

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

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **TATA STEEL ODISHA LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 March 31, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.

- (f) 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.

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

(J. PRETTO)
(Partner)
(Membership No. 77491)

Mumbai, May 18, 2015

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) Having regard to the nature of the Company's ~~business/activities/result~~ transactions during the period ended March 31, 2014 was such that the paragraphs 3 (i), (ii), (iv), (v), (vi), (viii), (ix), (x) and (xi) of CARO are not applicable.
- (ii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (iii) 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 Provident Fund, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
 - (c) There were no disputed statutory dues, including Provident Fund, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (d) There were no amounts to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.
- (iv) 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.

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

(J. PRETTO)
(Partner)
(Membership No. 77491)

Mumbai, May 18, 2015

Tata Steel Odisha Limited
Balance Sheet as at 31st March, 2015

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	Notes	As at 31.03.2015	As at 31.03.2014
(I) EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	02	25,500,000	500,000
(b) Reserves and surplus	03	(25,403,764)	(25,254,434)
		96,236	(24,754,434)
(2) Share application money pending allotment			
		-	24,987,600
(3) Current liabilities			
(a) Trade payables	04	100,000	100,000
(b) Other current liabilities	04	263,376	264,549
		363,376	364,549
TOTAL EQUITY AND LIABILITIES		459,612	597,715
(II) ASSETS			
(1) Non-current assets			
(a) Long-term loans and advances	05	62,360	62,360
(2) Current assets			
(c) Cash and Bank balances	06	397,252	535,355
TOTAL ASSETS		459,612	597,715

Accounting Policies 01

Other Notes to Financial Statements 02-12

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

In terms of our report attached

For and on behalf of the Board

For Deloitte Haskins & Sells LLP
Chartered Accountants

J. Preto
Partner

Director

Director

Place : Mumbai

Date : 18th May, 2015

Tata Steel Odisha Limited
Statement of Profit and Loss for the year ended 31st March, 2015

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Note	For the year ended 31.03.2015	For the year ended 31.03.2014
I EXPENSES		
(a) Preliminary Expenses	-	23,469
(b) Rates and Taxes	12,360	12,486
(c) Audit Fees	100,000	100,000
(d) Other expenses	36,970	4,441
Total Expenses (I)	149,330	140,396
II Profit before tax	(149,330)	(140,396)
III Tax Expense		
(1) Current tax	-	-
(2) Deferred tax	-	-
Total tax expense	-	-
IV Profit for the period	(149,330)	(140,396)
VIII Earnings per equity share Of ₹ 10 each (Basic and Diluted):		

Accounting Policies 01

Other Notes to Financial Statements 02-12

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

In terms of our report attached

For and on behalf of the Board

For Deloitte Haskins & Sells LLP
Chartered Accountants

J. Pretto
Partner

Director

Director

Place : Mumbai

Date : 18th May, 2015

Tata Steel Odisha Limited

Cash Flow Statement for the year ended 31st March, 2015

	For the year ended 31.03.2015	₹ For the year ended 31.03.2014
A. Cash Flow from Operating activities:		
Loss for the year	(149,330)	(140,396)
Adjustments for:		
Movements in trade and other receivables	-	(12,360)
Movements in trade and other payables	11,227	(24,839,285)
Net cash from operating activities	(138,103)	(24,992,041)
B. Cash Flow from Financing activities:		
Share Application money received	-	24,987,600
Net cash from financing activities	-	24,987,600
Net decrease in cash and cash equivalents	(138,103)	(4,441)
Cash and cash equivalents as at 1st April	535,355	539,796
Cash and cash equivalents as at 31st March	397,252	535,355

Additional Information:

- 1,240 Equity Shares of Rs. ₹ each amounting to Rs. 12,400 have been allotted to Tata Steel Limited, the Holding Company for consideration other than cash during the year ended March 31, 2015 (Previous Year: NIL)
- Previous year figures have been recast/restated where necessary.

In terms of our report attached

For Deloitte Haskins & Sells LLP

For and on behalf of the Board of Directors

J. Pretto
Partner

Director

Director

Place : Mumbai

Date : 18th May, 2015

Tata Steel Odisha Limited

Notes to the Financial Statements

1. Corporate information

The Company is a 100% subsidiary of Tata Steel Limited (TSL). It was incorporated with the object of setting up of a 6 million ton per annum (mtpa) Integrated Steel Plant in two phases at Kalinganagar in Odisha. The Company was incorporated on 22nd June, 2012 and accordingly, the financial statements are prepared for the reporting year ending 31st March 2015 with comparatives of last year 31st March, 2014.

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.

Tata Steel Odisha Limited
Notes to the Financial Statements
02 Share Capital

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	As at 31.03.2015	As at 31.03.2014
Authorised:		
15,000,000,000 Equity Shares of ₹ 10 each (31.03.2014: 500,000 Equity Shares of ₹ 10 each)	150,000,000,000	150,000,000,000
	150,000,000,000	150,000,000,000
Issued, Subscribed and Fully Paid up:		
2,550,000 Equity Shares of ₹ 10 each (31.03.2014: 50,000 Equity Shares of ₹ 10 each)	25,500,000	500,000
Total Share Capital	25,500,000	500,000

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

Particulars	As at 31.03.2015		As at 31.03.2014	
	Number of shares	₹	Number of shares	₹
Equity shares				
Opening Balance	50,000	500,000	50,000	500,000
Shares Issued during the period	2,500,000	25,000,000	-	-
Closing Balance	2,550,000	25,500,000	50,000	500,000

(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

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	<u>For the year ended 31.03.2015</u>	<u>For the year ended 31.03.2014</u>
Deficit in the statement of Profit and Loss		
Balance as per Last account	(25,254,434)	(25,114,038)
Loss for the year	(149,330)	(140,396)
Balance at the end of the year	(25,403,764)	(25,254,434)

Tata Steel Odisha Limited
Notes to the Financial Statements
04 Trade and other payables

₹

	As at 31.03.2015	As at 31.03.2014
Current Liabilities		
(I) Trade Payables		
(a) Creditors for supplies / services	100,000	100,000
(I) Total Trade Payables	100,000	100,000
(II) Other Current Liabilities		
(a) Other balances	263,376	264,549
(II) Total Other current liabilities	263,376	264,549

Tata Steel Odisha Limited
Notes to the Financial Statements
05 Long Term Loans and advances

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	As at 31.03.2015	As at 31.03.2014
Loans and advances		
(a) Security Deposits		
Unsecured and Considered Good	50,000	50,000
(c) Other loans and advances		
(1) Advances with Public Bodies		
Unsecured and Considered Good	12,360	12,360
Loans and advances	62,360	62,360

Tata Steel Odisha Limited
Notes to the Financial Statements
06 Cash and Bank balances

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	As at 31.03.2015	As at 31.03.2014
(a) Balances with Scheduled banks in current account	397,252	535,355
Total cash and cash equivalents	397,252	535,355
Total Cash and Bank Balances	397,252	535,355

7 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

Transactions	Holding Company
TATA Steel Limited	
Issue of Equity Shares	25,000,000 (-)
Share Application Money Received	- (24,987,600)
Sundry Creditors	253,376 (264,549)

Note: Figures in Bracket indicate previous year.

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

	For the year ended 31.03.2015	For the year ended 31.03.2014
9 Earnings per share		
Profit attributable to Ordinary shareholders	(149,330)	<i>(140,396)</i>
Weighted average number of ordinary equity shares for Basic and Diluted EPS	111,644	<i>50,000</i>
Nominal value per equity share- (₹)	10	<i>10</i>
Basic and diluted earnings per share (₹)	(1.34)	<i>(2.81)</i>

10 Dues to Micro and Small Enterprises as per Micro, Small and Medium Enterprises Development Act, 2006

The Company has not received any memorandum (as required to be filed by the suppliers with the notified Authority under the Micro, Small and Medium Enterprises Development Act, 2006) from suppliers claiming their status as micro or small enterprises. Consequently, no disclosures are made.

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

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

For and on behalf of the Board of Directors

Place : Mumbai
Date : 18th May, 2015

Director

Director