

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TATA STEEL ODISHA LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **TATA STEEL ODISHA LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the order under section 143(11) of the Act.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, as applicable.
 - (e) On the basis of the written representations received from the directors as on March 31, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting on the operating effectiveness of the Company's internal financial controls over financial reporting.
 - (g) With respect to 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 did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



**Deloitte
Haskins & Sells LLP**

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Section 143(11) 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.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No.117366W/ W-100018)



(Joe Pretto)
(Partner)
(Membership No.077491)

Mumbai, May 23, 2016

**ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT
(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)**

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Tata Steel Odisha Limited (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.



Meaning of Internal Financial Controls Over Financial Reporting

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

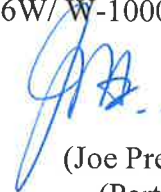
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/ W-100018)



(Joe Pretto)
(Partner)
(Membership No. 077491)

Mumbai, May 23, 2016

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

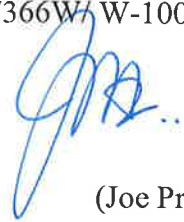
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) The Company does not have any fixed assets and hence reporting under clause (i) of the CARO 2016 is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (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 Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provide guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- (v) According to the information and explanations given to us, the Company has neither accepted any deposit during the year and nor have any unclaimed deposits in respect of Section 73 to 76 of the Companies Act, 2013. Hence reporting under clause (v) of CARO 2016 is not applicable to the Company.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) CARO 2016 is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has been regular in depositing undisputed statutory dues, including Income-tax, Sales Tax, Value Added Tax and other material statutory dues applicable to it to the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Income tax, Sales Tax, Value Added Tax and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
 - (c) There were no disputed statutory dues, including Income-tax, Sales Tax, Value Added Tax and Cess applicable as on March 31, 2016 on account of disputes.
- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of CARO 2016 is not applicable to the Company.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not paid managerial remuneration during the year and hence requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013 to be taken is not required.



- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)



(Joe Pretto)
(Partner)
(Membership No. 077491)

Mumbai, May 23, 2016

Tata Steel Odisha Limited
Balance Sheet as at March 31, 2016

	Notes	As at March 31, 2016 Audited	Amount in ₹ As at March 31, 2015 Audited
(I) EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	02	255,00,000	255,00,000
(b) Reserves and surplus	03	(255,50,071)	(254,03,764)
		(50,071)	96,236
(2) Current liabilities			
(a) Trade payables	04		
(i) Total outstanding dues of micro enterprises and small enterprises; and			
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,00,000	1,00,000
(b) Other current liabilities	05	2,95,188	2,63,376
		3,95,188	3,63,376
TOTAL EQUITY AND LIABILITIES		3,45,117	4,59,612
(II) ASSETS			
(1) Non-current assets			
(a) Long-term loans and advances	06	62,360	62,360
(2) Current assets			
(a) Cash and Bank balances	07	2,82,757	3,97,252
TOTAL ASSETS		3,45,117	4,59,612

Accounting Policies 01
Other Notes to Financial Statements 02-13

The Notes referred to above form an integral part of Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants


Joe Pretto
Partner

For and on behalf of the Board


Director

Place : Mumbai
Date : 23rd May, 2016



Tata Steel Odisha Limited
Statement of Profit and Loss for the year ended March 31, 2016

	Notes	Amount in ₹	
		Apr-Mar 2016 Audited	Apr-Mar 2015 Audited
I EXPENSES			
(a) Rates and Taxes		12,360	12,360
(b) Audit Fees		1,00,000	1,00,000
(c) Other expenses		33,947	36,970
Total Expenses (I)		1,46,307	1,49,330
II Loss before tax		(1,46,307)	(1,49,330)
III Tax Expense		-	-
Total tax expense		-	-
IV Loss for the year		(1,46,307)	(1,49,330)
V Earnings per equity share of ₹ 10 each (Basic and Diluted):			
	10	(0.06)	(1.34)

Accounting Policies 01
 Other Notes to Financial Statements 02-13

The Notes referred to above form an integral part of the Financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
 Chartered Accountants

Joe Pretto
 Partner

For and on behalf of the Board

Director



Tata Steel Odisha Limited

Cash Flow Statement for the year ended March 31, 2016

Amount in ₹

	Apr-Mar 2016	Apr-Mar 2015
	Audited	Audited
A. Cash Flow from Operating activities:		
Loss for the year	(1,46,307)	(1,49,330)
<i>Adjustments for increase/(decrease) in operating assets / liabilities</i>		
Movements in trade and other receivables	-	-
Movements in trade and other payables	31,812	11,227
Net cash used in operating activities	(1,14,495)	(1,38,103)
Net decrease in cash and cash equivalents	(1,14,495)	(1,38,103)
Cash and cash equivalents as at 1st April	3,97,252	5,35,355
Cash and cash equivalents as at 31st March	2,82,757	3,97,252

Additional Information:

1 Previous year figures have been recast/restated where necessary.

In terms of our report attached

For Deloitte Haskins & Sells LLP

Joe Pretto
Partner

For and on behalf of the Board of Directors

Director

Director



Place : Mumbai

Date : 23rd May, 2016

Tata Steel Odisha Limited

Notes to the Financial Statements

1. Corporate information

The Company is a wholly owned subsidiary of Tata Steel Limited (TSL). It was incorporated on 22nd June, 2012, with the object of setting up of a 6 million ton per annum (mtpa) Integrated Steel Plant in two phases at Kalinganagar in Odisha.

1A Significant Accounting Policies

a) Basis of Accounting

The financial statements have been prepared under the historical cost convention on an accrual basis of accounting in accordance with Generally Accepted Accounting Principles in India, Accounting Standards notified under Section 133 of the Companies Act, 2013 and the relevant provisions thereof.

b) Use of Estimates and Judgements

In preparation of the financial statements, the company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on the historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

c) Earnings Per Share

The Company reports basic earnings per share in accordance with Accounting Standard (AS) 20- Earnings Per Share. Basic earnings per equity share have been computed by dividing net profit after tax attributable to equity share holders by the weighted average numbers of equity shares outstanding during the year.

Diluted earnings during the year adjusted for the effects of all dilutive potential equity shares per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

d) Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

e) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

f) Cash and Cash Equivalent

Cash comprises cash on hand and balances in current accounts with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

g) Segment Reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns, internal organisation and management structure and the internal performance reporting systems. The accounting policies adopted for the segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocable asset/liabilities".



Tata Steel Odisha Limited
Notes to the Financial Statements

02 Share Capital

Amount in ₹

	As at March 31, 2016 Audited	As at March 31, 2015 Audited
Authorised:		
150000,00,000 Equity Shares of ₹ 10 each (31.03.2015: 500,000 Equity Shares of ₹ 10 each)	1500000,00,000	1500000,00,000
	1500000,00,000	1500000,00,000
Issued, Subscribed and Fully Paid up:		
25,50,000 Equity Shares of ₹ 10 each (31.03.2015: 50,000 Equity Shares of ₹ 10 each)	255,00,000	255,00,000
Total Share Capital	255,00,000	255,00,000

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at March 31, 2016		As at March 31, 2015	
	Number of shares	₹	Number of shares	₹
Equity shares				
Opening Balance	25,50,000	255,00,000	50,000	5,00,000
Shares Issued during the year	-	-	25,00,000	250,00,000
Closing Balance	25,50,000	255,00,000	25,50,000	255,00,000

(ii) All the equity shares issued by the Company are held by Tata Steel Limited, the Holding Company.

(iii) The company has only one class of equity shares having a par value of Rs. 10 per share. Each equity share holder is entitled to one vote per share. In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the company, after the deduction on the preferential amounts.



Tata Steel Odisha Limited
Notes to the Financial Statements

03 Reserves & Surplus

Amount in ₹

	As at March 31, 2016	As at March 31, 2015
	Audited	Audited
Deficit in the statement of Profit and Loss		
Balance as per Last account	(254,03,764)	(252,54,434)
Loss for the year	(1,46,307)	(1,49,330)
Balance at the end of the year	(255,50,071)	(254,03,764)



Tata Steel Odisha Limited
Notes to the Financial Statements

04 Trade and other payables

	As at March 31, 2016 Audited	Amount in ₹ As at March 31, 2015 Audited
Current Liabilities		
(I) Trade Payables		
(a) Creditors for supplies / services	1,00,000	1,00,000
(I) Total Trade Payables	1,00,000	1,00,000

Additional information:

1 The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises as at 31st March, 2016 as follows

Description	Year Ended March 31, 2016	Amount in ₹ Year Ended March 31, 2015
(i) The Principal amount remaining unpaid to suppliers as at end of the year	-	-
(ii) The interest due thereon remaining unpaid to supplier as at the end of the year	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	-	-
(iv) The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-

	As at March 31, 2016 Audited	Amount in ₹ As at March 31, 2015 Audited
05 Other Current Liabilities		
(II) Other Current Liabilities		
(a) Statutory Dues (Excise duty, service tax, sales tax, TDS, Royalty etc)	-	10,000
(b) Other balances	2,95,188	2,53,376
(II) Total Other current liabilities	2,95,188	2,63,376

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Tata Steel Odisha Limited
Notes to the Financial Statements

06 Long Term Loans and advances

	As at March 31, 2016 Audited	Amount in ₹ As at March 31, 2015 Audited
Loans and advances		
(a) Security Deposits		
Unsecured and Considered Good	50,000	50,000
(b) Other loans and advances		
(1) Advances with Public Bodies		
Unsecured and Considered Good	12,360	12,360
Total Long Term Loans and advances	62,360	62,360



Tata Steel Odisha Limited
Notes to the Financial Statements

07 Cash and Bank balances

	As at March 31, 2016 Audited	Amount In ₹ As at March 31, 2015 Audited
(a) Balances with Scheduled banks in current account	2,82,757	3,97,252
Total cash and cash equivalents	2,82,757	3,97,252
Total Cash and Bank Balances	2,82,757	3,97,252



Tata Steel Odisha Limited
Notes to the Financial Statements

08 Related party transaction

List of Related Parties and Relationship

(i) **Enterprises having control over the Company**

Name of Company	Relationship	Country
TATA Steel Limited	Holding Company	INDIA

(ii) **Related Party Transactions** Amount in ₹

Transactions	Holding Company
Issue of Equity Shares	-
	(250,00,000)
Sundry Creditors	2,95,188
	(2,53,376)

Note: Figures in Bracket indicate previous year.

09 There are no reportable segments in accordance with the requirements of Accounting Standard -17 "Segment Reporting".

10 Earnings Per Share

Amount in ₹

	For the Year ended March 31, 2016	For the Year ended March 31, 2015
Profit attributable to Ordinary shareholders (₹)	(1,46,307)	(1,49,330)
Weighted average number of ordinary equity shares for Basic and Diluted EPS	25,50,000	1,11,644
Nominal value per equity share- (₹)	10	10
Basic and diluted earnings per share (₹)	(0.06)	(1.34)

11 The company does not have taxable profit, hence no provision for Income tax has been made in accounts.

12 Company was incorporated as a wholly owned subsidiary of Tata Steel ("Holding Company"). Since incorporation, the Company has not commenced business and there are no material transactions. The Holding Company intends to continue with TSOL and there is no uncertainty involved on it's existence.

13 Previous year figures have been recast / restated where necessary.

For and on behalf of the Board of Directors

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Place : Mumbai
 Date : 23rd May, 2016

Director


 Director



