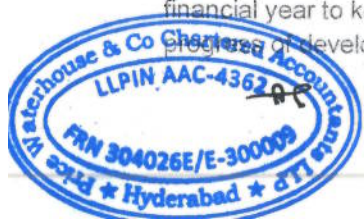
**43. Capital Management****(a) Risk Management**

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.

**44. Estimation of uncertainties relating to the global health pandemic from COVID-19:**

The spread of COVID-19 has severely impacted business around the globe. In many countries, including India, there has been severe disruption to regular business operations due to lockdowns, disruptions in transportation, supply chain, travel bans, quarantines, social distancing, and other emergency measures. Management has decided to keep the business activities i.e. subleasing of land in the second half of the financial year to keep the year plan intact, so that the cash flow for the year will not affect. To maintain the progress of developing infrastructure we will continue with debt from the holding company.



## Tata Steel Special Economic Zone Limited

### Notes to Financial Statements as at and for the year ended March 31, 2020

The Company has made a detailed assessment of its liquidity position for the next one year and of the recoverability and carrying values of its assets comprising Property, Plant and Equipment, Intangible assets, and Trade Receivables at the balance sheet date, and has concluded that there are no material adjustments required in the financial statements.

Management believes that it has considered all the possible impact of known events arising from COVID 19 pandemic in the preparation of the financial statements. However, the impact of assessment of COVID 19 is a continuous process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

#### 45. Leases

Company's office premise 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, 2020	As at March 31, 2019
Within one year	-	3,459,456
Later than one year but not later than five year	-	5,477,472

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

46. The financial statements were approved for issue by the Board of Directors on May 12, 2020

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



Ashish Taksali  
Partner  
Membership No. 99625



Amit Kumar Kundu  
Chief Financial Officer  
(FCA:53853)



Tanay Kumar Sahu  
Company Secretary  
(FCS:4872)

For and on behalf of Board of Directors



Prasanta Mallick  
Managing Director  
(DIN: 02347304)



Chanakya Chaudhary  
Chairman  
(DIN: 02139568)

Place: Hyderabad  
Date : May 12, 2020

Place: Bhubaneswar  
Date : May 12, 2020

**GOPALPUR**  
INDUSTRIAL PARK

BY

**TATA STEEL SPECIAL ECONOMIC ZONE**



(CIN: U45201OR2006PLCOO8971)

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