



**TATA STEEL SPECIAL ECONOMIC ZONE LIMITED**

**15<sup>TH</sup> ANNUAL REPORT FOR FINANCIAL YEAR 2020-21**

**Corporate Information**

**(As on July 14, 2021)**

**Board of Directors**

Mr. Chanakya Chaudhary – Chairman (DIN: 02139568)

Ms. Samita Shah (DIN: 02350176)

Mr. R. Ranganath (DIN: 06725337)

Mr. Prasanta Mallick (DIN: 02347304)

**Key Managerial Personnel**

Ms. Swati Sheth, Company Secretary

**Bankers**

State Bank of India

Axis Bank

HDFC Bank

**Auditors**

**Statutory Auditors**

M/s. Price Waterhouse & Co

Chartered Accountants LLP

**Tax Auditors**

M/s. O M Kejriwal & Co.

**Registrars and Share Transfer Agent**

Alankit Assignments Limited

Alankit House

4E/2 Jhandewalan Extension

New Delhi – 110 055

Tel: +91-11-4254-1234

Email: [b.swain@alankit.com](mailto:b.swain@alankit.com)

Website: [www.alankit.com](http://www.alankit.com)

**TATA STEEL SPECIAL ECONOMIC ZONE LIMITED**

(A 100% subsidiary of Tata Steel Limited)

Regd. Off: 5th Floor, C/2, Fortune Towers, Chandrasekharapur, Bhubaneswar - 751023, Odisha, India  
Tel. No. 0674-2603000 Website: [www.tatasteelsez.com](http://www.tatasteelsez.com) E-mail : [contact@tatasteelsez.com](mailto:contact@tatasteelsez.com)

CIN: U45201OR2006PLC008971



**Registered Office**

5<sup>th</sup> Floor, Zone-C/2 Fortune Towers  
Chandrasekharpur  
Bhubaneswar, Khordha  
Odisha – 751023  
Tel: 0674-2603000  
Website: [www.gjp.city](http://www.gjp.city)  
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CIN: U45201OR2006PLC008971

## **NOTICE**

Notice is hereby given that the 15<sup>th</sup> Annual General Meeting of the Members of Tata Steel Special Economic Zone Limited will be held at shorter notice on Monday, September 6, 2021 at 4:15 p.m. (IST) through Video Conferencing / Other Audio-Visual Means, to transact the following business:

### **ORDINARY BUSINESS:**

#### **Item No. 1 – Adoption of Audited Financial Statements**

To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2021, and the Reports of the Board of Directors and the Auditors thereon.

#### **Item No. 2 – Re-appointment of a Director**

To appoint a Director in the place of Ms. Samita Shah (DIN: 02350176), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, seeks re-appointment.

#### **Item No. 3 – Fixation of remuneration of Statutory Auditors**

“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 Registration No.304026E/ E-300009] is and hereby fixed at ₹91,000/- per annum, excluding applicable taxes and out-of-pocket expenses) for each of FY 2020-21 and FY 2021-22, or at such remuneration, as may be mutually agreed between the Board of Directors and the Auditors.”

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient to give effect to this Resolution and / or otherwise considered by them to be in the best interest of the Company.”

### **SPECIAL BUSINESS:**

#### **Item No. 4 – Re-appointment of Mr. Prasanta Mallick as the Managing Director and payment of remuneration**

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

“RESOLVED That pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 (‘Act’) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s), amendment(s) or re-enactment(s) thereof, for the time being in force), and Article 194 of the Articles of Association of the Company, the consent of the Members of the Company, be and is hereby accorded to the re-appointment

of and terms of remuneration of Mr. Prasanta Mallick (DIN: 02347304) as the Managing Director of the Company for a further period of 3 years effective July 1, 2021 through June 30, 2024, not liable to retire by rotation, upon the terms and conditions as set out in the Statement annexed to the Notice convening the 15<sup>th</sup> Annual General Meeting, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year, during his said tenure (subject to provisions of the Act and the overall limits and conditions set out in Section 197 read with Schedule V of the Act, by undertaking such compliances as provided therein), with liberty to the Board of Directors of the Company (hereinafter referred to as the '**Board**'), to grant increments and to alter and vary, from time to time, the terms and conditions of the said re-appointment, including remuneration, within the overall limits prescribed under the Act, as it may deem fit and in such manner, as may be agreed to and between the Board and Mr. Prasanta Mallick.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorised to do all such acts, deeds, things and execute all such documents, instruments, writings, as it may, in its absolute discretion, deem necessary, expedient or desirable, in order to give effect to the foregoing resolution or otherwise, as considered by the Board, to be in the best interest of the Company."

**Item No. 5 – Issue of equity shares on a preferential basis to Tata Steel Limited on private placement basis**

To consider and, if thought fit, to pass, the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 42, 62(1)(c), and all other applicable provisions, if any, of the Companies Act, 2013 read with Rule 13 of the Companies (Share Capital and Debenture) Rules, 2014, and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, (including any statutory modification or re-enactments thereof for the time being in force) and in accordance with the Articles of Association of the Company, subject to approvals, consents permissions and/or sanctions by appropriate statutory authorities, as may be required and subject to conditions as may be prescribed by the Board of Directors, the consent of Members be and is hereby accorded to create, issue, offer and allot, in one or more tranches, up to 89,63,888 Equity Shares (Eighty Nine lakh Sixty Three Thousand Eight hundred and Eighty Eight) Equity Shares of face value of Rs.10/- (Rupees Ten) each, fully paid, at an issue price of Rs.13.22 (Rupees Thirteen and Paise Twenty Two only) per share, including a premium of Rs.3.22 (Rupees Three & Paise Twenty-Two only) per share, aggregating to Rs.11.85 crore (Rupees Eleven crore and Eighty-Five lakh), on a preferential basis through private placement to Tata Steel Limited (the promoter Company), for consideration other than cash and in such form and manner and upon such terms and conditions, as the Board may in its absolute discretion deem appropriate.

**RESOLVED FURTHER THAT** in terms of the provisions of Companies Act, 2013 read with rules made thereunder, the relevant date for determining the price for the preferential allotment of Equity shares is June 30, 2021.

**RESOLVED FURTHER THAT** the equity shares to be issued and allotted shall rank *pari-passu* in all respects with the existing fully paid up equity shares of the Company in all respects including voting rights, payment of dividend and all other corporate benefits, if any.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to decide and approve, in the best interest of the Company, other terms and conditions of the proposed issue and allotment of equity shares and shall also be entitled to vary, modify or alter any of the said terms and conditions including pricing, size of the preferential issue to the proposed allottee(s), number of shares to be allotted, as it may deem expedient, and to do all acts, deeds and things in connection there with and incidental thereto as the Board may in its absolute discretion deem fit and consent or approval shall be deemed to have been given without being required to seek any further consent or approval of the Company in a General Meeting, subject however to the compliance of applicable statutory provisions.

**RESOLVED FURTHER THAT** the Board of Directors of the Company or any officer / executive / representative and / or any other person so authorized by the Board, be and are hereby authorized severally to do all such acts, deeds, matters and things, to execute all such documents, instruments and writing as may be deemed proper, necessary or expedient, including filing of requisite forms with the Ministry of Corporate Affairs or submission of documents with any other appropriate authority, for the purpose of giving effect to this Resolution without requiring the Board to secure any further consent or approval of the Members of the Company but not limited to settle any questions or resolve difficulties or doubts that may arise in this regard.”

**NOTES:**

1. The Statement, pursuant to Section 102 of the Companies Act, 2013, as amended ('Act') setting out material facts concerning the business with respect to Item Nos. 4 and 5 forms part of this Notice. 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 re-appointment at the Annual General Meeting is furnished as an annexure to the Notice.
2. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed. The Annual General Meeting ("AGM") of the Company is scheduled to be held on Monday, September 6, 2021, at 4:15 p.m. (IST) through Video Conferencing ('VC') / Other Audio-Visual Means ('OAVM'), in compliance with applicable provisions of the Companies Act, 2013 (the "Act") and rules thereunder (including any statutory modification or re-enactment thereof for the time being in force) read with the General Circular No. 14/ 2020 dated April 8, 2020, 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" and General Circular No. 20/ 2020 dated May 5, 2020, and General Circular No. 2/2021 dated January 13, 2021 in relation to "Clarification on holding of annual general meeting (AGM) through VC or OAVM", all issued by the Ministry of Corporate Affairs, Government of India (the "MCA Circulars"). The AGM through VC/OAVM facility does not require physical presence of members. The deemed venue for the AGM shall be the Registered Office of the Company.

3. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. 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.
5. 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.
6. The Members can join the AGM in the VC mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting.
7. The attendance of the Members attending the AGM through VC will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
8. Voting on each resolution will be done by show of hands by Members during the Meeting.
9. 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.
10. This AGM Notice is being sent by e-mail only to those eligible Members who have already registered their e-mail address with the Depositories and the Company.
11. The manner in which members can participate in the VC AGM is given hereunder:
  - i) 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 web link 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 2020-21.
  - ii) Members are encouraged to join the Meeting through Laptops having webcam for better experience.
  - iii) Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
  - iv) 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.

- v) 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.
12. If any member wishes to inspect any documents pursuant to the resolutions set out in this notice, may do so by sending the request to the authorized signatory of the Company at [company.secretary@tatasteelsez.com](mailto:company.secretary@tatasteelsez.com)
13. 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 9830365783 (Ms. Swati Sheth 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**

----Sd----  
**Chanakya Chaudhary**  
Chairman  
DIN: 02139568

Date : September 6, 2021  
Place : Bhubaneswar

**Registered Office:**  
5<sup>th</sup> Floor, Fortune Towers, C/2  
Chandrashekharapur  
Bhubaneswar – 751023, Odisha  
CIN: U45201OR2006PLC008971  
Tel: +91 8114382585  
Website: [www.gjp.city](http://www.gjp.city)  
Email: [company.secretary@tatasteelsez.com](mailto:company.secretary@tatasteelsez.com)

## **Statement pursuant to Section 102(1) of the Companies Act, 2013, as amended ('Act')**

The following Statement sets out all material facts relating to Item Nos. 4 and 5 mentioned in the accompanying Notice.

### **Item No. 4:**

Mr. Prasanta Mallick was appointed as the Managing Director (MD) of the Company, not liable to retire by rotation, for a period of three years effective July 1, 2019 upto June 30, 2021 and the said appointment was approved by the Shareholders at the Annual General Meeting of the Company held on October 11, 2019. The Board of Directors (hereinafter referred to as 'the Board') at its meeting held on April 16, 2021, re-appointed Mr. Mallick (DIN: 02347304) as MD, not liable to retire by rotation, for a further period of 3 years effective July 1, 2021 to June 30, 2024, subject to approval of shareholders at the ensuing general meeting of the Company.

The Company has received the consent from Mr. Mallick for his re-appointment as Managing Director of the Company. The Board, while re-appointing Mr. Prasanta Mallick as the MD of the Company, considered his background, experience and contributions to the Company.

Mr. Mallick is a graduate in Mechanical Engineering holding an MBA degree from XIMB. He started his career with Tata Steel in 1988. With over 30 years of experience at Tata Steel Limited, Mr. Mallick has worked in various capacities across plants and mining divisions of the company. He has contributed meaningfully towards achieving organisational goals in line with Tata Steel's values and ethics. He is credited with working in a system and process-driven approach to create value for the company and the society at large.

Mr. Mallick joined Tata Steel Special Economic Zone Limited as its Managing Director in July 2019. Prior to that, he served as General Manager, Corporate Services (CS) for Tata Steel Kalinganagar, Odisha. There, he successfully handled a complex and challenging socio-political and economic environment, ensuring that the concerns of internal and external stakeholders were well addressed. This helped him create an enabling environment for operating the first Greenfield Project in the history of Tata Steel.

Mr. Mallick has also served as the Managing Director of TS Alloys (now 'Tata Steel Mining Limited'), a 100% subsidiary of Tata Steel in the past, where he led the company's transformation from a loss-making unit to a profit-making organization.

He has won many awards such as Deming's Award on Leadership in 2007, Industry Achievers Award on Strategies in 2012 and several awards on Value Engineering Projects, Quality Projects and Green Belt Projects.

Pursuant to the provisions of Sections 152, 161(1) and other applicable provisions, if any, of the Act, read with applicable Rules framed thereunder and the Articles of Association of the Company, the Board has at its meeting held on April 16, 2021, re-appointed Mr. Mallick as Managing Director of the Company a further period of 3 years effective July 1, 2021 upto June 30, 2024, upon the terms and conditions hereinafter indicated, subject to the approval of the Shareholders at this Annual General Meeting.



The main terms and conditions relating to the re-appointment and terms of remuneration Mr. Prasanta Mallick are as follows:

- a. Contract Period: Tata Steel Limited has renewed deputation of the Managing Director for a further period of 3 years starting from July 1, 2021. During the period of deputation, the Managing Director will continue to be on the payroll of Tata Steel Limited.
- b. Duties & Powers
  - (i) Mr. Prasanta Mallick shall devote his whole time and attention to the business of the Company and perform such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of one or more of its associated companies and / or subsidiaries, including performing duties as assigned to the Managing Director from time to time by serving on the boards of such associated companies and / or subsidiaries or any other Managing body or any committee of such a company.
  - (ii) Mr. Prasanta Mallick shall not exceed the powers so delegated by the Board pursuant to the aforesaid clause.
  - (iii) Mr. Prasanta Mallick undertakes to employ the best of his skill and ability and to make his utmost endeavours to promote the interests and welfare of the Company and to conform to and comply with the policies and regulations of the Company and all such orders and directions as may be given to him from time to time by the Board.
  - (iv) Mr. Prasanta Mallick shall undertake his duties from such location as may be directed by the Board.
- c. Deputation Cost: Deputation cost of ₹14,344,214/- per annum (inclusive of bonus) to be reimbursed by the Company to Tata Steel Limited. The Managing Director would be eligible for annual increment and/or performance bonus and other benefits as may be decided by the Board of Directors of the Company.
- d. Minimum Remuneration: In the event of absence or inadequacy of profits of the Company in any financial year during the period of the Managing Director's appointment, the Company shall pay to the Managing Director remuneration by way of salary, benefits, perquisites and allowances, performance linked bonus/commission, as specified above, subject to provisions of the Act and Schedule V of the Act.
- e. Managing Director shall not, so long as he functions as the Managing Director of the Company will be entitled to receive any fee for attending any meetings of the Board or any Committee thereof.

- f. Mr. Prasanta Mallick as Managing Director would be entitled to Long Term Incentive Plan (LTIP) as per the Tata Steel Group Company's norms, subject to the approval and discretion of the Board of Directors of the Company. This would be applicable in lieu of the Special Retirement Benefits for MD/ED as per the Tata Group norms.
- g. The entire remuneration package of the Managing Director shall, however be subject to the overall ceiling laid down under Section 196 and 197 of the Act and conditions of Schedule V of the Act.
- h. If and when this Agreement expires or is terminated for any reason whatsoever, Mr. Prasanta Mallick will cease to be the Managing Director and also cease to be a Director of the Company. If at any time, the Managing Director ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the Managing Director and this Agreement shall forthwith terminate. If at any time, the Managing Director ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director and Managing Director of the Company.
- i. Mr. Prasanta Mallick shall so long as he functions as the Managing Director not become interested or otherwise concerned directly or through his wife and/or children in any selling agency of the Company.
- j. Mr. Prasanta Mallick's appointment may be terminated by either party giving to the other party six months' notice in writing of such termination or the Company paying six months' remuneration in lieu thereof.
- k. Mr. Prasanta Mallick's employment may be terminated by the Company without notice or payment in lieu of notice, in case of any of the followings:
  - (i) if he is found guilty of any gross negligence or moral turpitude, default or misconduct in connection with or affecting the business of the Company to which he is required to render services; or
  - (ii) in the event of any serious repeated or continuing breach (after prior warning) or non-observance by him of any of the stipulations contained herein; or
  - (iii) in the event of the Board expressing its loss of confidence in him.
- l. In the event the, Mr. Prasanta Mallick is not in a position to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate his contract on such terms as the Board may consider appropriate in the circumstances.
- m. Upon the termination of Mr. Prasanta Mallick employment by whatever means:
  - (a) he shall immediately cease to hold offices held by him in any holding company, subsidiaries or associate companies without claim for compensation for loss of office by virtue of Section 167(1)(h) of the Act and shall resign as trustee of any trusts connected with the Company.
  - (b) he shall not without the consent of the Board at any time thereafter represent himself as connected with the Company or any of its subsidiaries and associated companies.

- n. During Mr. Prasanta Mallick's employment as the Managing Director, he shall adhere to the Tata Code of Conduct, in spirit and in letter and commit to assure its implementation and ensure that there is no conflict of interest with the Company and maintain confidentiality.
- o. Mr. Prasanta Mallick covenants with the Company that he will not during the continuance of his employment with the Company accept any other directorships in any company or body corporate without the prior written consent of the Board.
- p. Mr. Prasanta Mallick covenants with the Company that he will not for a period of 1 year immediately following the termination of his employment under this Agreement, without the prior written consent of the Board endeavor or entice away from the Company any (L2 or above grade) who has at any time during the (2 years period) immediately preceding such termination been employed or engaged by the Company or any subsidiaries or associated companies at any time during the (2 years period) immediately preceding termination.

The brief profile of Mr. Prasanta Mallick, including nature of his expertise and shareholding in the Company, etc. has been annexed hereto.

The Board of Directors, therefore, recommends the Special Resolution as set out at Item No. 4 of the Notice for approval by the Members.

Mr. Prasanta Mallick and his relatives may be deemed to be interested in the resolution as set out at Item No. 4 of the Notice.

Save and except above, none of the other Directors, Key Managerial Personnel and/or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution as set out at Item No. 4 of the Notice.

Information relevant to the appointment of Mr. Prasanta Mallick (DIN: 02347304) as the Managing Director, as required under Section II of Part II of Schedule V to the Companies Act, 2013.

#### **1. General Information:**

- a) **Nature of Industry:** The Company is engaged in development of the Gopalpur Industrial Park.
- b) **Date or expected date of commencement of Commercial Production:** Not Applicable
- c) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** Not Applicable

d) **Financial performance based on given indicators:**

(₹ lakh)

| Particulars                       | FY 2020-21 | FY 2019-20 |
|-----------------------------------|------------|------------|
| Gross Revenue                     | 1,143.07   | 113.80     |
| Profit / (Loss) Before Income Tax | (666.04)   | (1,749.81) |
| Less: Provision for Taxation      | Nil        | Nil        |
| - Current Tax                     | Nil        | Nil        |
| - Deferred Tax                    | Nil        | Nil        |
| Net Profit/ (loss) after Tax      | (666.04)   | (1,749.81) |

- e) **Foreign investments or collaborations, if any:** The Company have not made any Foreign Investment neither entered into foreign collaboration during FY 2020-21.

**2. Information about the appointee:**

- i. **Background details:** Prior to joining Tata Steel Special Economic Zone Limited as Managing Director, Mr. Mallick was serving as General Manager – Corporate Services at Tata Steel, Kalinganagar. He has also served as the Managing Director & Chief Executive Officer of T S Alloys Limited (now '*Tata Steel Mining Limited*'), a fellow subsidiary of Tata Steel Limited.
- ii. **Past remuneration:** Total Remuneration paid to Mr. Mallick during FY 2020-21 is ₹115.34 lakh.
- iii. **Recognition or Awards:** Mr. Mallick has won many awards such as such as Deming's Award on Leadership in 2007, Industry Achievers Award on Strategies in 2012 and several awards on Value Engineering Projects, Quality Projects and Green Belt Projects.
- iv. **Job Profile & his suitability:** Mr. Mallick's last term of appointment as a Managing Director of the Company expired on June 30, 2021. Considering his contribution to the Company since his appointment, knowledge of various aspects relating to the Company's affairs and long business experience, the Board of Directors of the Company is of the opinion that for smooth and efficient running and business growth of the Company, the services of Mr. Prasanta Mallick are significant to the Company. Mr. Mallick is on deputation from Tata Steel Limited to the Company. His association with the Company will contribute immensely in future growth of the Company.
- v. **Remuneration Proposed:** As mentioned above.
- vi. **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:** The remuneration as proposed for Mr. Prasanta Mallick is comparable to that drawn by the peers in the similar capacity in the industry and is commensurate with the size of the Company. Moreover, in his position as Managing Director of the Company, Mr. Prasanta Mallick devotes his entire time in overseeing the operations of the Company.

- vii. **Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director, if any:** Besides the remuneration proposed, the Managing Director does not have any other pecuniary relationship with the Company and its Key Managerial Personnel.

**3. Other information:**

- a) **Reasons of loss or inadequate profits:** The Company is passing a Special Resolution pursuant to the proviso to the sub-section (1) of Section 197 of the Companies Act, 2013 and as a matter of abundant precaution, as the profitability of the Company may be adversely impacted in future due to business environment during the period for which remuneration is payable to Mr. Prasanta Mallick i.e. until June 30, 2024.
- b) **Steps taken or proposed to be taken for improvement:** Tata Steel Special Economic Zone Limited aspires to develop Gopalpur Industrial Park as the most preferred industrial destination in India. The Company strives to strengthen Odisha's industrial base by building a world class industrial park at Gopalpur where the investors find all the resources for continued success. Company to invest in the ideas of potential investors by offering a conducive environment to them, whether they are finding their stride as a new company or looking for the next level of growth as an established organization.
- c) **Expected increase in productivity and profits in measurable terms:** The Company has drawn up an Annual Business Plan and Long-term Plan for sustainable and profitable growth.

**Item No. 5:**

The Board of Tata Steel Limited ('TSL') had at its meeting held on February 8, 2019, accorded its approval for transfer of assets amounting to ~Rs. 285 crore to Tata Steel Special Economic Zone Limited ('the Company' / 'TSSEZ').

Out of this, ~₹ 258 crore was transferred to TSSEZ by the end of February 2019 against non-cash equity consideration. During March 2021, assets valued at ~₹ 12.05 crore was transferred to TSSEZ. The transaction entailed addition of asset and liability in the books of accounts of the Company for the year ended March 31, 2021 and TSL was represented as a sundry creditor for capital goods. Accordingly, TDS of ~₹ 0.2 crore was deducted at applicable rates. The transfer of assets was against non-cash equity consideration, equity shares of ₹11.85 crore (net of TDS deducted) is required to be issued to TSL.

Given the above background, it is proposed to issue further shares to TSL on preferential basis through private placement, for consideration other than cash towards, transfer of assets from TSL to the Company effected in March 2021.

Pursuant to the provisions of Section 42 and 62 of the Companies Act, 2013 ("Act"), any preferential allotment of securities needs to be approved by the shareholders by way of Special Resolution. Further, in terms of Rule 13(2) of the Companies (Share Capital and Debenture) Rules, 2014, and Rule 14 of the Companies (Prospectus and Allotment of

Securities) Rules, 2014, the following disclosures are required to be made in the Statement to the Notice of the General Meeting:

Disclosure as per Rule 13(2) of the Companies (Share Capital and Debenture) Rules, 2014

| SN  | Particulars   | Details<br>(For consideration other than cash)   |
|-----|---|--|
| 1.  | Objects of the issue  | The issue is being made towards acquisition of assets by the Company from Tata Steel Limited effected in March 2021.   |
| 2.  | Total number of shares or other securities to be issued   | 89,63,888 Equity Shares (Eighty-Nine lakh Sixty-Three Thousand Eight hundred and Eighty-Eight only) for consideration other than cash  |
| 3.  | Price or price band at/within which the allotment is proposed   | ₹13.22 per share (including a premium of ₹3.22 per share)  |
| 4.  | Basis on which the price has been arrived at along with the report of the Registered Valuer   | Valuation Report from Mr. Vikrant Jain (Registered Valuer) dated September 3, 2021.  |
| 5.  | Relevant date with reference to which the price has been arrived at   | June 30, 2021  |
| 6.  | The class or classes of persons to whom the allotment is proposed to be made  | Tata Steel Limited, Promoter company   |
| 7.  | Intention of the Promoters, Directors or Key Managerial Personnel to subscribe to the offer   | Shares will be allotted to Tata Steel Limited (Promoter company) for consideration other than cash   |
| 8.  | Proposed time within which the allotment shall be completed   | 12 months from the date of passing the shareholders' resolution  |
| 9.  | Names of the proposed allottees and the percentage of post preferential offer capital that may be held by them                                      | Name of the Allottee: Tata Steel Limited<br>Percentage of post preferential offer capital:<br>(a) 97.81% held by Tata Steel Utilities and Infrastructure Services Limited;<br>(b) 2.19% held by Tata Steel Limited |
| 10. | Change in control, if any, in the Company that would occur consequent to the preferential offer   | Yes. However, the holding company, Tata Steel Utilities and Infrastructure Services Limited, being a wholly-owned of Tata Steel Limited, there is no effective change in control of the Company.                   |
| 11. | Number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price | None   |

| SN  | Particulars   | Details<br>(For consideration other than cash)  |
|-----|---|---|
| 12. | Justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer | <p>It is proposed that consideration payable by the Company for acquisition of assets from Tata Steel Limited effected in March 2021, be paid in the form of issue of 89,63,888 Equity Shares of face value Rs.10/- each at an issue price of ₹13.22 per share, including a premium of ₹3.22 per share, aggregating to ~₹11.85 crore (Eleven crore and Eighty-Five lakh only)</p> <p>The value per share has been arrived at based on the valuation report dated September 3, 2021, issued by Mr. Vikrant Jain, an Independent Chartered Accountant, Registered Valuer, and the same has been approved by the Board of Directors.</p> <p>The allotment will be made within 12 months from the date of passing the shareholders' resolution.</p> |
| 13. | The pre-issue and post issue shareholding pattern of the Company  | As per Table 1 given below  |

Table 1

| SN | Category                 | Pre-issue           |                    | Post-issue          |                    |
|----|--------------------------|---------------------|--------------------|---------------------|--------------------|
|    |                          | No of shares held   | % of share holding | No of shares held   | % of share holding |
| A  | Promoters' holding       |                     |                    |                     |                    |
| 1  | Indian                   |                     |                    |                     |                    |
|    | Individual               | 60                  | 0.00               | 60                  | 0.00               |
|    | Bodies corporate         | 39,94,60,441        | 100.00             | 40,84,24,330        | 100.00             |
|    | Sub-total                |                     |                    |                     |                    |
| 2  | Foreign promoters        | -                   | -                  | -                   | -                  |
|    | <b>Sub-total (A)</b>     | <b>39,94,60,501</b> | <b>100.00</b>      | <b>40,84,24,390</b> | <b>100.00</b>      |
| B  | Non-promoters' holding   |                     |                    |                     |                    |
| 1  | Institutional investors  | -                   | -                  | -                   | -                  |
| 2  | Non-institution          |                     |                    |                     |                    |
|    | Private corporate bodies | -                   | -                  | -                   | -                  |
|    | Directors and            | -                   | -                  | -                   | -                  |

| SN | Category                | Pre-issue           |                    | Post-issue          |                    |
|----|-------------------------|---------------------|--------------------|---------------------|--------------------|
|    |                         | No of shares held   | % of share holding | No of shares held   | % of share holding |
|    | relatives               |                     |                    |                     |                    |
|    | Indian public           | -                   | -                  | -                   | -                  |
|    | others (including NRIs) |                     |                    |                     |                    |
|    | <b>Sub-total (B)</b>    | -                   | -                  | -                   | -                  |
|    | <b>Grand Total</b>      | <b>39,94,60,501</b> | <b>100.00</b>      | <b>40,84,24,390</b> | <b>100.00</b>      |

Disclosure as per Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014:

| SN | Particulars  | Details<br>(For consideration other than cash)   |
|----|--|--|
| 1  | Particulars of the offer including date of passing of Board resolution   | The Board of Directors at the Meeting held on September 6, 2021 approved the Issuance of the following Securities to Tata Steel Limited (Promoter of the Company) on preferential basis:<br>89,63,888 Equity Shares (Eighty-Nine lakh Sixty-Three Thousand Eight hundred and Eighty-Eight) for consideration other than cash                       |
| 2  | Kinds of securities offered and the price at which security is being offered   | 89,63,888 Equity Shares of face value ₹10/- per share being issued for ₹13.22 per share including premium of ₹3.22 per share for consideration other than cash.  |
| 3  | Basis of justification for the price (including premium, if any) at which the offer or invitation is being made  | The equity shares of face value Rs.10/- each will be issued at a price of ₹13.22 per share, which includes a premium of ₹3.22 per share.<br><br>An independent valuation report dated September 3, 2021 issued by CA Vikrant Jain has been referred to arrive at the issue price.  |
| 4  | Name and address of the valuer who performed valuation   | CA Vikrant Jain<br>2303, Tower No.4, Cedar, Runwal Greens, Mulund Goregaon Link Road, Bhandup (West)<br>Mumbai – 400 078   |
| 5  | Amount which the Company intends to raise by way of such securities;   | Up to ~₹11.85 crore  |
| 6  | Material terms of raising such securities, Proposed time schedule, Purposes or objects of offer, Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of objects; Principle terms of | The Company proposes to issue to Tata Steel Limited ("Promoter Company") 89,63,888 Equity Shares of face value Rs. 10/- at an issue price of ₹13.22 per share, including a premium of ₹3.22 per share, aggregating to ₹11.85 crore for consideration other than cash towards acquisition of assets from Tata Steel Limited effected in March 2021. |



| SN | Particulars                  | Details<br>(For consideration other than cash)  |
|----|------------------------------|---|
|    | assets charged as securities | <p>The allotment will be made within 12 months from the date of passing the shareholders' resolution.</p> <p>The above equity shares shall rank <i>pari-passu</i> in all respects with the existing fully paid up equity shares of the Company in all respects including voting rights, payment of dividend and all other corporate benefits, if any.</p> |

The Board of Directors in its meeting held on September 6, 2021, has recommended the aforesaid item for approval of the shareholders which relates to issue of equity shares on preferential offer.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the Resolution mentioned at Item No.5 of the Notice.

The Board recommends the Resolution set forth in Item No. 5 for the approval of the Members.

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

----Sd----  
**Chanakya Chaudhary**  
Chairman  
DIN: 02139568

Date : September 6, 2021  
Place : Bhubaneswar

**Registered Office:**  
5<sup>th</sup> Floor, Fortune Towers, C/2  
Chandrashekharapur  
Bhubaneswar – 751023, Odisha  
CIN: U45201OR2006PLC008971  
Tel: +91 8114382585  
Website: [www.gip.city](http://www.gip.city)  
Email: [company.secretary@tatasteelsez.com](mailto:company.secretary@tatasteelsez.com)

## **Annexure to Notice**

### **Details of Director seeking re-appointment in the forthcoming Annual General Meeting [Pursuant to Secretarial Standard on General Meetings].**

#### **Particulars of experience and qualification of Ms. Samita Shah (DIN: 02350176)**



Ms. Samita Shah (50) was appointed as a Non-Executive Director of the Company effective March 22, 2016.

#### **Qualification:**

Ms. Shah completed her B.A. (Economics) from Bombay University in 1990 and PG Diploma in Management from IIM, Ahmedabad in 1992.

#### **Experience:**

Ms. Shah is currently the Vice President Corporate Finance, Treasury & Risk Management of Tata Steel. She looks after the financing requirements of Tata Steel Group. She is also the Chief Risk Officer for Tata Steel and has spearheaded the implementation of an enterprise-wise risk management process across Tata Steel Group.

Ms. Shah joined Tata Steel in 2012. She has 20 years of experience in investment banking and has led several IPOs, bond issues, project financing, private equity and M&A transactions for Indian and multinational companies.

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

Ms. Shah attended five out of seven Board Meetings held during the year. She is not paid any remuneration.

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

There is no inter-se relationship between Ms. Samita Shah and other Members of the Board.

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

Ms. Shah is a Non-Executive Director of the Company.

## **Shareholding in the Company**

Ms. Samita Shah does not hold any Equity Shares in the Company.

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

### **Directorships:**

- Tata Blue Scope Private Limited
- Tata Metaliks Ltd
- Jamipol Limited
- Bamnipal Steel Limited
- Rujuvalika Investments Limited
- Abja Investment Co. Pte Ltd
- Natsteel Asia Pte. Ltd.
- TS Global Procurement Company Pte. Ltd
- Tata Steel Minerals Canada Ltd.
- \*Straight Mile Steel Ltd.
- \*Sakchi Steel Limited
- \*Noamundi Steel Ltd.
- \*Jugsalai Steel Limited
- \*Jamadoba Steel Ltd
- \*under the process of strike-off with ROC, Mumbai

### **Trusteeships:**

- Tata Steel Limited Gratuity Fund
- The Provident Fund of Tata Steel Limited
- Tata Steel Limited Superannuation Fund
- Tata Steel Employees' Pension Fund

## **Member of Board Committees**

### **Tata Steel Ltd.**

- Risk Management Committee

### **Tata Metaliks Limited**

- Audit Committee
- Risk Management Committee
- Corporate Social Responsibility Committee

### **Jamipol Limited**

- Audit Committee

### **Tata Bluescope Steel Private Limited**

- Audit Committee (Chairperson)

## BOARD'S REPORT

To the Members,

Your Directors take pleasure in presenting the 15<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, 2021.

## FINANCIAL SUMMARY AND HIGHLIGHTS

(₹ In lakh)

| Particulars                                 | FY 2020-21 | FY 2019-20 |
|---|------------|------------|
| Revenue from Operations                     | 1120.31    | 39.80      |
| Other Income                                | 22.76      | 74.00      |
| Total Income                                | 1143.07    | 113.80     |
| Total Expenses                              | 1811.16    | 1,863.97   |
| Profit/(Loss) before taxation               | (668.09)   | (1,750.18) |
| Tax Expense                                 | -          | -          |
| Profit/(Loss) after tax                     | (668.09)   | (1,750.18) |
| Other comprehensive income/(Loss)           | 2.05       | 0.36       |
| Profit/(Loss) carried for the Year (Carried | (666.04)   | (1,749.81) |
| Profit/(Loss) at the beginning of the year  | (2,972.19) | (1,222.38) |
| Profit/(Loss) at the end of the year        | (3638.23)  | (2,972.19) |

**Note:** As on March 31, 2021, the Company was a 100% subsidiary of Tata Steel Limited. The financials of the Company are based on accrual method of accounting and in accordance with the Companies Act, 2013 ('Act'). 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.

However, pursuant to comprehensive strategic organization level restructuring to consolidate its diversified business portfolio of Tata Steel Group companies, the 100% stake of Tata Steel held in Tata Steel Special Economic Zone Ltd. (TSSEZ) has been transferred to Tata Steel Utilities and Infrastructure Services Ltd. (TSUISL) on April 3, 2021.

## OPERATIONS AND PERFORMANCE

The Company is developing "Gopalpur Industrial Park" in the east coast region of India at Gopalpur, Chhatrapur in the district of Ganjam, Odisha. The Industrial Park is spread across 2,797 acres of area of which 1,235 acres has been notified as a 'Special Economic Zone' and the remaining 1,562 acres has been notified as a 'Domestic Tariff Area' cum Private Industrial Park. The entire 2,797 acres of land is owned by the Industrial Infrastructure Development Corporation of Odisha (IDCO) and has been leased to Tata Steel Special Economic Zone Limited with necessary rights to sub-lease the land to prospective unit holders.

During the year under review, the Company completed the construction of the pre-engineered building (PEB) shed for the tea packing unit of Tata Consumer Products Limited. The unit has been constructed over an area of 16 acres and has built-up area of 2,84,379 square feet. The unit is being operated by Amalgamated Plantations Private Limited, the 3P contract packer and associate company of Tata Consumer Products Limited. The unit has an annual production

capacity of 60 million kg with further expansion plans and is the largest tea packing unit of Tata Consumer Products in the country.

During the year under review, the Company has signed an Agreement to Sub-lease with M/s Smartchem Technologies Limited, which is planning to set up a Technical Ammonium Nitrate (TAN) complex in Gopalpur Industrial Park. The Company has also signed a sub-lease deed with Tata Steel Limited for its Ferro Chrome Plant constructed across 155 acres.

The following projects have been completed during the year under review:

1. The construction of the Entry and Exit Roads to the National Highway after obtaining necessary statutory approvals.
2. Development of the external infrastructure facilities such as road, streetlights, water connection etc. in the periphery area of the “Green Cluster” which houses manufacturing companies belonging to “Green” and “White” category of the Industry classifications.
3. Development of Infrastructure facilities such as Road Network, Storm Water Draining Network, Water Connection etc. for the ‘Special Economic Zone’.

During the year under review, the Company has received the Integrated Management System (IMS) and Project Management (ISO 21500:2021) certification from IRCLASS and has signed an agreement with the Irrigation Department of Government of Odisha for drawl of water up to 250 KLD.

## **IMPACT OF COVID – 19 ON COMPANY’S PERFORMANCE**

The day-to-day business of the Company was partially impacted due to the lockdowns enforced by the State and Central Government on account of the Covid-19 pandemic. The Company has followed all the guidelines of the Governments and have prepared and implemented key strategies to combat the negative effects of the Covid-19 pandemic on its business.

## **DIVIDEND**

In view of the net loss incurred during the year under review, the Directors do not recommend payment of any dividend to its shareholders for Fiscal 2020-21.

## **TRANSFER TO RESERVES**

The Company does not propose to transfer any amount to its General Reserve. However, the losses have been carried forward to reserves and surplus account.

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## **CAPITAL AND DEBT STRUCTURE**

### **a) Details of Authorized Share Capital:**

The authorized share capital of the Company is ₹750 crore which includes 55,00,00,000 Equity Shares of ₹10/- each and 20,00,00,000 Preference Shares of ₹10/- each.

### **b) Details of Issued/subscribed/Paid-up capital:**

As on March 31, 2021, the total paid up capital of Company stands at Rs.3,994,605,010/- The details of the capital are given in the Annual Return (Form MGT-7) available on the website of the Company at <https://gip.city/annual-report-fy-2020-21/>

In April 2021, as part of the re-organisation of companies engaged in the utilities and infrastructure services within Tata Steel Group, into one cluster, Tata Steel Limited (including the shares jointly held by its nominee shareholders) has transferred 39,94,60,501 Equity Shares, representing 100% equity stake held in the Company to Tata Steel Utilities and Infrastructure Services Limited (TSUISL), the proposed holding company of the utilities and infrastructure services cluster.

## **CORPORATE SOCIAL RESPONSIBILITY**

The provisions pertaining to Corporate Social Responsibility were not applicable to the Company, since the Company was not falling within the ambit of the statutory thresholds as prescribed under Section 135 of the Act.

## **CORPORATE GOVERNANCE**

The Company, being a 100% step-down subsidiary of Tata Steel, adheres to the group corporate governance guidelines and ensures that the best practices of industries are adopted for its business and operations. In order, to achieve the required governance standards, the Board had constituted an Audit Committee and a Nomination and Remuneration Committee in 2016. The Ministry of Corporate Affairs has vide its notification dated July 5, 2017 and July 13, 2017, exempted the wholly-owned subsidiary(ies) ('WOS') of a company from the mandatory requirement of constitution of Audit Committee u/s 177 of the Act. Since the Company is a step-down WOS of Tata Steel, there is no mandatory requirement for it to constitute an Audit Committee. Consequent upon cessation of Independent Directors from the Board and Committees of the Company, the matter for re-constitution of Audit Committee was placed before the Board wherein it was decided to dissolve the Audit Committee effective January 12, 2021.

The Company also, makes the best effort to comply with the corporate and related laws, as applicable to it in a timely and accurate manner.

## 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 2020-21.

In accordance with the provisions of Section 134(5) of the Act, 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 2021, 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 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.

## MANAGEMENT:

### a) Composition of Board:

At the beginning of the financial year 2020-21, the Board of the Company comprises of the following Directors:

| Name of the Director                 | Category                          | Date of Appointment | Remarks |
|--------------------------------------|-----------------------------------|---------------------|---------|
| Mr. Chanakya Chaudhary<br>(Chairman) | Non-Independent,<br>Non-Executive | November 20, 2019   | -       |
| Mr. R. Ranganath                     | Non-Independent,<br>Non-Executive | June 29, 2018       | -       |
| Mr. Manoj T Thomas                   | Independent,<br>Non-Executive     | December 11, 2015   | -       |

| Name of the Director | Category                          | Date of Appointment | Remarks |
|----------------------|-----------------------------------|---------------------|---------|
| Ms. Samita Shah      | Non-Independent,<br>Non-executive | Mach 22, 2016       | -       |
| Mr. Prasanta Mallick | Non-Independent,<br>Executive     | July 1, 2019        | -       |

During the financial year under review, the tenure of Mr. Manoj T Thomas as Independent Director concluded on December 10, 2020. Presently, there are no Independent Directors on the Board of the Company.

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

| Name of the Director                        | Category                       |
|---|--------------------------------|
| Mr. Chanakya Chaudhary<br>(Chairman)        | Non-Independent, Non-executive |
| Mr. R Ranganath                             | Non-Independent, Non-executive |
| Ms. Samita Shah                             | Non-independent, Non-executive |
| Mr. Prasanta Mallick<br>(Managing Director) | Non-Independent, Executive     |

Pursuant to section 152(6) of the Act, Ms. Samita Shah (DIN: 02350176), Director of the Company shall retire by rotation at the ensuing Annual General Meeting and being eligible, seeks re-appointment. The resolution confirming the re-appointment of Ms. Samita Shah, as Director of the Company forms part of the Notice convening the ensuing Annual General Meeting. The Board recommends the re-appointment of Ms. Samita Shah for approval of the shareholders.

The profile and particulars of experience, attributes and skills that qualify her for the Board Membership is disclosed in the Notice convening the AGM.

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 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. Tanmay Sahu, Company Secretary of the Company, resigned from the Company effective March 15, 2021 and Ms. Swati Sheth was appointed in his place effective April 16, 2021 at a token remuneration of Re.1/- p.a.

Mr. Amit Kumar Kundu, Chief Financial Officer of the Company, resigned effective March 15, 2021. The Company is in the process of identifying a suitable candidate to fill up the vacancy.



As on March 31, 2021, the details of Key Managerial Personnel ('KMP') were given as under:

| Name of KMP          | Designation       | Date of Appointment |
|----------------------|-------------------|---------------------|
| Mr. Prasanta Mallick | Managing Director | July 1, 2019        |
| Ms. Swati Sheth      | Company Secretary | April 16, 2021      |

c) Board Meetings

During the Financial Year 2020-21, seven (7) meetings of Board of Directors were held on April 29, 2020, May 12, 2020, July 22, 2020, August 25, 2020, September 17, 2020, October 12, 2020 and January 21, 2021 respectively. The intervening gap between the meetings did not exceed the period of 120 days as prescribed under the Act and applicable secretarial standards.

d) Composition of Audit Committee

The Audit Committee of the Company was constituted in the year 2016 as per the provisions of Section 177 of the Act. The Committee functioned as per the scope and terms of reference laid down by the Board of directors and the Act.

However, consequent upon cessation of Independent Directors from the Board and Committees of the Company, the Board decided to dissolve the Audit Committee of the Company (being a voluntary requirement as per the Act) effective January 12, 2021.

During the Financial Year 2020-21, three meetings of Audit committee were held on May 12, 2020, July 23, 2020 and October 12, 2020 respectively. The intervening gap between the meetings was within the period prescribed under the Act and applicable secretarial standards.

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. The tenure of Mr. Thomas as an Independent Director concluded on December 10, 2020. However, there was no change in the circumstances affecting his status during his tenure as an Independent Director of the Company.

Mr. Thomas 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 and individual Directors. Pursuant to section 134 (3)(p) of the Act and the policy of the Company, the annual evaluation of performance of the Board 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 the Act, the Board has adopted the following policies in FY2015-16:

- i. Policy on appointment and removal of directors which include Board membership criteria, Board Diversity policy and criteria for determining independent directors.
- ii. Policy on remuneration for directors, key management personnel and other employees.

The aforesaid policies are enclosed 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.

During the financial year under review, the Company has not inducted any new Independent Directors on the Company's Board, in place of Mr. Manoj T Thomas, whose term concluded in December 2020, being a non-mandatory requirement.

- 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 (until dissolved) and thereafter, before the Board for its review and evaluation.

In order to have adequate controls, the Audit Committee of the Company has regularly overseen the audit plans and significant issues raised by the Internal & Statutory auditors on Company's business operations, future plans and projections. However, consequent to dissolution of the Audit Committee in January 2021, this role has been migrated to the Board.

## AUDITORS

### a) Statutory Auditors

Members of the Company at the 11<sup>th</sup> Annual General Meeting ('AGM') held on September 26, 2017, approved the appointment of Price Waterhouse & Co. Chartered Accountants LLP (PW), Chartered Accountants, (Firm Registration Number: 304026E/E-300009), as statutory auditors of the Company for a period of five years commencing from the conclusion of that AGM until the conclusion of 16<sup>th</sup> AGM of the Company to be held in the year 2022.

PW has audited the book of accounts of the Company for the Financial Year ended March 31, 2021 and have issued the Auditors' Report thereon. There are no qualifications or reservations or adverse remarks or disclaimers in the said Report. Further, during the year under review, the Auditors did not report any matter under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

### b) Cost Auditors

The Company is not required to maintain cost records under Section 148(1) of the Act. Accordingly, such accounts and records are not made and hence, 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 Act read with respective rules, every unlisted public company having the prescribed paid capital, is required to annex a Secretarial Audit Report issued by a Company Secretary in practice, in the prescribed form with Board's report.

Accordingly, the Board has appointed M/s. Deba Mohapatra & Co., Company Secretaries firm bearing (CP No. 4583) as the secretarial auditors to conduct the secretarial audit of the Company for FY2020-21. The Secretarial Auditors have conducted the secretarial audit of the Company for the financial year ending March 31, 2021 and have submitted their report in Form MR-3, enclosed as **Annexure – 3** to this Board's report.

## 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.

## 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, 2021, no deposit remained unpaid or unclaimed.

## PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197 of the Companies Act, 2013, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as **Annexure – 4**.

## PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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 the Act. The Company has neither subscribed nor made any investment in securities of any other body corporate by way of purchase.

## 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 at <https://gip.city/>. 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 and were in compliance with the applicable provisions of the Act and related Rules. There were no materially significant Related Party Transactions/Contracts made by the Company with Promoters, Directors which may have a potential conflict with the interest of the Company at large.

There are no transactions to be reported in Form AOC-2. The details of the transactions with Related Parties are provided in the accompanying Financial Statements.

## 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 the Act are not 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 2020-21, 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 provides 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://gjp.city/>

The vigil mechanism is developed and established within the organization through various policies viz. Whistle-Blower Policy, the Gift and Hospitality Policy, the Anti-Bribery & Anti-Corruption ('ABAC') Policy and the Anti-Money Laundering ('AML') Policy.

The Whistle-Blower Policy ensures a mechanism system for directors, employees of the Company to have direct and assured access to the Ethics Counsellor and make protective disclosures. The ABAC and AML policies primarily covers risk assessment, third party due diligence, training &

awareness, and audit & reporting. The Gift and Hospitality Policy aims to provide guidance to directors, officers and employees or persons who perform services for or on behalf of the Company on what is appropriate and acceptable, and what is not acceptable, for offering, giving and accepting gifts and hospitality. The Policy is in consonance with ABAC and AML policies.

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.

## **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES**

The Company did not have any subsidiary, joint venture or associate Company during the financial year 2020-21.

## **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.

## **ANNUAL RETURN**

The details forming part of the Annual Return in form MGT-7 as per the provisions of the Act and related Rules, each as amended, is available on the Company's website at <https://qip.city/annual-report-fy-2020-21/>

## **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 has been no change in the nature of Company's business during FY 2020-21.

## 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 2020-21   |
|--|---|
| The steps taken or impact on conservation of energy                      | <ol style="list-style-type: none"> <li>1. The streetlights in Gopalpur Industrial Park and lights of Gopalpur Project Office have been replaced with LED lights for improving energy efficiency.</li> <li>2. The transformers are compliant with BIS Energy Efficient Level – II.</li> <li>3. While constructing the PEB shed for Tata Consumer Products, we have made provisions for installation of solar panels for the plant to utilize solar energy. The plant is now utilizing solar energy for its operations</li> </ol> |
| The steps taken by the Company for utilizing alternate sources of energy | Efforts are underway to utilize Solar Power for future in project development work.   |
| The capital investment on energy conservation equipment's                | Nil   |

### B. Technology Absorption:

| Particulars   | Initiatives planned / taken during FY 2020-21 |
|---|---|
| i. The efforts made towards technology absorption   | NA  |
| 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  |   |

| Particulars  | Initiatives planned / taken during FY 2020-21 |
|--|---|
| absorbed   |   |
| d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and the reasons thereof |   |
| iv. The expenditures incurred on Research & Development  | NA  |

C. Foreign Exchange Earnings and Outgo:

| Particulars                                       | Initiatives planned / taken during FY 2020-21 |
|---|---|
| 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-----  
**Chanakya Chaudhary**  
**Chairman**  
DIN: 02139568

Place: Bhubaneswar  
Date: July 14, 2021



## 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 reimbursements 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:<br>the Chief Executive Officer and/or Managing Director<br>Company Secretary<br>Whole-time Director<br>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 2020-21**  
*[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- 751023, Odisha.

We have conducted the Secretarial Audit of the compliance of applicable Statutory Provisions and the adherence to good Corporate Governance practices by **M/s. Tata Steel Special Economic Zone Limited** (hereinafter called 'the Company') for the financial year ended **31<sup>st</sup> March, 2021**. 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 the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period 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 the Company for the financial year ended on 31<sup>st</sup> March, 2021, 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;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:-
  - a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; **Not applicable during the period under review.**
  - b. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not applicable during the period under review.**

- c. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended; **Not applicable during the period under review.**
  - d. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; **Not applicable during the period under review.**
  - e. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not applicable during the period under review.**
  - f. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not applicable during the period under review.**
  - g. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not applicable during the period under review.**
  - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not applicable during the period under review.**
  - i. 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.**
  - j. 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.**
  - k. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; **Not applicable during the period under review.**
- (vi) Other laws applicable specifically to the Company namely:
- 1) The Special Economic Zones Act, 2005
  - 2) The Special Economic Zones Rules, 2006
  - 3) Odisha SEZ Policy

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards with regard to Meeting of Board of Directors (SS-1 General Meetings (SS-2) & Report of the Board of Directors (SS-4) issued by The Institute of Company Secretaries of India (ICSI).
- ii. The Listing Agreements entered into by the Company with any Stock Exchange(s); **(Not Applicable)**

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

**We further report that;**

**A. COMPOSITION OF BOARD:**

During the financial year under review, the Board of Directors of the Company comprised of the following Directors:

| <b>LIST OF DIRECTORS DURING THE FINANCIAL YEAR</b> |                              |                                     |                            |                          |
|--|------------------------------|-------------------------------------|----------------------------|--------------------------|
| <b>Sl. No.</b>                                     | <b>Name of the Directors</b> | <b>Position Held</b>                | <b>Date of Appointment</b> | <b>Date of Cessation</b> |
| 1.   | Mr. Chanakya Chaudhary       | Chairman,<br>Non-Executive Director | 20.11.2019                 | -                        |
| 2.   | Mr. Prasanta Mallick         | Managing Director                   | 01.07.2019                 | -                        |
| 3.   | Mr. R. Ranganath             | Non-Executive Director              | 29.06.2018                 | -                        |
| 4.   | Mr. Manoj T. Thomas          | Independent Director                | 11.12.2015                 | 10.12.2020               |
| 5.   | Ms. Samita Shah              | Non-Executive & Woman<br>Director   | 22.03.2016                 | -                        |

During the financial year under review, following changes have taken place in the Composition of the Board of Directors.

(i) Mr. Chanakya Chaudhary who was appointed as an Additional Director by the Board of Directors with effect from 20<sup>th</sup> November, 2019, appointed as Director of the Company in the 14<sup>th</sup> Annual General Meeting held on 25<sup>th</sup> August, 2020.

(ii) The tenure of Mr. Manoj Thankachan Thomas, Independent Director of the Company ended on 10<sup>th</sup> December, 2020.

At the beginning of the year, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors & Woman Director in compliance with the provisions of Section 149 of the Companies Act, 2013.

As per notification of Ministry of Corporate Affairs dated July 5, 2017, appointment of Independent Director(s) under Section 149 of the Companies Act, 2013 is not applicable to wholly owned subsidiary company. Since, Tata Steel Special Economic Zone Limited is a wholly owned subsidiary of Tata Steel Limited, it is not mandatory for the company to appoint Independent Director.

Consequent upon the cessation of tenure Mr. Manoj Thankachan Thomas, Independent Director, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors & Women Director in compliance with the provisions of Section 149 of the Companies Act, 2013 as on 31<sup>st</sup> March, 2021.

During the reporting period, Mr. Tanmay Kumar Sahu resigned from the post of Company Secretary with effect from 15/03/2021 & Mr. Amit Kumar Kundu resigned from the post of CFO with effect from 15/03/2021.

## **B. BOARD MEETINGS**

During the financial year under review, seven (7) Meetings of the Board of Directors i.e. 60<sup>th</sup> to 66<sup>th</sup>, were held on 29<sup>th</sup> April 2020, 12<sup>th</sup> May 2020, 23<sup>rd</sup> July, 2020, 25<sup>th</sup> August, 2020, 17<sup>th</sup> September, 2020, 12<sup>th</sup> October, 2020 and 12<sup>th</sup> January, 2021 respectively.

In view of the COVID-19 pandemic situation, the meetings were held through Microsoft Teams Application. All the members of the Board and invitees attended the meetings through Microsoft Teams Application.

MCA notification dated 19<sup>th</sup> March 2020 also provides for discussion of restricted items through audio visual mode.

The meetings were held through Video Conferencing (Microsoft Teams Application). All the members of the Board of Directors and Invitees attended the meeting through Video Conferencing which are capable of recording and recognizing the participation of directors and of recording and storing of proceedings of the meetings along with date and time.

| <b>Board Meeting No.</b>       | <b>Date of Board Meeting</b>  | <b>Name of Directors present in the Meeting</b>   | <b>Name of Directors Absent in the Meeting</b> |
|--------------------------------|-------------------------------|---|--|
| 60 <sup>th</sup> Board Meeting | 29 <sup>th</sup> April 2020   | 1. Mr. Chanakya Chaudhary<br>2. Mr. Prasanta Mallick<br>3. Mr. R Ranganath<br>4. Mr. Manoj T Thomas<br>5. Ms. Samita Shah | Nil  |
| 61 <sup>st</sup> Board Meeting | 12 <sup>th</sup> May 2020     | 1. Mr. Chanakya Chaudhary<br>2. Mr. Prasanta Mallick<br>3. Mr. R Ranganath<br>4. Mr. Manoj T Thomas<br>5. Ms. Samita Shah | Nil  |
| 62 <sup>nd</sup> Board Meeting | 23 <sup>rd</sup> July, 2020   | 1. Mr. Chanakya Chaudhary<br>2. Mr. Prasanta Mallick<br>3. Mr. R Ranganath<br>4. Mr. Manoj T Thomas                       | Ms. Samita Shah                                |
| 63 <sup>rd</sup> Board Meeting | 25 <sup>th</sup> August, 2020 | 1. Mr. Chanakya Chaudhary<br>2. Mr. Prasanta Mallick<br>3. Mr. R Ranganath<br>4. Mr. Manoj T Thomas<br>5. Ms. Samita Shah | Nil  |



| Board Meeting No.              | Date of Board Meeting            | Name of Directors present in the Meeting  | Name of Directors Absent in the Meeting |
|--------------------------------|----------------------------------|---|---|
| 64 <sup>th</sup> Board Meeting | 17 <sup>th</sup> September, 2020 | 1. Mr. Chanakya Chaudhary<br>2. Mr. Prasanta Mallick<br>3. Mr. R Ranganath<br>4. Mr. Manoj T Thomas<br>5. Ms. Samita Shah | Nil                                     |
| 65 <sup>th</sup> Board Meeting | 12 <sup>th</sup> October, 2020   | 1. Mr. Chanakya Chaudhary<br>2. Mr. Prasanta Mallick<br>3. Mr. R Ranganath<br>4. Mr. Manoj T Thomas                       | Ms. Samita Shah                         |
| 66 <sup>th</sup> Board Meeting | 12 <sup>th</sup> January, 2021   | 1. Mr. Chanakya Chaudhary<br>2. Mr. Prasanta Mallick<br>3. Mr. R Ranganath<br>4. Ms. Samita Shah                          | Nil                                     |

Adequate notice, Agenda and detailed notes on agenda for the 61<sup>st</sup>, 62<sup>nd</sup>, 63<sup>rd</sup>, 65<sup>th</sup> & 66<sup>th</sup> Board Meeting were sent in advance i.e., 7 days prior to the Meeting, to all the Directors of the Board in compliance with the provisions of the Companies Act and the Secretarial Standards. The 60<sup>th</sup> & 64<sup>th</sup> Board Meeting were called at a shorter notice with the consent of Directors.

A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

For all the Board meetings, the required confirmation has been obtained from the Directors for attending the meeting(s) through video conferencing and proper roll check was conducted by the Company. All decisions at the Board Meeting were carried out unanimously and recorded in the Minute Book maintained for the purpose as per the provisions of the Act.

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 Meeting(s) held during the quarter as per the provisions and requirements of the Companies Act, 2013 and Articles of Association of the Company.

### **C. OTHER COMMITTEES OF THE BOARD:**

#### **Audit Committee:**

The Audit Committee of the Company has been constituted as per the provisions of Section 177 of the Companies Act, 2013 and the Rules made there under, Guidelines, Regulations and Standards.

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            |

During the financial year under review, three (3) meetings of Audit Committee i.e. 18<sup>th</sup> to 20<sup>th</sup>, were held on 12<sup>th</sup> May 2020, 23<sup>rd</sup> July, 2020 and 12<sup>th</sup> October, 2020 respectively.

| Committee Meeting No.                    | Date of Audit Committee Meeting | Name of Members present in the Meeting                            | Name of Members absent in the Meeting |
|--|---------------------------------|---|---------------------------------------|
| 18 <sup>th</sup> Audit Committee Meeting | 12 <sup>th</sup> May, 2020      | 1. Mr. R Ranganath<br>2. Mr. Manoj T Thomas<br>3. Ms. Samita Shah | Nil                                   |
| 19 <sup>th</sup> Audit Committee Meeting | 23 <sup>rd</sup> July, 2020     | 1. Mr. R Ranganath<br>2. Mr. Manoj T Thomas                       | Ms. Samita Shah                       |
| 20 <sup>th</sup> Audit Committee Meeting | 12 <sup>th</sup> October, 2020  | 1. Mr. R Ranganath<br>2. Mr. Manoj T Thomas<br>3. Ms. Samita Shah | Nil                                   |

The meetings of the Audit Committee 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).

In view of the covid-19 pandemic, the meetings were held through Video Conferencing (Microsoft Teams Application). All the members of the Audit Committee and Invitees attended the meeting through Video Conferencing.

MCA notification dated 19<sup>th</sup> March 2020 also provides for discussion of restricted items through audio visual mode.

Adequate notice, Agenda and detailed notes on agenda for the 19<sup>th</sup> Meeting of the Audit Committee was sent in advance, i.e. 7 days prior to the Meeting, to all the Members of the Audit Committee in compliance with the provisions of the Companies Act and the Secretarial Standards. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

**Dissolution of Audit Committee:**

Mr. Manoj T Thomas was a member of the Audit Committee. Consequent upon his cessation as a Board Member, he also ceases to be the member of the Audit Committee. Accordingly, the Audit Committee was required to be reconstituted by inducing new member.

As per notification of Ministry of Corporate Affairs dated July 5, 2017 and July 13, 2017, appointment of Independent Director(s) and constitution of Audit Committee under section 149 and 177 of the Companies Act, 2013, respectively, are not applicable to wholly owned subsidiary company. Since Tata Steel Special Economic Zone Limited is a wholly owned subsidiary of Tata Steel Limited, it is not mandatory to appoint Independent Director and to constitute Audit Committee.

In view of the above, it was decided by the Board to dissolve the Audit Committee and all matters which are required to be placed in the Audit Committee shall now be placed in the Board.

**D. MAINTENANCE OF STATUTORY RECORDS:**

During the period under review all Statutory Registers, Records and other Registers as prescribed under various Provisions of the Companies Act, 2013, Secretarial Standards & the Depositories Act, 1996 and the Rules made there under were kept and maintained properly with all necessary entries made therein.

**E. FILING OF STATUTORY FORMS & RETURNS AS PER COMPANIES ACT, 2013:**

During the period under review, the following e-Forms have been filed with MCA by the Company.

| Sl. No. | Form No.    | Subject Matter of the Resolutions  | Date of Filing & SRN           |
|---------|-------------|--|--------------------------------|
| 1.      | Form MGT-14 | <p>i. For approval of financials of the Company for the financial year ended March 31<sup>st</sup>, 2020.</p> <p>ii. Approval of Directors' Report of the Company for the financial year ended March 31<sup>st</sup>, 2020.</p> <p>iii. Appointment of Internal Auditors of the Company for the financial year 2020-21.</p> <p>iv. Appointment of Secretarial auditors of the Company for a period of 3 years (FY- 2021, FY-2022 &amp; FY-2023).</p> | 09/06/2020<br>(SRN- R41136771) |

| Sl. No. | Form No.        | Subject Matter of the Resolutions  | Date of Filing & SRN           |
|---------|-----------------|--|--------------------------------|
| 2.      | Form MGT-14     | <p>i. Consider and adopt the audited Balance Sheet and the Statement of Profit and Loss for the year ended on March 31, 2020 along with Directors' and Auditors' Report.</p> <p>ii. Re-appointment of Mr. R Ranganath, Director of the Company who retires by rotation in this Annual General Meeting of the Company whose office shall be liable to retire by rotation.</p> <p>iii. Fix the remuneration of Statutory Auditor of the Company i.e. Price Waterhouse &amp; Co., Chartered Accountants, LLP for a period of 2 years (2020-21 &amp; 2021-22).</p> <p>iv. Mr. Chanakya Chaudhary (DIN:02139568), who was appointed as an Additional Director of the Company with effect from November 20, 2019 and holds office up to the date of this Annual General Meeting of the Company is hereby appointed as the Director of the company.</p> | 22/09/2020<br>(SRN-R57692766)  |
| 3.      | Form DIR-12     | Appointment of Mr. Chanakya Chaudhary as Director of the Company.  | 22/09/2020<br>(SRN-R57694440)  |
| 4.      | Form AOC-4 XBRL | Financial Statements the financial year 2019-2020  | 22/09/2020<br>(SRN-R57696072)  |
| 5.      | Form No. MGT-7  | Annual Return for the financial year 2019-2020   | 23/10/2020<br>(SRN-R68425156)  |
| 6.      | Form No. DPT-3  | Return of deposits for the financial year 2018-2019  | 17/12/2020<br>(SRN-R75579003)  |
| 7.      | Form No. DPT-3  | Return of deposits for the financial year 2019-2020  | 17/12/2020<br>(SRN-R75580647)  |
| 8.      | Form No. DIR-12 | Cessation of Mr. Manoj Thankachan Thomas due to Retirement.  | 07/01/2021<br>(SRN-R83215541)  |
| 9.      | Form MGT-14     | Revision in Managing Director Remuneration   | 10/02/2021<br>(SRN- R97170732) |

The Company has filed the above e-Forms during the financial year with the MCA/Registrar of Companies as per the provisions of the Companies Act, 2013 and rules made there under within the prescribed time limit along with the requisite fees.

However, the Company has filed the Form No. DPT-3 (Return of deposits) for the financial year 2018-19 by availing CFSS-2020.

All the provisions of the Act and other statutes were duly complied with regard to filing of various e-Forms and Returns as per the provisions of the Companies Act, 2013 with the MCA/Registrar of Companies within the prescribed time limit with payment of requisite fees.

**F. COMPLIANCE WITH APPLICABLE LAWS, RULES & REGULATIONS:**

During the period under review, and as per the Master list of laws in the Legatrix System of the Company, there are several laws applicable to the Company.

As per explanations provided to us by the Company, we report that adequate systems and processes commensurate with its size and operations of the Company exist to monitor and ensure the compliance with applicable laws, rules & regulations.

However, we have not verified the correctness and appropriateness of the specific laws applicable to the Company. The compliances and processes under the Specific Laws are maintained by the concerned departments.

The periodic quarterly report on Statutory Compliance of various laws and statutes is regularly put up to the Audit Committee by different departments of the Company for its review.

The same also reported to the meeting of Board of Directors pursuant to Section 205(1)(a) of the Companies Act, 2013.

**G. 14<sup>TH</sup> ANNUAL GENERAL MEETING:**

During the period under review, in the light of COVID-19 pandemic situation, the Company has conducted its 14<sup>th</sup> Annual General Meeting on Monday, 25<sup>th</sup> August 25, 2020 at 11.30 A.M through audio visual means (Microsoft Teams application) in pursuance to the General Circulars issued by the Ministry of Corporate Affairs (MCA) dated 5<sup>th</sup> May, 2020 read its with circulars dated 8<sup>th</sup> April, 2020 and dated 13<sup>th</sup> April, 2020.

Adequate notice, Agenda and detailed notes on agenda for the 14<sup>th</sup> Annual General Meeting were sent in advance, i.e., 21 days prior to the Meeting, to all the members in compliance with the provisions of the Companies Act and the Secretarial Standards. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

**H. REGISTRAR AND SHARE TRANSFER AGENT:**

M/s Alankit Assignments Limited, New Delhi, is the Registrar and Share Transfer Agent (RTA) of the Company.

## **I. DEMATERIALIZATION OF SHARES:**

The Ministry of Corporate Affairs vide Notification dated 10<sup>th</sup> September, 2018 the Rule 9A of Companies (Prospectus and Allotment of Securities) Third Amendment Rules, 2018, mandated that every unlisted public company making any offer for issue of any securities or buy-back of securities or issue of bonus shares or rights offer shall ensure that before making such offer, entire holding of securities of its promoters, directors, key managerial personnel has been dematerialised in accordance with provisions of the Depositories Act, 1996 and regulations made there under.

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).

Subsequently, the Ministry of Corporate Affairs vide Notification dated 22<sup>nd</sup> January 2019, the Rule 9A of Companies (Prospectus and Allotment of Securities) Amendment Rules, 2019 exempted the Wholly Owned Subsidiary (WOS) to dematerialize their shares.

So, out of the 39,94,60,501 (nos.) Equity Shares of the Company, only 39,94,60,441 (nos.) Equity Shares have been dematerialised and 60 (nos.) Equity Shares have not been dematerialised.

## **J. CREATION OF DATABANK AND ONLINE PROFICIENCY SELF-ASSESSMENT TEST FOR INDEPENDENT DIRECTORS:**

Ministry of Corporate Affairs vide notification dt. 22.10.2019 promulgated a new rule called Companies (Creation and Maintenance of Databank of Independent Directors) Rules, 2019. MCA has issued an online proficiency self-assessment test for independent directors which was effective from the 1<sup>st</sup> day of December with the provision that the Indian Institute of Corporate Affairs (IICA), a subordinate office under Ministry of Corporate Affairs, Govt. of India to create and maintain an online databank of persons willing and eligible to be appointed as independent directors. This includes individuals already serving as Independent Directors on the Board of Companies.

As per MCA notification, Independent Directors, are required to register within three months, i.e, by February, but later extended it by two months, till end of April. Again, the last date of registration for Independent Directors was extended upto 30<sup>th</sup> June 2020.

The Company has complied by creating databank for Mr. Manoj T. Thomas, Independent Director on 13/02/2020.

**We further report that**, during the audit period of the Company there are no major events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

**We further report that as informed,** the company has responded appropriately to notices received from various statutory/regulatory authorities including initiating actions for corrective measures, wherever found necessary.

**We further report that,** during the audit period on the basis of documents and explanations provided by the Company, there are adequate systems & 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.

**For Deba Mohapatra & Co.  
Company Secretaries**

**Place: Bhubaneswar  
Date: 13/04/2021  
UDIN: F005474C000073355**

**CS Debadatta Mohapatra, FCS  
Partner  
CP No. 4583, FCS No. 5474**

*(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, Chandrasekharapur,  
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.

**For Deba Mohapatra & Co.  
Company Secretaries**

**-Sd/-**

**Place: Bhubaneswar  
Date: 13/04/2021  
UDIN: F005474C000073355**

**CS Debadatta Mohapatra, FCS  
Partner  
CP No. 4583, FCS No. 5474**



## **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, 2021, 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, 2021, 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.

##### **Other Information**

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

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

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

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

## INDEPENDENT AUDITOR'S REPORT

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

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

5. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's responsibilities for the audit of the financial statements**

7. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
8. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - 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.

## INDEPENDENT AUDITOR'S REPORT

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Report on other legal and regulatory requirements**

10. 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.
11. 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 standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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".

## INDEPENDENT AUDITOR'S REPORT

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

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company has long-term contracts as at March 31, 2021 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2021;
  - 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, 2021.
  - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2021.
12. 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

sd/-  
Ashish Taksali  
Partner  
Membership Number : 99625

Place : Hyderabad  
Date : April 16, 2021  
UDIN: 21099625AAAAAH6985

## **Annexure A to Independent Auditors' Report**

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of Tata Steel Special Economic Zone Limited on the financial statements for the year ended March 31, 2021.

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, 2021 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 financial controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls 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.

## **Annexure A to Independent Auditors' Report**

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of Tata Steel Special Economic Zone Limited on the financial statements for the year ended March 31, 2021.

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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

sd/-  
Ashish Taksali  
Partner  
Membership Number: 99625

Place: Hyderabad  
Date: April 16, 2021

## **Annexure B to Independent Auditors' Report**

Referred to in paragraph 10 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, 2021.

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.  
  
(b) 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.  
  
(c) The title deeds of immovable properties, as disclosed in Note 3 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The Company is in the business of leasing of real estate, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund though there has been a one delay, and is regular in depositing undisputed statutory dues, including income tax, goods and service tax, and other material statutory dues, as applicable, with the appropriate authorities.  
  
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, service-tax, duty of customs, and duty of excise or value added tax or goods and service tax which have not been deposited on account of any dispute.
- viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

**Annexure B to Independent Auditors' Report**

Referred to in paragraph 10 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, 2021.

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

sd/-  
Ashish Taksali  
Partner  
Membership Number : 99625  
Place: Hyderabad  
Date: April 16, 2021.



**Tata Steel Special Economic Zone Limited**  
**Balance Sheet as at March 31, 2021**

**Amount in INR**

|   | Note | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|---|------|-------------------------|-------------------------|
| <b>(I) ASSETS</b>                                     |      |                         |                         |
| <b>(1) Non-current assets</b>                         |      |                         |                         |
| (a) Property, Plant and Equipment                     | 03   | 1,22,43,04,294          | 77,44,02,911            |
| (b) Intangible assets                                 | 04   | 17,76,712               | 6,03,167                |
| (c) Right of use assets                               | 05   | 1,80,42,17,557          | 1,83,55,73,065          |
| (d) Capital work-in-progress                          | 06   | 94,99,61,098            | 1,50,65,33,311          |
| (e) Intangible assets under development               | 07   | 30,000                  | 5,20,703                |
|   |      | <b>3,98,02,89,661</b>   | <b>4,11,76,33,157</b>   |
| (f) Financial Assets                                  |      |                         |                         |
| (i) Deposits  | 08   | 5,78,780                | 20,47,339               |
| (ii) Lease receivable                                 | 09   | 41,40,73,586            | -                       |
| (g) Other Assets                                      | 10   | 2,45,94,892             | 7,71,65,636             |
| (h) Tax Asset (Net)                                   | 11   | 22,73,454               | 10,82,228               |
|   |      | <b>4,42,18,10,373</b>   | <b>4,19,79,28,360</b>   |
| <b>2 Current assets</b>                               |      |                         |                         |
| (a) Financial assets                                  |      |                         |                         |
| (i) Trade Receivables                                 | 12   | 82,590                  | 3,45,600                |
| (ii) Cash and cash equivalents                        | 13   | 11,80,74,732            | 14,43,82,696            |
| (iii) Lease Receivable                                | 14   | 4,74,57,706             | -                       |
| (iv) Other Financial Assets                           | 15   | 16,17,799               | 41,810                  |
| (b) Other Assets                                      | 16   | 7,20,21,440             | 2,43,29,663             |
|   |      | <b>23,92,54,267</b>     | <b>16,90,99,769</b>     |
| <b>TOTAL ASSETS</b>                                   |      | <b>4,66,10,64,640</b>   | <b>4,36,70,28,129</b>   |
| <b>(II) EQUITY AND LIABILITIES</b>                    |      |                         |                         |
| <b>(1) Equity</b>                                     |      |                         |                         |
| (a) Equity share capital                              | 17   | 3,99,46,05,010          | 3,99,46,05,010          |
| (b) Other equity                                      | 18   | (36,38,23,209)          | (29,72,19,029)          |
|   |      | <b>3,63,07,81,801</b>   | <b>3,69,73,85,981</b>   |
| <b>(2) Non-current liabilities</b>                    |      |                         |                         |
| (a) Financial liabilities                             |      |                         |                         |
| (i) Borrowings  | 19   | -                       | 4,00,00,000             |
| (ii) Other financial liabilities                      | 20   | 2,44,29,059             | 2,87,70,750             |
| (b) Other liabilities                                 | 21   | 2,67,39,982             | 5,04,64,127             |
| (c) Retirement benefit obligations                    | 22   | 3,35,768                | 7,76,786                |
|   |      | <b>5,15,04,809</b>      | <b>12,00,11,663</b>     |
| <b>(3) Current liabilities</b>                        |      |                         |                         |
| (a) Financial liabilities                             |      |                         |                         |
| (i) Trade payables                                    | 23   |                         |                         |
| Total outstanding dues to micro and small enterprises |      | -                       | -                       |
| Total outstanding dues other than above               |      | 1,31,21,409             | 4,48,57,371             |
| (ii) Other financial liabilities                      | 24   | 33,04,70,600            | 13,83,03,089            |
| (iii) Borrowings                                      | 25   | 59,00,00,000            | 34,00,00,000            |
| (b) Retirement benefit obligations                    | 26   | 4,01,286                | 9,27,039                |
| (c) Other Liabilities                                 | 27   | 4,47,84,735             | 2,55,42,986             |
|   |      | <b>97,87,78,030</b>     | <b>54,96,30,485</b>     |
| <b>TOTAL EQUITY AND LIABILITIES</b>                   |      | <b>4,66,10,64,640</b>   | <b>4,36,70,28,129</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/E-300009

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

sd/-  
**Ashish Taksali**  
Partner  
Membership No.: 99625

sd/-  
**Chanakya Chaudhary**  
Chairman  
DIN:02139568

sd/-  
**Prasanta Mallick**  
Managing Director  
DIN:02347304

sd/-  
**Swati Sheth**  
Company Secretary

Place: Hyderabad  
Date: April 16, 2021

Place: Bhubaneswar  
Date: April 16, 2021

**Tata Steel Special Economic Zone Limited**  
**Statement of Profit and Loss for the Year Ended March 31, 2021**

Amount in INR

|  | Note | For the the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
|--|------|--|--------------------------------------|
| Revenue from operations  | 28   | 11,20,31,227                             | 39,80,002                            |
| Other Income   | 29   | 22,75,571                                | 73,99,762                            |
| <b>Total Income</b>  |      | <b>11,43,06,798</b>                      | <b>1,13,79,764</b>                   |
| <b>Expenses</b>  |      |  |                                      |
| (a) Employee benefit expenses  | 30   | 1,74,42,743                              | 2,10,35,649                          |
| (b) Finance Cost   | 31   | 4,90,490                                 | 8,82,193                             |
| (c) Depreciation and amortization expenses   | 32   | 12,69,77,993                             | 12,09,20,868                         |
| (d) Other expenses   | 33   | 3,62,05,053                              | 4,35,58,573                          |
| <b>Total Expenses</b>  |      | <b>18,11,16,279</b>                      | <b>18,63,97,283</b>                  |
| <b>Loss before tax</b>   |      | <b>(6,68,09,481)</b>                     | <b>(17,50,17,519)</b>                |
| Tax Expense  |      | -  | -                                    |
| <b>Loss for the year</b>   |      | <b>(6,68,09,481)</b>                     | <b>(17,50,17,519)</b>                |
| <b>Other Comprehensive Income</b>  |      |  |                                      |
| Item that will not be Reclassified to Profit or Loss in Subsequent Periods:                      |      |  |                                      |
| Remeasurement gains on defined benefit plans   |      | 2,05,301                                 | 36,350                               |
| <b>Other Comprehensive Income for the year</b>   |      | <b>2,05,301</b>                          | <b>36,350</b>                        |
| <b>Total Comprehensive Loss for the year</b>   |      | <b>(6,66,04,180)</b>                     | <b>(17,49,81,169)</b>                |
| <b>Earning per equity share</b><br>[Nominal value per share Rs10 /- (March 31, 2020 : Rs 10 /-)] |      |  |                                      |
| Basic (In Rs.)   |      | (0.17)                                   | (0.51)                               |
| Diluted (In Rs.)   |      | (0.17)                                   | (0.51)                               |

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/E-300009

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

sd/-  
**Ashish Taksali**  
Partner  
Membership No.: 99625

sd/-  
**Chanakya Chaudhary**  
Chairman  
DIN:02139568

sd/-  
**Prasanta Mallick**  
Managing Director  
DIN:02347304

sd/-  
**Swati Sheth**  
Company Secretary

Place: Hyderabad  
Date: April 16, 2021

Place: Bhubaneswar  
Date: April 16, 2021

**Tata Steel Special Economic Zone Limited**  
**Statement of Cash Flows for the Year Ended March 31, 2021**

Amount in INR

|  | For the year Ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
|--|--------------------------------------|--------------------------------------|
| <b>A. Cash Flow from Operating Activities:</b>   |                                      |                                      |
| <b>Loss before tax for the year</b>  | <b>(6,68,09,481)</b>                 | <b>(17,50,17,519)</b>                |
| Adjustments for:   |                                      |                                      |
| Depreciation and amortization expenses   | 12,69,77,993                         | 12,09,20,868                         |
| Dividend/Gain from mutual fund   | 8,37,366                             | 58,77,336                            |
| Finance cost   | 4,90,490                             | 8,82,193                             |
| Interest income from financial assets  | (11,62,012)                          | (1,42,071)                           |
| Interest on unwinding of security deposit - IDCO   | (1,49,240)                           | (1,86,550)                           |
| Interest on lease receivable   | (1,90,93,075)                        | -                                    |
| Loss / (Profit) on Sale/Discard of Property, Plant & Equipment   | 2,18,550                             | (24,559)                             |
| <b>Operating profit/(Loss) before working capital changes</b>  | <b>4,13,10,591</b>                   | <b>(4,76,90,302)</b>                 |
| Adjustments for:   |                                      |                                      |
| (Increase)/Decrease in Non current / Current Financial and Other Assets  | 1,86,80,588                          | (3,01,84,260)                        |
| Increase/ (Decrease) in Non current / Current Financial and Other Liabilities / Provisions   | 3,76,16,560                          | 9,89,40,645                          |
| <b>Cash generated from operations</b>  | <b>9,76,07,739</b>                   | <b>2,10,66,083</b>                   |
| Income tax paid  | (11,91,226)                          | (3,14,228)                           |
| <b>Net cash from operating activities</b>  | <b>9,64,16,513</b>                   | <b>2,07,51,855</b>                   |
| <b>B. Cash Flow from Investing Activities:</b>   |                                      |                                      |
| Payment for acquisition of property, plant and equipment including capital work in progress, intangible assets and intangible assets under development | (32,86,78,143)                       | (30,70,08,628)                       |
| Sale of Property plant and equipment   | 29,766                               | 39,178                               |
| Interest on Sweep Account  | 11,97,822                            | 1,06,261                             |
| Dividend/Sale from mutual fund   | (8,37,366)                           | (58,77,336)                          |
| <b>Net cash from investing activities</b>  | <b>(32,82,87,921)</b>                | <b>(31,27,40,525)</b>                |
| <b>C. Cash Flow from Financing Activities:</b>   |                                      |                                      |
| Principal elements of lease payments   | (37,77,867)                          | (41,94,201)                          |
| Interest paid on lease liabilities   | (6,58,689)                           | (2,42,355)                           |
| Proceeds from inter corporate deposit  | 21,00,00,000                         | 25,00,00,000                         |
| <b>Net cash from financing activities</b>  | <b>20,55,63,444</b>                  | <b>24,55,63,444</b>                  |
| <b>Net increase/ (decrease) in cash or cash equivalents (A+B+C)</b>  | <b>(2,63,07,964)</b>                 | <b>(4,64,25,226)</b>                 |
| <b>Cash and Cash Equivalents - Opening Balance (Refer Note 13)</b>   | <b>14,43,82,696</b>                  | <b>19,08,07,922</b>                  |
| <b>Cash and Cash Equivalents - Closing Balance (Refer Note 13)</b>   | <b>11,80,74,732</b>                  | <b>14,43,82,696</b>                  |

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/E-300009

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

sd/-  
**Ashish Taksali**  
Partner  
Membership No.: 99625

sd/-  
**Chanakya Chaudhary**  
Chairman  
DIN:02139568

sd/-  
**Prasanta Mallick**  
Managing Director  
DIN:02347304

sd/-  
**Swati Sheth**  
Company Secretary

Place: Hyderabad  
Date: April 16, 2021

Place: Bhubaneswar  
Date: April 16, 2021

**Tata Steel Special Economic Zone Limited**  
**Statement of changes in equity for the Year Ended March 31, 2021**

Amount in INR

**A) Equity Share Capital**

| Particulars                            | Number              | Amount                |
|--|---------------------|-----------------------|
| <b>Balance as at April 01, 2019</b>    | <b>18,52,42,631</b> | <b>1,85,24,26,310</b> |
| Issue of Equity Shares during the year | 21,42,17,870        | 2,14,21,78,700        |
| <b>Balance as at March 31, 2020</b>    | <b>39,94,60,501</b> | <b>3,99,46,05,010</b> |
| Issue of Equity Shares during the year | -                   | -                     |
| <b>Balance as at March 31, 2021</b>    | <b>39,94,60,501</b> | <b>3,99,46,05,010</b> |

**B) Other Equity**

| As at March 31, 2021                           | Share application money pending allotment | Retained Earnings     | Total                 |
|--|---|-----------------------|-----------------------|
| At beginning of the year                       | 10  | (29,72,19,039)        | (29,72,19,029)        |
| Net Loss for the year                          | -   | (6,68,09,481)         | (6,68,09,481)         |
| Other Comprehensive Income                     | -   | 2,05,301              | 2,05,301              |
| <b>Total comprehensive income for the year</b> | <b>-</b>                                  | <b>(6,66,04,180)</b>  | <b>(6,66,04,180)</b>  |
| <b>At end of year</b>                          | <b>10</b>                                 | <b>(36,38,23,219)</b> | <b>(36,38,23,209)</b> |

  

| As at March 31, 2020   | Share application money pending allotment | Balance of Statement of Profit and loss | Total                 |
|--|---|---|-----------------------|
| At beginning of the year                                     | 2,75,18,81,600                            | (12,22,37,870)                          | 2,62,96,43,730        |
| Net Loss for the year  | -   | (17,50,17,519)                          | (17,50,17,519)        |
| Other Comprehensive Income                                   | -   | 36,350                                  | 36,350                |
| <b>Total comprehensive income for the year</b>               | <b>-</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 year</b>  | <b>10</b>                                 | <b>(29,72,19,039)</b>                   | <b>(29,72,19,029)</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/E-300009

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

sd/-  
**Ashish Taksali**  
 Partner  
 Membership No.: 99625

sd/-  
**Chanakya Chaudhary**  
 Chairman  
 DIN:02139568

sd/-  
**Prasanta Mallick**  
 Managing Director  
 DIN:02347304

sd/-  
**Swati Sheth**  
 Company Secretary

Place: Hyderabad  
 Date: April 16, 2021

Place: Bhubaneswar  
 Date: April 16, 2021

**Tata Steel Special Economic Zone Limited**  
**Notes to Financial Statements as at March 31, 2021**

Amount in INR

**03. Property, Plant and Equipment**

| As at March 31, 2021                    | Buildings and<br>other structures | Roads               | Plant and<br>Machinery | Furniture<br>and fixtures | Office<br>Equipments | Vehicles         | Electrical<br>Installation &<br>Equipments | Laboratory<br>Equipment | Total                 |
|---|-----------------------------------|---------------------|------------------------|---------------------------|----------------------|------------------|--|-------------------------|-----------------------|
| Opening gross carrying amount           | 50,57,27,464                      | 34,61,82,737        | -                      | 92,92,880                 | 81,43,338            | 25,74,505        | 41,49,019                                  | 5,30,500                | 87,66,00,443          |
| Additions                               | 6,83,18,421                       | 5,65,12,228         | 41,34,70,275           | 22,87,488                 | 13,58,057            | -                | 33,21,578                                  | -                       | 54,52,68,047          |
| Disposals                               | -                                 | -                   | -                      | -                         | (4,26,101)           | -                | -  | -                       | (4,26,101)            |
| <b>Closing gross carrying amount</b>    | <b>57,40,45,885</b>               | <b>40,26,94,965</b> | <b>41,34,70,275</b>    | <b>1,15,80,368</b>        | <b>90,75,294</b>     | <b>25,74,505</b> | <b>74,70,597</b>                           | <b>5,30,500</b>         | <b>1,42,14,42,389</b> |
| Opening accumulated depreciation        | 3,11,27,174                       | 6,66,92,618         | -                      | 16,11,465                 | 18,87,721            | 4,90,496         | 3,80,050                                   | 8,008                   | 10,21,97,532          |
| Charge for the year                     | 1,79,08,364                       | 6,91,57,956         | 27,74,343              | 21,75,692                 | 19,96,228            | 4,89,156         | 5,66,211                                   | 50,398                  | 9,51,18,348           |
| Disposals                               | -                                 | -                   | -                      | -                         | (1,77,785)           | -                | -  | -                       | (1,77,785)            |
| <b>Closing accumulated depreciation</b> | <b>4,90,35,538</b>                | <b>13,58,50,574</b> | <b>27,74,343</b>       | <b>37,87,157</b>          | <b>37,06,164</b>     | <b>9,79,652</b>  | <b>9,46,261</b>                            | <b>58,406</b>           | <b>19,71,38,095</b>   |
| <b>Net carrying amount - Opening</b>    | <b>47,46,00,290</b>               | <b>27,94,90,119</b> | <b>-</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>   |
| <b>Net carrying amount - Closing</b>    | <b>52,50,10,347</b>               | <b>26,68,44,391</b> | <b>41,06,95,932</b>    | <b>77,93,211</b>          | <b>53,69,130</b>     | <b>15,94,853</b> | <b>65,24,336</b>                           | <b>4,72,094</b>         | <b>1,22,43,04,294</b> |

| As at March 31, 2020                    | Buildings and<br>other structures | Roads               | Plant and<br>Machinery | Furniture<br>and fixtures | Office<br>Equipments | Vehicles         | Electrical<br>Installation &<br>Equipments | Laboratory<br>Equipment | Total               |
|---|-----------------------------------|---------------------|------------------------|---------------------------|----------------------|------------------|--|-------------------------|---------------------|
| Opening gross carrying amount           | 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>Closing gross carrying amount</b>    | <b>50,57,27,464</b>               | <b>34,61,82,737</b> | <b>-</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> |
| Opening accumulated depreciation        | 1,43,28,651                       | -                   | -                      | 26,985                    | 10,70,254            | -                | -  | -                       | 1,54,25,890         |
| Charge for the year                     | 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>Closing accumulated depreciation</b> | <b>3,11,27,174</b>                | <b>6,66,92,618</b>  | <b>-</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 carrying amount - Opening</b>    | <b>42,93,22,670</b>               | <b>-</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 carrying amount - Closing</b>    | <b>47,46,00,290</b>               | <b>27,94,90,119</b> | <b>-</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> |

**Tata Steel Special Economic Zone Limited**  
**Notes to Financial Statements as at March 31, 2021**

**04. Intangible Assets**

**Amount in INR**

| <b>As at March 31, 2021</b>             | <b>Website<br/>Development<br/>Costs</b> | <b>Software<br/>Costs</b> | <b>Company<br/>Logo</b> | <b>Total</b>     |
|---|--|---------------------------|-------------------------|------------------|
| Opening gross carrying amount           | -  | 7,23,250                  | 4,01,564                | 11,24,814        |
| Additions                               | 11,68,988                                | 5,08,694                  | -                       | 16,77,682        |
| <b>Closing gross carrying amount</b>    | <b>11,68,988</b>                         | <b>12,31,944</b>          | <b>4,01,564</b>         | <b>28,02,496</b> |
| Opening accumulated amortisation        | -  | 2,86,575                  | 2,35,072                | 5,21,647         |
| Amortisation charge for the year        | 1,77,750                                 | 1,92,532                  | 1,33,855                | 5,04,137         |
| <b>Closing accumulated amortization</b> | <b>1,77,750</b>                          | <b>4,79,107</b>           | <b>3,68,927</b>         | <b>10,25,784</b> |
| <b>Net carrying amount - Opening</b>    | <b>-</b>                                 | <b>4,36,675</b>           | <b>1,66,492</b>         | <b>6,03,167</b>  |
| <b>Net carrying amount - Closing</b>    | <b>9,91,238</b>                          | <b>7,52,837</b>           | <b>32,637</b>           | <b>17,76,712</b> |

| <b>As at March 31, 2020</b>             | <b>Website<br/>Development<br/>Costs</b> | <b>Software<br/>Costs</b> | <b>Company<br/>Logo</b> | <b>Total</b>     |
|---|--|---------------------------|-------------------------|------------------|
| Opening gross carrying amount           | -  | 7,23,250                  | 4,01,564                | 11,24,814        |
| Additions                               | -  | -                         | -                       | -                |
| <b>Closing gross carrying amount</b>    | <b>-</b>                                 | <b>7,23,250</b>           | <b>4,01,564</b>         | <b>11,24,814</b> |
| Opening accumulated amortisation        | -  | 1,24,398                  | 1,00,850                | 2,25,248         |
| Amortisation charge for the year        | -  | 1,62,177                  | 1,34,222                | 2,96,399         |
| <b>Closing accumulated amortization</b> | <b>-</b>                                 | <b>2,86,575</b>           | <b>2,35,072</b>         | <b>5,21,647</b>  |
| <b>Net carrying amount - Opening</b>    | <b>-</b>                                 | <b>5,98,852</b>           | <b>3,00,714</b>         | <b>8,99,566</b>  |
| <b>Net carrying amount - Closing</b>    | <b>-</b>                                 | <b>4,36,675</b>           | <b>1,66,492</b>         | <b>6,03,167</b>  |

**Tata Steel Special Economic Zone Limited**  
**Notes to Financial Statements as at March 31, 2021**

**Amount in INR**

**05. Right of Use assets**

|                             | <b>As at<br/>March 31, 2021</b> | <b>As at<br/>March 31, 2020</b> |
|-----------------------------|---------------------------------|---------------------------------|
| <b>Carrying amounts of:</b> |                                 |                                 |
| Office Building             | 23,70,033                       | 63,90,305                       |
| Leasehold Land              | 1,80,18,47,524                  | 1,82,91,82,760                  |
| <b>Total</b>                | <b>1,80,42,17,557</b>           | <b>1,83,55,73,065</b>           |

| <b>As at March 31, 2021</b>                              | <b>Leasehold<br/>Land</b> | <b>Office Building</b> | <b>Total<br/>Right to use<br/>assets</b> |
|--|---------------------------|------------------------|--|
| Gross Carrying Amount as at Apr 1, 2020                  | 1,85,87,95,930            | 1,04,47,888            | <b>1,86,92,43,818</b>                    |
| <b>Gross carrying amount as at March 31, 2021</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, 2020               | 2,96,13,170               | 40,57,583              | <b>3,36,70,753</b>                       |
| Charge for the year                                      | 2,73,35,236               | 40,20,272              | <b>3,13,55,508</b>                       |
| <b>Accumulated depreciation as<br/>at March 31, 2021</b> | <b>5,69,48,406</b>        | <b>80,77,855</b>       | <b>6,50,26,261</b>                       |
| <b>Net carrying amount as at April 1, 2020</b>           | <b>1,82,91,82,760</b>     | <b>63,90,305</b>       | <b>1,83,55,73,065</b>                    |
| <b>Net carrying amount as at March 31, 2021</b>          | <b>1,80,18,47,524</b>     | <b>23,70,033</b>       | <b>1,80,42,17,557</b>                    |

| <b>As at March 31, 2020</b>  | <b>Leasehold<br/>Land</b> | <b>Office Building</b> | <b>Total<br/>Right to use<br/>assets</b> |
|--|---------------------------|------------------------|--|
| 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            | <b>1,84,70,26,295</b>                    |
| Additions  | 2,22,17,523               | -                      | <b>2,22,17,523</b>                       |
| <b>Gross carrying amount 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              | <b>3,36,70,753</b>                       |
| <b>Accumulated depreciation as<br/>at March 31, 2020</b>                       | <b>2,96,13,170</b>        | <b>40,57,583</b>       | <b>3,36,70,753</b>                       |
| <b>Net carrying amount 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>                    |

(i) Refer to note 35 for disclosure with respect to leases as per Ind AS 116.

(ii) Out of the total areas of 2970 acres, 173 acres are subleased as on March 31, 2021 (7 acres as on March 31, 2020)

**Tata Steel Special Economic Zone Limited**  
**Notes to Financial Statements as at March 31, 2021**

Amount in INR

|   | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|---|-------------------------|-------------------------|
| <b>06- Capital Work in Progress</b>   |                         |                         |
| Capital Work in Progress  | 94,99,61,098            | 1,50,65,33,311          |
|   | <b>94,99,61,098</b>     | <b>1,50,65,33,311</b>   |
|   |                         |                         |
|   | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| <b>07- Intangible Assets Under Development</b>  |                         |                         |
| Legatrix Software   | -                       | 4,60,494                |
| Travel Management Software  | 30,000                  | 30,000                  |
| Website Domain Registration   | -                       | 30,209                  |
|   | <b>30,000</b>           | <b>5,20,703</b>         |
|   |                         |                         |
|   | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| <b>08- Deposits</b>   |                         |                         |
| Unsecured, considered good unless otherwise stated  |                         |                         |
| Security Deposits   | 5,78,780                | 20,47,339               |
|   | <b>5,78,780</b>         | <b>20,47,339</b>        |
|   |                         |                         |
|   | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| <b>09 - Lease Receivable</b>  |                         |                         |
| Lease Receivable  | 41,40,73,586            | -                       |
|   | <b>41,40,73,586</b>     | <b>-</b>                |
|   |                         |                         |
|   | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| <b>10 - Other Assets - Non-current (Unsecured, considered good unless stated otherwise)</b> |                         |                         |
| Balance with Govt. Authorities  | 2,43,71,992             | 7,27,80,196             |
| Capital Advances  | 2,22,900                | 42,86,207               |
| Advance Recoverable in cash or in kind  | -                       | 99,233                  |
|   | <b>2,45,94,892</b>      | <b>7,71,65,636</b>      |
|   |                         |                         |
|   | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| <b>11- Tax Asset (Net)</b>  |                         |                         |
| Advance Tax   | 22,73,454               | 10,82,228               |
|   | <b>22,73,454</b>        | <b>10,82,228</b>        |
|   |                         |                         |
|   | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| <b>12- Trade Receivables - Current</b>  |                         |                         |
| Unsecured, considered good unless otherwise treated   |                         |                         |
| Considered good - unsecured   | -                       | 3,45,600                |
| Considered good - unsecured- Due for more than 6 months                                     | 82,590                  | -                       |
|   | <b>82,590</b>           | <b>3,45,600</b>         |
|   |                         |                         |
|   | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| <b>13- Cash and Cash Equivalents</b>  |                         |                         |
| Balance with Bank -   |                         |                         |
| On Current Account  | 11,61,015               | 13,65,66,370            |
| Deposits with Original Maturity of Less Than Three Months                                   | 11,69,13,717            | 74,13,001               |
| Demand Draft in Hand  | -                       | 4,03,325                |
|   | <b>11,80,74,732</b>     | <b>14,43,82,696</b>     |



**Tata Steel Special Economic Zone Limited**  
**Notes to Financial Statements as at March 31, 2021**

|   | As at<br>March 31, 2021 | Amount in INR<br>As at<br>March 31, 2020 |
|---|-------------------------|--|
| <b>14- Lease Receivable</b>   |                         |  |
| Lease Receivable  | 4,74,57,706             | -  |
|   | <b>4,74,57,706</b>      | -  |
|   | As at<br>March 31, 2021 | As at<br>March 31, 2020                  |
| <b>15- Other Financial Assets - Current</b>   |                         |  |
| Accrued Int. on Sweep Account   | -                       | 35,810                                   |
| Others  | 16,17,799               | 6,000                                    |
|   | <b>16,17,799</b>        | <b>41,810</b>                            |
|   | As at<br>March 31, 2021 | As at<br>March 31, 2020                  |
| <b>16- Other Assets (Current)</b>   |                         |  |
| Advance - Irrigation Division, Berhampur  | 3,25,763                | -  |
| Advance for expenses  | 1,25,524                | -  |
| Prepaid Expenses  | 58,513                  | -  |
| Deposit - Irrigation Division, Berhampur  | 1,08,588                | -  |
| Balance with Govt. Authorities  | 7,14,03,052             | 2,43,29,663                              |
|   | <b>7,20,21,440</b>      | <b>2,43,29,663</b>                       |
|   | As at<br>March 31, 2021 | As at<br>March 31, 2020                  |
| <b>17- 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, 2020: 550,000,000 equity shares of Rs. 10/- each)  |                         |  |
| (March 31, 2020: 200,000,000 preference 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          | 3,99,46,05,010                           |
| (March 31, 2020: 399,460,501 equity shares of Rs. 10/- each fully paid up)                          |                         |  |
|   | <b>3,99,46,05,010</b>   | <b>3,99,46,05,010</b>                    |
| Shares issued to Tata Steel Limited, holding company and its nominee                                |                         |  |
| Balance at the beginning of the year  | 39,94,60,501            | 18,52,42,631                             |
| Add: Share issued during the period   | -                       | 21,42,17,870                             |
| <b>Balance at the end of the period</b>   | <b>39,94,60,501</b>     | <b>39,94,60,501</b>                      |
| <b>Percentage of Shares held by Tata Steel Limited<br/>(immediate and ultimate 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, 2020: 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.

**Tata Steel Special Economic Zone Limited**  
**Notes to Financial Statements as at March 31, 2021**

|  | As at<br>March 31, 2021 | Amount in INR<br>As at<br>March 31, 2020 |
|--|-------------------------|--|
| <b>18 - Other Equity</b>   |                         |  |
| <b>(i) Retained Earnings</b>   |                         |  |
| Opening balance  | (29,72,19,039)          | (12,22,37,870)                           |
| Add: Net loss for the year   | (6,68,09,481)           | (17,50,17,519)                           |
| Add: <i>Items of other comprehensive income recognised directly in retained earnings</i> |                         |  |
| - Other Comprehensive Income for the year  | 2,05,301                | 36,350                                   |
| <b>Closing balance</b>   | <b>(36,38,23,219)</b>   | <b>(29,72,19,039)</b>                    |
| <b>(ii) Share Application Money Pending Allotment</b>                                    |                         |  |
| Opening balance  | 10                      | 2,75,18,81,600                           |
| Received from Tata Steel Limited, holding company  | -                       | -  |
| Transfer of Asset against equity pending allotment                                       | -                       | -  |
|  | <b>10</b>               | <b>2,75,18,81,600</b>                    |
| Less: Share allotted   | -                       | 2,14,21,78,700                           |
| Less: Adjusted with Receivable from Tata Steel   | -                       | 60,97,02,890                             |
| <b>Closing balance</b>   | <b>10</b>               | <b>10</b>                                |
| <b>Total Other Equity</b>  | <b>(36,38,23,209)</b>   | <b>(29,72,19,029)</b>                    |

|                                      | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|--------------------------------------|-------------------------|-------------------------|
| <b>19 - Borrowings - Non Current</b> |                         |                         |
| Loans from related party             | -                       | 4,00,00,000             |
|                                      | -                       | <b>4,00,00,000</b>      |

**Long term borrowings**

| Particulars                               | Terms of repayment                    | Coupon/Interest rate | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|---|---------------------------------------|----------------------|-------------------------|-------------------------|
| <b>Unsecured</b>                          |                                       |                      |                         |                         |
| ICD from Tata Steel Ltd. (incl. interest) | 2 - 3 years from date of disbursement | 10.50%               | -                       | 4,48,98,461             |
| Less :Interest Accrued                    |                                       |                      | -                       | 48,98,461               |
| <b>Principal Amount of Borrowing</b>      |                                       |                      | -                       | <b>4,00,00,000</b>      |

|   | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|---|-------------------------|-------------------------|
| <b>20 - Other financial liabilities - Non Current</b> |                         |                         |
| Interest Accrued on Borrowings                        | -                       | 48,98,461               |
| Lease Liability                                       | -                       | 20,09,250               |
| Security Deposits                                     | 2,44,29,059             | 35,56,692               |
| Payable for purchase of Property, Plant & Equipment   | -                       | 1,83,06,347             |
|   | <b>2,44,29,059</b>      | <b>2,87,70,750</b>      |

|   | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|---|-------------------------|-------------------------|
| <b>21 - Other Liabilities - Non-current</b> |                         |                         |
| Deferred Rent                               | -                       | 2,31,64,127             |
| Prepaid Rent - Land Sublease                | 2,67,39,982             | 2,73,00,000             |
|   | <b>2,67,39,982</b>      | <b>5,04,64,127</b>      |

|  | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|--|-------------------------|-------------------------|
| <b>22 - Retirement Benefit Obligations - Non-current</b> |                         |                         |
| Gratuity   | 3,35,768                | 7,76,786                |
|  | <b>3,35,768</b>         | <b>7,76,786</b>         |

**Tata Steel Special Economic Zone Limited**  
**Notes to Financial Statements as at March 31, 2021**

|   | As at<br>March 31, 2021 | Amount in INR<br>As at<br>March 31, 2020 |
|---|-------------------------|--|
| <b>23 - Trade Payables - Current</b>                |                         |  |
| Trade Payable : Micro and Small Enterprises         | -                       | -  |
| Trade Payable : Others                              | 1,31,21,409             | 4,48,57,371                              |
|   | <b>1,31,21,409</b>      | <b>4,48,57,371</b>                       |
|   | As at<br>March 31, 2021 | As at<br>March 31, 2020                  |
| <b>24 - Other Financial Liabilities- Current</b>    |                         |  |
| Employee related liabilities                        | 28,56,870               | 20,15,348                                |
| Security deposit from vendor                        | -                       | 4,58,706                                 |
| Lease Liability                                     | 24,99,740               | 44,36,556                                |
| Payable for purchase of Property, Plant & Equipment | 26,52,24,284            | 11,64,35,346                             |
| Interest accrued on borrowings                      | 5,98,89,706             | 1,49,57,133                              |
|   | <b>33,04,70,600</b>     | <b>13,83,03,089</b>                      |
|   | As at<br>March 31, 2021 | As at<br>March 31, 2020                  |
| <b>25 - Borrowings - Current</b>                    |                         |  |
| Loan from related party                             | 59,00,00,000            | 34,00,00,000                             |
|   | <b>59,00,00,000</b>     | <b>34,00,00,000</b>                      |

**Short term borrowings**

| Particulars                               | Terms of repayment | Coupon/Interest rate | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|---|--------------------|----------------------|-------------------------|-------------------------|
| <b>Unsecured</b>                          |                    |                      |                         |                         |
| ICD from Tata Steel Ltd. (incl. interest) | One year           | 10.00% to 10.5%      | 64,98,89,706            | 35,49,57,133            |
| Less :Interest Accrued                    |                    |                      | 5,98,89,706             | 1,49,57,133             |
| <b>Principal Amount of Borrowing</b>      |                    |                      | <b>59,00,00,000</b>     | <b>34,00,00,000</b>     |

|  | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|--|-------------------------|-------------------------|
| <b>26 - Retirement Benefits Obligation - Current</b> |                         |                         |
| Gratuity   | 2,000                   | 6,385                   |
| Leave Benefits                                       | 3,99,286                | 9,20,654                |
|  | <b>4,01,286</b>         | <b>9,27,039</b>         |
|  | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| <b>27 - Other Liabilities - Current</b>              |                         |                         |
| Statutory Dues                                       | 31,90,879               | 58,77,760               |
| Advance rent from Sure Safety Solutions              | 6,40,000                | 6,40,000                |
| Advance from customer                                | 4,03,93,856             | 1,84,65,226             |
| Prepaid Rent - Land Sublease                         | 5,60,000                | 5,60,000                |
|  | <b>4,47,84,735</b>      | <b>2,55,42,986</b>      |

**Tata Steel Special Economic Zone Limited**  
**Notes to Financial Statements for the Year Ended March 31, 2021**

Amount in INR

|  | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
|--|--------------------------------------|--------------------------------------|
| <b>28 - Revenue from Operations</b>  |                                      |                                      |
| Income from Lease rent and other services                                  | 9,29,38,152                          | 39,80,002                            |
| Other Operating Income   | 1,90,93,075                          | -                                    |
|  | <b>11,20,31,227</b>                  | <b>39,80,002</b>                     |
|  |                                      |                                      |
|  | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| <b>29 - Other Income</b>   |                                      |                                      |
| Mutual fund dividend/ gain on sale   | 8,37,366                             | 58,77,336                            |
| Interest income from financial assets at amortised cost (Sweep Account)    | 11,62,012                            | 1,42,071                             |
| Interest on income tax refund  | 53,760                               | 17,280                               |
| Unwinding of discount on security deposits - IDCO                          | 1,49,240                             | 1,86,550                             |
| Gain on sale of Property, Plant and Equipment (Net)                        | -                                    | 24,559                               |
| Other Misc. Income   | 73,193                               | 11,51,966                            |
|  | <b>22,75,571</b>                     | <b>73,99,762</b>                     |
|  |                                      |                                      |
|  | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| <b>30- Employee Benefit Expenses</b>                                       |                                      |                                      |
| Salary & Other Benefits  | 1,59,50,327                          | 1,89,28,569                          |
| Contribution to provident fund   | 10,23,222                            | 11,45,780                            |
| Gratuity   | 2,17,677                             | 3,28,015                             |
| Staff Welfare Expenses   | 2,51,517                             | 6,33,285                             |
|  | <b>1,74,42,743</b>                   | <b>2,10,35,649</b>                   |
|  |                                      |                                      |
|  | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| <b>31- Finance Costs</b>   |                                      |                                      |
| Interest on financial liabilities not at fair value through profit or loss | 4,32,80,137                          | 2,07,01,096                          |
| Interest on lease liabilities  | 4,90,490                             | 8,82,193                             |
| Less: Amount capitalised (see note below)                                  | (4,32,80,137)                        | (2,07,01,096)                        |
|  | <b>4,90,490</b>                      | <b>8,82,193</b>                      |

Note: The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the actual interest rate applicable to the entity's borrowings during the year in this case 10.00% to 10.5% (31st March 2020 10.00% to 10.5%).

|   | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
|---|--------------------------------------|--------------------------------------|
| <b>32- Depreciation and amortization expenses</b> |                                      |                                      |
| Depreciation of property plant and equipment      | 9,51,18,348                          | 8,69,53,716                          |
| Amortisation of intangible assets                 | 5,04,137                             | 2,96,399                             |
| Depreciation of Right of use assets               | 3,13,55,508                          | 3,36,70,753                          |
|   | <b>12,69,77,993</b>                  | <b>12,09,20,868</b>                  |

**Tata Steel Special Economic Zone Limited****Notes to Financial Statements for the Year Ended March 31, 2021**

|  | <b>For the year ended<br/>March 31, 2021</b> | <b>For the year ended<br/>March 31, 2020</b> |
|--|--|--|
| <b>33- Other Expenses</b>                    |  |  |
| Legal & professional fees                    | 14,57,110                                    | 13,35,008                                    |
| Telecommunication expenses                   | 37,399                                       | 1,75,209                                     |
| Payment to Auditors                          |  |  |
| - As Audit Fees                              | 91,000                                       | 57,000                                       |
| Outsourcing expenses                         | 1,71,45,451                                  | 1,89,58,748                                  |
| Travelling and Conveyances                   | 1,33,415                                     | 15,09,769                                    |
| Directors' sitting fee                       | 3,70,000                                     | 2,25,000                                     |
| Marketing expenses                           | 1,95,699                                     | 18,73,687                                    |
| Rates & taxes                                | 1,31,16,418                                  | 1,37,04,550                                  |
| Loss on Sale / Discard of Fixed Assets (Net) | 2,18,550                                     | -  |
| Miscellaneous Expenses                       | 34,40,011                                    | 57,19,602                                    |
|  | <b>3,62,05,053</b>                           | <b>4,35,58,573</b>                           |

# Tata Steel Special Economic Zone Limited

## Notes to Financial Statements as at and for the year ended March 31, 2021

### 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 amendments to Ind AS for the first time for their annual reporting period commencing 1 April 2020:

- Definition of Material – amendments to Ind AS 1 and Ind AS 8
- COVID-19 related concessions – amendments to Ind AS 116

The amendments listed above did not have any material impact on the amounts recognised in current and prior periods and are not expected to significantly affect the future periods.

#### 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.

## Tata Steel Special Economic Zone Limited

### Notes to Financial Statements as at and for the year ended March 31, 2021

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.

**The areas involving critical estimates or judgements are:**

• **Employee Benefits (Estimation of Defined Benefit Obligations) — Notes 2.11 and 38**

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.

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.

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

| Particulars                           | Estimated useful life |
|---------------------------------------|-----------------------|
| 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              |
| Plant & Machinery                     | 30 to 35 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.

# Tata Steel Special Economic Zone Limited

## Notes to Financial Statements as at and for the year ended March 31, 2021

### 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.

#### i. 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.

#### ii. Website development and Company logo

Website development and company logo related costs, which is primarily carried by third-party vendors is capitalised. Subsequent costs associated with maintaining such website is recognised as expense as incurred.

#### iii. Amortisation methods and periods

The Company amortises intangible assets with a finite useful life using the straight-line method over the following periods:

| Particulars         | Estimated useful life<br>(years) |
|---------------------|----------------------------------|
| Computer Software   | 3 to 5 years                     |
| Website development | 3 years                          |
| Company logo        | 2 years                          |

### 2.5 Impairment of Assets

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

### 2.6 Leases

#### As a Lessee

Leases are recognised as right of use assets and a corresponding 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.



# **Tata Steel Special Economic Zone Limited**

## **Notes to Financial Statements as at and for the year ended March 31, 2021**

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.

Leases are classified as finance leases when substantially all the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

### **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.

### **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 substantively 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.

# **Tata Steel Special Economic Zone Limited**

## **Notes to Financial Statements as at and for the year ended March 31, 2021**

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.

# Tata Steel Special Economic Zone Limited

## Notes to Financial Statements as at and for the year ended March 31, 2021

### • 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.A162

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:

- a) The profit attributable to owners of the Company
- b) 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.

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Amount in INR

34. 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 Financial Year 2018-2019.

**35. Disclosure of Right of Use assets (ROU) and Lease liability as per Ind AS 116**

| Amount recognised in Balance Sheet | As at March 31, 2021  | As at March 31, 2020  |
|------------------------------------|-----------------------|-----------------------|
| <b>Right of Use assets</b>         |                       |                       |
| Leasehold Land                     | 1,80,18,47,524        | 1,82,91,82,760        |
| Office Building                    | 23,70,033             | 63,90,305             |
| <b>Total</b>                       | <b>1,80,42,17,557</b> | <b>1,83,55,73,065</b> |

| Lease liabilities | As at March 31, 2021 | As at March 31, 2020 |
|-------------------|----------------------|----------------------|
| Current           | 24,99,740            | 44,36,556            |
| Non-current       | -                    | 20,09,250            |
| <b>Total</b>      | <b>24,99,740</b>     | <b>64,45,806</b>     |

| Amounts recognised in the statement of profit and loss | As at March 31, 2021 | As at March 31, 2020 |
|--|----------------------|----------------------|
| Interest on lease liabilities                          | 4,90,490             | 8,82,193             |
| Depreciation charge for the Year                       | 3,13,55,508          | 3,36,70,753          |
| <b>Total</b>   | <b>3,18,45,998</b>   | <b>3,45,52,946</b>   |
| Total cash outflow for leases for the year             | 44,36,556            | 44,36,556            |

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments after the reporting period.

| Maturity analysis of lease payments      | As at March 31, 2021 | As at March 31, 2020 |
|--|----------------------|----------------------|
| Less than one year                       | 25,87,991            | 44,36,556            |
| One to two years                         | -                    | 25,87,991            |
| <b>Total undiscounted lease payments</b> | <b>25,87,991</b>     | <b>70,24,547</b>     |

**36. Contingent Liability and Commitments:**

There is no contingent liability as at March 31, 2021 and March 31, 2020.

| Particulars   | As at March 31, 2021 | As at March 31, 2020 |
|---|----------------------|----------------------|
| Estimated amount of contracts remaining to be executed on Capital account | 17,05,30,877         | 49,25,72,361         |

37. 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

**38. 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.1,023,222 (March 31, 2020- Rs. 1,145,780)

**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 amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

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Amount in INR

**Gratuity Benefit:**

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

| Changes in Present Value of Obligation                                   | For the year ended |                 |
|--|--------------------|-----------------|
|  | March 31, 2021     | March 31, 2020  |
| Present value of obligation - Opening                                    | 7,83,171           | 7,09,018        |
| Current Service Cost   | 1,79,100           | 2,88,038        |
| Interest Cost  | 38,578             | 39,977          |
| Actuarial gain/loss on obligations due to Change in Financial Assumption | -18,925            | 87,398          |
| Actuarial gain/loss on obligations due to Unexpected Experience          | -1,86,376          | -1,23,748       |
| Benefits paid  | -4,57,780          | -2,17,512       |
| <b>Present value of obligation - Closing</b>                             | <b>3,37,768</b>    | <b>7,83,171</b> |

Table showing Reconciliation to Balance Sheet:

| Reconciliation to Balance Sheet | For the year ended |                |
|---------------------------------|--------------------|----------------|
|                                 | March 31, 2021     | March 31, 2020 |
| Fund Liability                  | 3,37,768           | 7,83,171       |

Table Showing Plan Assumptions:

| Plan assumptions   | For the year ended        |                         |
|--|---------------------------|-------------------------|
|  | March 31, 2021            | March 31, 2020          |
| Discount Rate  | 6.96%                     | 6.66%                   |
| Rate of Compensation Increase (Salary Inflation)         | 6.00%                     | 6.00%                   |
| Average expected future service (Remaining working Life) | 20                        | 17                      |
| Average Duration of Liabilities                          | 20                        | 17                      |
| Mortality Table  | IALM 2012 - 2014 Ultimate | IALM 2006-2008 Ultimate |
| Superannuation at age                                    | 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                      | For the year ended |                 |
|---|--------------------|-----------------|
|   | March 31, 2021     | March 31, 2020  |
| Current Service Cost  | 1,79,100           | 2,88,038        |
| Interest Cost   | 38,578             | 39,977          |
| <b>Benefit Cost(Expense Recognized in Statement of Profit/loss)</b> | <b>2,17,678</b>    | <b>3,28,015</b> |

Table showing amount recognised in Other Comprehensive Income:

| Other Comprehensive Income   | For the year ended |                |
|--|--------------------|----------------|
|  | March 31, 2021     | March 31, 2020 |
| Actuarial gain/loss on obligations due to Change in Financial Assumption | 18,925             | -87,398        |
| Actuarial gain/loss on obligations due to Unexpected Experience          | 1,86,376           | 1,23,748       |
| <b>Income for the year recognised in Other Comprehensive Income</b>      | <b>2,05,301</b>    | <b>36,350</b>  |

Table showing Sensitivity Analysis:

| Sensitivity Analysis                        | March 31, 2021 |          | March 31, 2020 |          |
|---|----------------|----------|----------------|----------|
|   | Increase       | Decrease | Increase       | Decrease |
| Discount Rate (-/+ 1%)                      | 3,08,791       | 3,70,001 | 7,33,823       | 8,37,406 |
| %Change Compared to base due to sensitivity | -8.58%         | 9.54%    | -6.30%         | 6.93%    |
| Salary Growth (-/+ 1%)                      | 3,70,015       | 3,08,531 | 8,37,249       | 7,33,526 |
| %Change Compared to base due to sensitivity | 9.55%          | -8.66%   | 6.91%          | -6.34%   |

**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.

Life expectancy:- The gratuity plan obligation is to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

**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. 399,285/- (March 31, 2020: Rs. 920,654/-).

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Amount in INR

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

| Particulars   | Current Year | Previous Year |
|---|--------------|---------------|
| Number of equity shares at the beginning of the year                                | 39,94,60,501 | 18,52,42,631  |
| Number of equity shares at the end of the year                                      | 39,94,60,501 | 39,94,60,501  |
| Loss for the year (Rupees)  | 6,68,09,481  | 17,50,17,519  |
| Weighted average number of shares considered for computation of Basic EPS (Numbers) | 39,94,60,501 | 34,37,27,652  |
| Weighted average number of shares for computation of Diluted EPS (Numbers)          | 39,94,60,501 | 34,37,27,652  |
| Face Value of Each Equity Share (Rs.)   | 10           | 10            |
| <b>Earnings Per Shares (Basic and Diluted) in Rupees</b>                            | <b>-0.17</b> | <b>-0.51</b>  |

**40. Related Parties Transactions:**

**i. List of Related Parties and Relationship**

| Name of the Related Party | Relationship                           |
|---------------------------|--|
| Tata Steel Limited        | Immediate and ultimate holding company |

| Transactions   | Tata Steel Ltd. (Holding Company) |                           |
|--|-----------------------------------|---------------------------|
|  | Year ended March 31, 2021         | Year ended March 31, 2020 |
| Equity Share Capital issued (against share application money pending allotment)          | -                                 | 2,14,21,78,700            |
| Receivable Balance adjusted with Share Application pending allotment (Non-Cash Transfer) | -                                 | 60,97,02,890              |
| Inter-corporate deposit received   | 21,00,00,000                      | 25,00,00,000              |
| Income from lease rent   | 8,50,00,000                       | -                         |
| Outsourcing Expenses (Including GST)   | 3,14,77,787                       | 3,60,51,774               |
| Legal and Professional Fees (Including GST)  | 1,99,546                          | 3,41,620                  |
| Interest expenses on borrowings  | 4,32,80,137                       | 2,07,01,096               |
| Purchase of property, plant and equipment  | 12,05,87,051                      | -                         |
| Balances outstanding as at the year end  | Tata Steel Ltd. (Holding Company) |                           |
|  | Year ended March 31, 2021         | Year ended March 31, 2020 |
| Share Application Money pending Allotment  | 10                                | 10                        |
| Trade Payables- Current  | 71,32,519                         | 2,11,90,528               |
| Borrowings- Non Current  | -                                 | 4,00,00,000               |
| Borrowings- Current  | 59,00,00,000                      | 34,00,00,000              |
| Payable for purchase of Property, Plant & Equipment                                      | 11,85,02,612                      | -                         |
| Interest accrued on borrowings   | 5,98,89,706                       | 1,98,55,594               |

| Transactions | Independent Director      |                           |
|--------------|---------------------------|---------------------------|
|              | Year ended March 31, 2021 | Year ended March 31, 2020 |
| Sitting Fees | 3,70,000                  | 2,25,000                  |

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

| Transactions                            | Amit Kumar Kundu, Chief Financial Officer till March 16, 2021 |                           | Tanmay Kumar Sahu, Company Secretary till March 15, 2021 |                           |
|---|---|---------------------------|--|---------------------------|
|   | Year ended March 31, 2021                                     | Year ended March 31, 2020 | Year ended March 31, 2021                                | Year ended March 31, 2020 |
| Short Term Employee Benefits            | 41,82,664   | 43,42,260                 | 39,12,255  | 43,99,075                 |
| Contribution to Provident Fund          | 1,70,520  | 1,77,684                  | 1,76,082   | 1,83,996                  |
| Other Long Term Benefits                | 3,08,487  | -                         | 10,09,930  | -                         |
| <b>Total</b>                            | <b>46,61,671</b>  | <b>45,19,944</b>          | <b>50,98,267</b>   | <b>45,83,071</b>          |
| Balances outstanding as at the year end | Amit Kumar Kundu, Chief Financial Officer till March 16, 2021 |                           | Tanmay Kumar Sahu, Company Secretary till March 15, 2021 |                           |
|   | Year ended March 31, 2021                                     | Year ended March 31, 2020 | Year ended March 31, 2021                                | Year ended March 31, 2020 |
| Employee Related Liabilities            | -   | 3,90,076                  | 10,32,834  | 4,03,222                  |

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.



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**41. Deferred Tax:**

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 at March 31, 2020 | Charge/Credit | As at March 31, 2021 |
|---|----------------------|---------------|----------------------|
| Deferred Tax Liability on property, plant and equipment | 9,86,115             | 61,05,163     | 70,91,278            |
| Deferred Tax Asset on carried forward of tax losses     | 9,86,115             | 61,05,163     | 70,91,278            |
| <b>Net</b>  | -                    | -             | -                    |

| Particulars   | As at March 31, 2019 | Charge/Credit | As at March 31, 2020 |
|---|----------------------|---------------|----------------------|
| Deferred Tax Liability on property, plant and equipment | 1,01,29,030          | -91,42,915    | 9,86,115             |
| Deferred Tax Asset on carried forward of tax losses     | 1,01,29,030          | -91,42,915    | 9,86,115             |
| <b>Net</b>  | -                    | -             | -                    |

**42. Fair value measurement**

Financial instrument by category

| Particulars                        | As at March 31, 2021  | As at March 31, 2020  |
|------------------------------------|-----------------------|-----------------------|
| <b>Financial assets</b>            | <b>Amortized cost</b> | <b>Amortized cost</b> |
| Deposits                           | 5,78,780              | 20,47,339             |
| Trade receivables                  | 82,590                | 3,45,600              |
| Cash and cash equivalents          | 11,80,74,732          | 14,43,82,696          |
| Other financial assets             | 16,17,799             | 41,810                |
| Lease receivable                   | 46,15,31,292          | -                     |
| <b>Total Financial assets</b>      | <b>58,18,85,193</b>   | <b>14,68,17,445</b>   |
| <b>Financial liabilities</b>       |                       |                       |
| Other financial liabilities        | 35,48,99,659          | 16,70,73,839          |
| Borrowings                         | 59,00,00,000          | 38,00,00,000          |
| Trade payables                     | 1,31,21,409           | 4,48,57,371           |
| <b>Total Financial liabilities</b> | <b>95,80,21,068</b>   | <b>59,19,31,210</b>   |

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

**43. Financial risk management**

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

**· Risk exposures and responses**

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

**(a) Foreign currency risk management**

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

**(b) Liquidity risk**

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

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

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

## Notes to Financial Statements as at and for the year ended March 31, 2021

| 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, 2021</b>                    |                 |                        |                      |                      |                   |
| a) Lease Liabilities                           | 24,99,740       | 25,87,991              | 25,87,991            | -                    | -                 |
| b) Trade payables                              | 1,31,21,409     | 1,31,21,409            | 1,31,21,409          | -                    | -                 |
| c) Other financial liabilities                 | 35,23,99,919    | 40,57,87,757           | 32,79,70,860         | 4,58,706             | 7,73,58,191       |
| d) Borrowings (Current)                        | 59,00,00,000    | 59,00,00,000           | 59,00,00,000         | -                    | -                 |
| <b>As at March 31, 2020</b>                    |                 |                        |                      |                      |                   |
| a) Lease Liabilities (Current and Non Current) | 64,45,806       | 70,24,547              | 44,36,556            | 25,87,991            | -                 |
| b) Trade payables (Current and Non Current)    | 4,48,57,370     | 4,48,57,370            | 44,85,7370           | -                    | -                 |
| c) Other financial liabilities @               | 16,06,28,033    | 20,22,92,828           | 16,83,16,533         | 3,39,76,295          | -                 |
| d) Borrowings (Current and Non Current)        | 38,00,00,000    | 38,00,00,000           | 34,00,00,000         | 4,00,00,000          | -                 |

@ Includes contractual interest payment on borrowings 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

**44. 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.

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

In preparing the sales plan for FY'22 and onwards, the company has considered only those customers who have shown keen interest in setting up units in Gopalpur Industrial Park. The current revenue base of the company is enough to meet the minimum operational expenditure requirement for FY'22 and onwards.

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.

**46. Leases as a Lessor:-**

During the year the Company has classified lease of shed as a finance lease, because at the inception date, the present value of the lease payments amounts to at least substantially all of the fair value of the shed.

a) The following table sets out the maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date:

| <b>Maturity analysis of lease receivable under Finance Lease</b> | <b>March 31, 2021</b> |
|--|-----------------------|
| Upto one year  | 4,74,57,706           |
| One to two years   | 4,88,81,437           |
| Two to three years   | 5,03,47,880           |
| Three to four years  | 5,18,58,317           |
| Four to five years   | 5,34,14,066           |
| More than five years   | 98,79,73,721          |
| <b>Total undiscounted lease payments receivable</b>              | <b>1,23,99,33,127</b> |
| Unearned finance income  | -77,84,01,835         |
| <b>Net investment in lease</b>                                   | <b>46,15,31,292</b>   |

b) Finance income on the net Investment in the lease recognized during the year is Rs. 1,93,58,717

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c) Maturity analysis of lease payments under Operating Lease

| Undiscounted lease payments to be received on an annual basis | As at               | As at              |
|---|---------------------|--------------------|
|   | March 31, 2021      | March 31, 2020     |
| Upto one year   | 82,19,071           | 3,90,000           |
| One to two years  | 81,37,514           | 73,500             |
| Two to three years  | 83,83,183           | 77,175             |
| Three to four years   | 86,36,299           | 81,034             |
| Four to Five years  | 88,97,089           | 85,085             |
| More than Five years  | 17,70,90,839        | 1,42,67,566        |
| <b>Total undiscounted lease payments receivable</b>           | <b>21,93,63,995</b> | <b>1,49,74,360</b> |

**47. Net Debt Reconciliation :-**

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

| Particulars                                       | March 31, 2021      | March 31, 2020      |
|---|---------------------|---------------------|
| Current borrowings including accrued interest     | 64,98,89,706        | 35,49,57,133        |
| Non-current borrowings including accrued interest | -                   | 4,48,98,461         |
| Lease liabilities                                 | 24,99,740           | 64,45,806           |
| <b>Net debt</b>                                   | <b>65,23,89,446</b> | <b>40,63,01,400</b> |

| Particulars                              | Liabilities from financing activities |                     |                   |
|--|---------------------------------------|---------------------|-------------------|
|  | Non-current borrowings                | Current borrowings  | Lease liabilities |
| Net debt as at 1 April 2019              | 13,12,24,614                          | -                   | -                 |
| <b>Add/ less:</b>                        |                                       |                     |                   |
| Proceeds from borrowings during the year | -                                     | 25,00,00,000        | -                 |
| Borrowings reclassified during the year  | -9,00,00,000                          | 9,00,00,000         | -                 |
| Payment of lease liability               | -                                     | -                   | -44,36,556        |
| Interest on lease liability              | -                                     | -                   | 8,82,193          |
| Borrowing cost capitalised               | 36,73,847                             | 1,49,57,133         | -                 |
| Impact of transition to Ind AS 116       | -                                     | -                   | 1,00,00,169       |
| Repayment of borrowings during the year  | -                                     | -                   | -                 |
| <b>Net debt as at 31 March 2020</b>      | <b>4,48,98,461</b>                    | <b>35,49,57,133</b> | <b>64,45,806</b>  |
| Net debt as at 1 April 2020              | 4,48,98,461                           | 35,49,57,133        | 64,45,806         |
| <b>Add/ less:</b>                        |                                       |                     |                   |
| Proceeds from borrowings during the year | -                                     | 21,00,00,000        | -                 |
| Borrowings reclassified during the year  | -4,48,98,461                          | 4,48,98,461         | -                 |
| Payment of lease liability               | -                                     | -                   | -44,36,556        |
| Interest on lease liability              | -                                     | -                   | 4,90,490          |
| Borrowing cost capitalised               | -                                     | 4,00,34,112         | -                 |
| Repayment of borrowings during the year  | -                                     | -                   | -                 |
| <b>Net debt as at 31 March 2021</b>      | <b>-</b>                              | <b>64,98,89,706</b> | <b>24,99,740</b>  |

**48. Income tax expense**

This note provides an analysis of the Company's income tax expense, shows amounts that are recognised directly in equity, if any, and how the tax expense is affected by non-assessable and non-deductible items.

**(a) Income tax expense**

| Particulars                                      | March 31, 2021 | March 31, 2020 |
|--|----------------|----------------|
| (i) Current tax                                  |                |                |
| Current tax on profits for the year              | -              | -              |
| (ii) Deferred tax                                |                |                |
| Decrease/ (increase) in deferred tax assets      | -61,05,163     | 91,42,915      |
| (Decrease)/ increase in deferred tax liabilities | 61,05,163      | -91,42,915     |
| <b>Total deferred tax expense/ (benefit)</b>     | <b>-</b>       | <b>-</b>       |
| <b>Income tax expense/ (benefit)</b>             | <b>-</b>       | <b>-</b>       |

**(b) Reconciliation of tax expense and the accounting profit multiplied by tax rate:**

| Particulars   | March 31, 2021      | March 31, 2020      |
|---|---------------------|---------------------|
| Loss before tax   | -6,68,09,481        | -17,50,17,519       |
| <b>Tax at the Indian tax rate of 26% (2019-20: 26%)</b>                           | <b>-1,73,70,465</b> | <b>-4,55,04,555</b> |
| (i) Exempted income net of expenses disallowed to earn such exempted income       | -2,17,715           | -33,67,854          |
| (ii) Tax impact on unrecognised carry forward of tax losses                       | 94,30,967           | 4,32,97,297         |
| (iv) Tax effect of amounts which are not deductible in calculating taxable income | 81,52,432           | 87,54,397           |
| (iv) Others   | 4,781               | -31,79,285          |
| <b>Total income tax expense</b>   | <b>-</b>            | <b>-</b>            |

## Notes to Financial Statements as at and for the year ended March 31, 2021

*(c) Details of unrecognised carry-forward of tax losses with expiry date*

| Particulars  | March 31, 2021 | March 31, 2020 |
|--|----------------|----------------|
| Carry-forward of tax losses balance (unrecognised) | 32,67,11,890   | 27,30,62,705   |
| Expiry   |                |                |
| AY 2025-26   | 1,20,07,451    | 1,81,12,614    |
| AY 2026-27   | 5,22,42,516    | 5,22,42,516    |
| AY 2027-28   | 7,13,44,567    | 7,13,44,567    |
| AY 2028-29   | 13,13,63,008   | 13,13,63,008   |
| AY 2029-30   | 5,97,54,348    | NA             |

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

50. The financial statements were approved for issue by the Board of Directors on Apr 16, 2021.

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

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

sd/-

**Ashish Taksali**

Partner

Membership No. 99625

Place: Hyderabad

Date : April 16, 2021

sd/-

**Chanakya Chaudhary**

Chairman

DIN: 02139568

Place: Bhubaneswar

Date : April 16, 2021

sd/-

**Prasanta Mallick**

Managing Director

DIN: 02347304

sd/-

**Swati Sheth**

Company Secretary