A.K. SABAT & CO.
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TATA STEEL SPECIAL ECONOMIC ZONE LIMITED

Report on the Financial Statements

We have audited the accompanying Ind AS financial statements of **TATA STEEL SPECIAL ECONOMIC ZONE LIMITED** ("the Company"), (formerly GOPALPUR SPECIAL ECONOMIC ZONE LIMITED) which comprise the Balance Sheet as at 31st March, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the 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 Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 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 Ind AS 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 Ind AS 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 there under.

We conducted our audit of the Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

A. K. SABAT & CO. Bhubaneswar Chartered Accountants

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS financial statements that give a 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 Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2017, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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 (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act;

e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act;

A. K. SABAT & CO. Bhubaneswar Chartered Accountants

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 B";

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 in its Ind AS financial statements;

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;

iv. the Company has provided requisite disclosures in its financial statements as to holding as well as dealings in Specified Bank Notes (SBN) during the period from 8th November, 2016 to 30th December. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management. Refer Note No.5(xi) of Notes to Balance Sheet and Statement of Profit and Loss.

For A.K. Sabat & Co
Chartered Accountants
(Firm's Registration No: 321012E)

(B.R. MOHANTY)
Partner
Membership No. 057266

Place: Bhubaneswar

Date: 14/06/2017

A.K. SABAT & CO.
Bhubaneswar
Chartered Accountants

The Annexure A referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements paragraph of our report of even date to the members of Tata Steel Special Economic Zone Limited on the accounts of the Company for the year ended 31st March, 2017.

i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
(b) The Company has a regular programme of physical verification of its Property, Plant and Equipment by which these are verified every year. In accordance with this programme, all fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets;
(c) The title deeds of immovable properties i.e. leasehold land admeasuring 1235 acres, which is classified under Prepaid as per treatment as Operating Lease, are held in name of the Company.

(ii) The Company does not have any inventory, therefore reporting under para 3 (ii) of the Order is not applicable.

(iii) As per information and explanations given to us 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.

(iv) As per information and explanations given to us, as there are no loans given, investments made, guarantees and securities provided, the provisions of Section 185 and 186 are not applicable.

(v) The Company has not accepted deposits, and as such the provisions of Sections 73 to 76 or any relevant provisions of the Companies Act, 2013 and rules framed there under are not applicable. As explained to us no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this regard.

(vi) As explained to us maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act.

(vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, wherever applicable, with the appropriate authorities. There are no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.

A. K. SABAT & CO. Bhubaneswar Chartered Accountants

(b) There are no dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute.

(viii) The Company has not taken any loan from any financial institution or bank and has not issued any debentures, hence para 3(viii) of the Order is not applicable;
(ix) As per information and explanations given to us, the Company has not raised any money by way of initial public offer, further public offer (including debt instruments) and term loans, so reporting under para 3 (ix) of the Order is not applicable.

(x) In our opinion and as per information and explanations given to us no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) As per examination of books of accounts and per information and explanations given to us, no managerial remuneration has been paid or provided in the accounts.

(xii) As the Company is not a Nidhi company, reporting under para 3 (xii) of the Order is not applicable.

(xiii) Based on our examination of books of accounts and as per information and explanations given to us, all transactions with related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) As per information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence reporting under para 3 (xiv) of the Order is not applicable.

(xv) Based on our examination of books and accounts and as per information and explanations given to us the Company has not entered into any non cash transactions with directors or persons connected with him. Hence reporting under para 3 (xv) of the Order is not applicable.

(xvi) As per information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence reporting under para 3(xvi) of the Order is not applicable to the Company.

For A.K. Sabat & Co
Chartered Accountants
(Firm's Registration No: 321012E)

Place: Bhubaneswar
Date : 14/06/2017

A. K. SABAT & CO. Bhubaneswar Chartered Accountants

(B.R. MOHANTY)
Partner
Membership No. 057266

The Annexure B referred to in paragraph 2(f) of Report on Other Legal and Regulatory Requirements paragraph of our report of even date to the members of Tata Steel Special Economic Zone Limited on the accounts of the Company for the year ended 31st March, 2017.

We have audited the internal financial controls over financial reporting of Tata Steel Special Economic Zone Limited ("the Company") (formerly Gopalpur Special Economic Zone Limited) as of 31st March 2017 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

The Company's management is responsible for laying down 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 Act.

Auditors' 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 Standards on Auditing, to the extent applicable to an audit of internal financial controls and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note"), both issued by the Institute of Chartered Accountants of India. 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 internal financial controls system over financial reporting.

A. K. SABAT & CO. Bhubaneswar Chartered Accountants

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, 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 31st March 2017, 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 A.K. Sabat & Co
Chartered Accountants
(Firm's Registration No: 321012E)

(B.R. MOHANTY)
Partner
Membership No. 057266

A. K. SABAT & CO. Bhubaneswar Chartered Accountants

Place: Bhubaneswar
Date: 14/06/2017

TATA STEEL SPECIAL ECONOMIC ZONE LIMITED
(FORMERLY KNOWN AS GOPALPUR SPECIAL ECONOMIC ZONE LIMITED)
Balance Sheet as at 31st March 2017

Amounts in INR

	Note	As at 31st March, 2017	As at 31st March,2016	As at 1st April ,2015
(I) ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment	01	3,09,32,857	2,51,030	-
(b) Other Intangible assets	02	32,326	-	-
(c) Capital work-in-progress	03	72,45,21,776	48,58,97,421	33,40,92,431
(d) Intangible assets under development	04	1,31,564	-	-
(e) Other non-financial assets	05	73,26,12,064	23,64,61,475	45,60,580
(f) Non current tax asset	06	2,56,000	-	-
		1,48,84,86,587	**72,26,09,926**	**33,86,53,011**
(2) Current assets				
(a) Financial assets				
(i) Trade receivables	07	3,36,000	-	-
(ii) Cash and cash equivalents	08	9,76,36,796	20,93,85,028	2,72,99,353
(b) Other Non-Financial Asset	09	55,54,424	1,14,526	-
		10,35,27,220	**20,94,99,554**	**2,72,99,353**
TOTAL ASSETS		**1,59,20,13,807**	**93,21,09,480**	**36,59,52,364**
(II) EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity share capital	10	1,25,74,26,310	92,09,26,310	32,42,26,310
(b) Other equity	11	6,87,78,569	(1,80,97,192)	(1,17,52,041)
		1,32,62,04,879	**90,28,29,118**	**31,24,74,269**
(2) Non-current liabilities		-	-	-
(a) Financial liabilities				
(i) Other Financial Liabilities	12	10,76,580	-	-
(b) Retirement benefit obligations	13	4,23,620	97,224	-
(c) Other non-financial liabilities	14	6,40,000	-	-
		21,40,200	**97,224**	**-**
(3) Current liabilities				
(a) Financial liabilities				
(i) Short Term Borrowings	15	10,00,00,000	-	-
(ii) Trade payables	16	4,86,57,662	2,79,75,750	5,08,00,484
(iii) Other financial liabilities	17	11,00,57,642	-	-
(b) Retirement benefit obligations	18	4,618	960	-
(c) Other non-financial liabilities	19	49,48,806	12,06,428	26,77,611
		26,36,68,728	**2,91,83,138**	**5,34,78,095**
TOTAL EQUITY AND LIABILITIES		**1,59,20,13,807**	**93,21,09,480**	**36,59,52,364**

Significant Accounting policies and additional notes to Account 25

In terms of our report of even date

For A.K. Sabat & Co.
Chartered Accountants
Firm Registration No.321012E

(B.R.Mohanty)
Partner
Membership No.057266

Kolkata
Date: 14/06/2017

A. K. SABAT & CO. Bhubaneswar Chartered Accountants

For and on behalf of Board of Directors

(Tanmay Kumar Sahu)
CFO & Company Secretary

(Arun Misra)
Managing Director

(Samita Shah)
Director

TATA STEEL SPECIAL ECONOMIC ZONE LTD.

TATA STEEL SPECIAL ECONOMIC ZONE LIMITED
(FORMERLY KNOWN AS GOPALPUR SPECIAL ECONOMIC ZONE LIMITED)
Statement of Profit & Loss for the year ended 31st March, 2017

Amounts in INR

		Note	For the Year ended 31st March, 2017	For the Year ended 31st March, 2016
(1)	Revenue from operations	20	24,73,210	-
(2)	Other Income	21	37,33,290	56,86,783
	Total Income (1+2)		**62,06,500**	**56,86,783**
(3)	**Expenses**			
	(a) Employee benefit expense	22	1,07,88,761	34,11,348
	(b) Finance costs	23	-	-
	(c) Depreciation and amortization expenses		6,06,438	
	(d) Other expenses	24	79,24,192	86,20,586
	Total Expenses		**1,93,19,391**	**1,20,31,934**
(4)	**Profit/(loss) before exceptional items and tax**		**(1,31,12,892)**	**(63,45,151)**
(5)	**Exceptional Items**		-	-
(6)	**Profit/(loss) before tax**		**(1,31,12,892)**	**(63,45,151)**
(7)	**Tax Expense**		-	-
(8)	**Profit/(loss) after tax from continuing operations**		**(1,31,12,892)**	**(63,45,151)**
(9)	**Profit/(loss) after tax from discontinued operations**		-	-
(10)	**Profit/(loss) for the period**		**(1,31,12,892)**	**(63,45,151)**
(11)	**Profit/(Loss) from continuing operations for the period attributable to:**			
	Owners of the Company		**(1,31,12,892)**	**(63,45,151)**
			(1,31,12,892)	**(63,45,151)**
(12)	**Profit/(Loss) from discontinued operations for the period attributable to:**			
	Owners of the Company		-	-
				-
(13)	**Other comprehensive income**		**(1,31,12,892)**	**(63,45,151)**
	(i) Items that will not be reclassified to profit and loss			
	(a) Remeasurement gains / (losses) on defined benefit plans		**(11,347)**	
(14)	**Total comprehensive income for the period**		**(1,31,24,239)**	**(63,45,151)**
(15)	**Total comprehensive income for the period attributable to:**			
	Owners of the Company		**(1,31,24,239)**	**(63,45,151)**
			(1,31,24,239)	**(63,45,151)**
(16)	**Earnings/(Loss) per equity share (for continuing operation):**			
	(1) Basic		(0.12)	(0.14)
	(2) Diluted (Considered to be anti-dilutive)		(0.12)	(0.14)
	Significant Accounting policies and additional notes to Account	25		

In terms of our report of even date

For A.K. Sabat & Co.
Chartered Accountants
Firm Registration No. 321012E

(B.R.Mohanty)
Partner
Membership No.057266

Kolkata
Date: 14/06/2017

For and on behalf of Board of Directors

(Tanmay Kumar Sahu)
CFO & Company Secretary

(Arun Misra)
Managing Director

(Samita Shah)
Director

A. K. SABAT & CO. Bhubaneswar Chartered Accountants

TATA STEEL SPECIAL ECONOMIC ZONE LTD.

TATA STEEL SPECIAL ECONOMIC ZONE LIMITED
(FORMERLY KNOWN AS GOPALPUR SPECIAL ECONOMIC ZONE LIMITED)
Cash Flow Statement for the year ended 31st March, 2017

Amounts in INR

		Year ended 31st March,2017	Year ended 31st March,2016
A.	**Cash Flow from Operating Activities:**		
	Profit/ (Loss) before taxes, minority interest & share of profits of associates	**(1,31,24,239)**	**(63,45,151)**
	Adjustments for:		
	Depreciation	6,06,438	-
	Interest income	-	-
	Preliminary expenditure charged off	-	-
	Pre-operative expenditure charged off	-	-
	Operating profit/(Loss) before working capital changes	**(1,25,17,801)**	**(63,45,151)**
	Adjustments for:		
	Movements in trade and other receivables	(49,64,86,589)	(7,53,95,538)
	Change in current asset	(54,39,898)	(1,14,526)
	Movements in trade and other payables	23,65,28,566	42,27,10,516
	Cash generated from operations	**(26,53,97,921)**	**34,72,00,452**
	Direct taxes paid	-	-
	Net cash from operating activities	**(27,79,15,722)**	**34,08,55,301**
B.	**Cash Flow from Investing activities:**		
	Purchase of fixed assets	(27,00,76,510)	(75,54,69,627)
	Sale of fixed assets	-	-
	Sale of Investment	1,67,17,30,929	60,40,86,784
	Purchase of investments	(1,66,80,00,000)	(59,84,00,000)
	Dividend on investment	(37,30,929)	(56,86,783)
	Interest received from investments	-	-
	Net cash from investing activities	**(27,00,76,510)**	**(75,54,69,626)**
C.	**Cash Flow from Financing activities:**		
	Issue of equity capital	33,65,00,000	59,67,00,000
	Share application money received	10,00,00,000	-
	Proceeds from borrowings	-	-
	Repayment of borrowings	-	-
	Net cash from financing activities	**43,65,00,000**	**59,67,00,000**
Net increase or decrease in cash or cash equivalents		**(11,14,92,232)**	**18,20,85,675**
Cash & cash equivalents as at 1st April		**20,93,85,028**	**2,72,99,353**
Cash & cash equivalents as at 31st March, 2017		**9,78,92,796**	**20,93,85,028**

In terms of our report of even date

For A.K. Sabat & Co.
Chartered Accountants
Firm Registration No.321012E

(B.R.Mohanty)
Partner
Membership No.057266

Kolkata
Date: 14/06/2017

A.K. SABAT & CO. Bhubaneswar Chartered Accountants

For and on behalf of Board of Directors

(Tanmay Kumar Sahu)
CFO & Company Secretary

(Arun Misra)
Managing Director

(Samita Shah)
Director

TATA STEEL SPECIAL ECONOMIC ZONE LTD.

TATA STEEL SPECIAL ECONOMIC ZONE LIMITED
(FORMERLY KNOWN AS GOPALPUR SPECIAL ECONOMIC ZONE LIMITED)
Statement of changes in equity as at 31st March , 2017

Amounts in INR

	Share capital		Attributable to owners of the Company			
			Retained earnings			
As at 31st March,2017	**Equity Share Capital**	**Share application money pending allotment**	**Balance of Statement of Profit and loss**	**Remeasurement Gains/ (Losses)**	**Ind AS Transition Reserve**	**Total**
At beginning of the period	92,09,26,310	-	(1,80,97,192)	-	-	(1,80,97,192)
Profit / (Loss) for the period	-	-	(1,31,12,892)	-	-	(1,31,12,892)
Other Comprehensive income for the period	-	-	-	(11,347)	-	(11,347)
(i) Total OCI - coming from OCI	-	-	-	(11,347)	-	-
(ii) MI's share of OCI	-	-	-	-	-	-
Total comprehensive income for the period	-	-	**(1,31,12,892)**	**(11,347)**	-	**(1,31,24,239)**
Additions	33,65,00,000	43,65,00,000	-	-		-
Repayments	-		-	-	-	-
Disposal	-	-	-	-	-	-
Allotment of share	-	(33,65,00,000)	-	-	-	-
At end of period	**1,25,74,26,310**	**10,00,00,000**	**(3,12,10,084)**	**(11,347)**	-	**(3,12,21,431)**

As at 31st March, 2016	**Equity Share Capital**	**Share application money pending allotment**	**Profit and loss**	**Remeasurement Gains/ (Losses)**	**Ind AS Transition Reserve**	**Total**
At beginning of the period	32,42,26,310	-	(1,17,52,041)			(1,17,52,041)
Profit / (Loss) for the period	-	-	(63,45,151)	-	-	(63,45,151)
Other Comprehensive income for the period	-	-	-	-	-	-
(i) Total OCI - coming from OCI	-	-	-	-	-	-
(ii) MI's share of OCI	-	-	-	-	-	-
Total comprehensive income for the period	-	-	**(63,45,151)**	-	-	**(63,45,151)**
Additions	59,67,00,000	59,67,00,000	-	-		-
Buy backs	-	-	-	-	-	-
Repayments	-	-	-	-	-	-
Disposal	-	-	-	-	-	-
Allotment of share	-	(59,67,00,000)	-	-	-	-
At end of period	**92,09,26,310**	-	**(1,80,97,192)**	-	-	**(1,80,97,192)**

A. K. SABAT & CO. Bhubaneswar Chartered Acc...

TATA STEEL SPECIAL ECONOMIC ZONE LTD

TATA STEEL SPECIAL ECONOMIC ZONE LIMITED
(FORMERLY KNOWN AS GOPALPUR SPECIAL ECONOMIC ZONE LIMITED)

Amounts in INR

01. Property, Plant and Equipment

As at Mar 2017	Freehold Buildings	Furniture, Fixt. & Office Equipments	Total Tangible Assets	Capital work in progress	Total tangible assets including capital work in progress
Cost at beginning of period	-	3,58,680	3,58,680		3,58,680
Additions relating to acquisitions		-	-		-
Additions	3,05,24,915	10,59,515	3,15,84,430		3,15,84,430
Disposals		(2,08,681)	(2,08,681)		(2,08,681)
Cost at end of period	**3,05,24,915**	**12,09,514**	**3,17,34,429**	-	**3,17,34,429**
Depreciation at beginning of period		1,07,650	1,07,650	na	1,07,650
Additions relating to acquisitions	6,22,887	2,10,030	8,32,917	na	8,32,917
Charge for the period		-	-	na	-
Disposals		(1,38,995)	(1,38,995)	na	(1,38,995)
Depreciation at end of period	**6,22,887**	**1,78,685**	**8,01,572**	-	**8,01,572**
Net book value at beginning of period	-	**2,51,030**	**2,51,030**	-	**2,51,030**
Net book value at end of period	**2,99,02,028**	**10,30,829**	**3,09,32,857**	-	**3,09,32,857**

Amount in INR

As at Mar 2016	Freehold Buildings	Furniture, Fixt. & Office Equipments	Total Tangible Assets	Capital work in progress	Total tangible assets including capital work in progress
Cost at beginning of period		-	-		-
Additions relating to acquisitions		-	-		-
Additions		3,58,680	3,58,680		3,58,680
Disposals		-	-		-
Cost at end of period	-	**3,58,680**	**3,58,680**	-	**3,58,680**
Depreciation at beginning of period		-	-	na	-
Additions relating to acquisitions		1,07,650	1,07,650	na	1,07,650
Charge for the period		-	-	na	-
Disposals		-	-	na	-
Depreciation at end of period	-	**1,07,650**	**1,07,650**	-	**1,07,650**
Net book value at beginning of period Fir	-	-	-	-	-
Net book value at end of period	-	**2,51,030**	**2,51,030**	-	**2,51,030**

TATA STEEL SPECIAL ECONOMIC ZONE LTD.

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Amounts in INR

02. Other Intangible Assets

As at Mar 2017 (Unaudited)	Software Costs	Development of property	Other Intangible Assets	Total Intangible Assets	Intangible assets under development	Total intangible assets including intangible assets under development
Cost at beginning of period	-			-	-	-
Additions	34,200			34,200	1,31,564	1,65,764
Additions relating to acquisitions				-		-
Disposals				-		-
Cost at end of period	**34,200**	-	-	**34,200**	**1,31,564**	**1,65,764**
Amortisation at beginning of period	-			-	na	-
Additions relating to acquisitions	1,874			1,874	na	1,874
Charge for the period				-	na	-
Disposals				-	na	-
Amortisation at end of period	**1,874**	-	-	**1,874**	-	**1,874**
Net book value at beginning of period	-	-	-	-	-	-
Net book value at end of period	**32,326**	-	-	**32,326**	**1,31,564**	**1,63,890**

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Notes forming part of the Balance Sheet

		As at 31st March, 2017	As at 31st March, 2016	Amounts in INR As at 1st April, 2015
03- Capital Work in Progress				
	Construction of boundary wall	16,66,83,805	16,66,83,805	16,66,83,805
	Construction of gate complex	6,69,29,267	1,26,41,392	-
	Project development expenses	43,32,66,630	30,65,72,224	16,74,08,626
	Project Stock with Contractor	5,04,81,164	-	-
	Goods in Transit - Project Stock	71,60,910	-	-
		72,45,21,776	**48,58,97,421**	**33,40,92,431**
Project Development Expenses				
	Management Consultancy Fee	26,22,58,625	21,27,86,802	14,88,86,799
	Feasibilty study & Incorporation expenses	1,31,78,435	1,31,78,435	1,31,78,435
	Exchange Fluctuation	(21,775)	(21,775)	1,05,278
	Site Development Expenses	9,25,29,919	5,08,54,098	40,06,141
	Other Expenses	6,53,21,426	2,97,74,664	12,31,973
		43,32,66,630	**30,65,72,224**	**16,74,08,626**
04- Intangible Assets Under Development				
	Company Logo	1,31,564	-	-
		1,31,564	-	-
05 - Other Non-Financial Assets - Non-current				
	Input service tax credit	4,48,94,228	2,89,33,393	45,60,580
	Capital advance for Land	49,82,84,250	5,10,22,725	-
	Prepaid Lease for SEZ Land	18,94,33,586	15,65,05,357	-
		73,26,12,064	**23,64,61,475**	**45,60,580**
06- Non-Current Tax Asset				
	Tds Receivable FY 2016-17	2,56,000	-	-
		2,56,000	-	-
07- Trade Receivables - Current				
	Sundry Debtors	3,36,000	-	-
		3,36,000	-	-
08- Cash and Cash Equivalents				
	Unrestricted Balances with banks	9,76,36,796	20,93,85,028	2,72,99,353
		9,76,36,796	**20,93,85,028**	**2,72,99,353**
09- Other Non-Finacial Assets - Current				
	Advance for expenses	55,54,424	1,14,526	-
		55,54,424	**1,14,526**	-
10 - Equity Share Capital				
Authorised:				
25,00,00,000	Equity shares of Rs. 10/- each	2,50,00,00,000	2,50,00,00,000	1,50,00,00,000
	(31.03.2016: 2500,00,000 equity shares of Rs. 10/- each)			
	(01.04.2015: 1500,00,000 equity shares of Rs. 10/- each)			
		2,50,00,00,000	**2,50,00,00,000**	**1,50,00,00,000**
Issued, Subcribed and Paid up:				
12,57,42,631	Equity shares of Rs. 10/- each fully paid up	1,25,74,26,310	92,09,26,310	32,42,26,310
	(31.03.2016: 92,092,631 equity shares of Rs. 10/- each fully paid up)			
	(01.04.2015: 32,422,631 equity shares of Rs. 10/- each fully paid up)			
		1,25,74,26,310	**92,09,26,310**	**32,42,26,310**
	Shares issued to Tata Steel Limited, holding company and its nominee			
	Balance at the beginning of the year	9,20,92,631	3,24,22,631	10,00,000
	Add: Share issued during the year	3,36,50,000	5,96,70,000	3,14,22,631
	Balance at the end of the year	**12,57,42,631**	**9,20,92,631**	**3,24,22,631**
	Pecentage of Shares Issued to Holding Company	**100**	**100**	**100**

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Notes forming part of the Balance Sheet

Amounts in INR

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
11 - Total Other Equity	**6,87,78,569**	**(1,80,97,192)**	**(1,17,52,041)**
(i) Retained Earnings			
Balance of Statement of Profit & Loss			
Opening balance of (Loss)	(1,80,97,192)	(1,17,52,041)	(13,20,345)
Add: Profit/(Loss) during the year	(1,31,24,239)	(63,45,151)	(1,04,31,696)
	(3,12,21,431)	(1,80,97,192)	(1,17,52,041)
(ii) Share Application Money Pending Allotment			
Opening balance	-	-	23,92,26,313
Received from Tata Steel Limited, holding company	43,65,00,000	59,67,00,000	7,50,00,000
	43,65,00,000	**59,67,00,000**	**31,42,26,313**
Share alloted	33,65,00,000	59,67,00,000	31,42,26,310
Share application money refunded	-	-	3
Closing balance	**10,00,00,000**	**-**	**-**
12 - Other Financial Liabilities- Non-current			
Retention- Das & Sons Infracon (P) Ltd.	10,05,579	-	-
Retention - Exotic Signage	71,001	-	-
	10,76,580	**-**	**-**
13 - Retirement Benefit Obligations - Non-current			
Gratuity Payable	1,49,221	31,698	-
Leave Encashment Payable	2,74,399	65,526	-
	4,23,620	**97,224**	**-**
14 - Other non-financial liabilities - Non-current			
Advance Rent From Sure Safety Solutions	6,40,000	-	-
	6,40,000	**-**	**-**
15 - Short Term Borrowings - Current			
Loans From Group Companies-ICD	10,00,00,000	-	-
	10,00,00,000	**-**	**-**
16 - Trade Payables - Current			
Creditors for supplies / services	4,75,22,544	2,79,75,750	5,08,00,484
Creditors for accrued wages & salaries	11,35,117	-	-
	4,86,57,661	**2,79,75,750**	**5,08,00,484**
17 - Other Financial Liabilities- Current			
Interest payable - Interest accrued but not due	6,23,836	-	-
Creditors for capital supplies & Services	10,94,33,806	-	-
	11,00,57,642	**-**	**-**
18 - Retirement Benefit obligations - Current			
Gratuity payable	2,171	253	-
Leave Encashment Payable	2,447	707	-
	4,618	**960**	**-**
19 - Other Non Financial Liabilities - Current			
Provident fund payable	1,18,104	58,219	19,213
TDS payable	19,24,087	6,45,308	12,59,006
Service tax payable	31	2,901	12,43,142
Others liabilities	3,600	-	-
Provision for bonus	6,00,000	5,00,000	1,56,250
Advance From Customer	20,00,000	-	-
Provision - Leave Travel Assistance	3,02,984	-	-
	49,48,806	**12,06,428**	**26,77,611**

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TATA STEEL SPECIAL ECONOMIC ZONE LTD. *

TATA STEEL SPECIAL ECONOMIC ZONE LIMITED
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Notes forming part of Statement of Profit & Loss

Amounts in INR

		Year ended 31st March, 2017	Year ended 31st March, 2016
20 - Revenue from Operations			
(a)	Income from Lease rent and other services	24,67,097	-
(b)	Other operating income	6,113	-
		24,73,210	**-**
21 - Other Income			
(a)	Mutual fund dividend	37,30,928	56,86,783
(b)	Profit on Sale of Asset	2,362	
		37,33,290	**56,86,783**
22- Employee Benefit Expenses			
(a)	Salary	91,35,814	26,51,604
(b)	Contribution to provident fund	4,75,024	2,16,510
(c)	Bonus	7,15,038	4,45,050
(d)	Gratuity	1,08,094	31,951
(e)	Leave Encashment	2,87,203	66,233
(f)	Staff Welfare Expenses	67,588	
		1,07,88,761	**34,11,348**
23- Finance Cost			
(a)	Interest on Bank Borrowings	-	-
(b)	Interest on Other Borrowings	6,93,151	-
Gross Interest		**6,93,151**	**-**
(c)	Less: Interest capitalised	(6,93,151)	-
Total finance costs		**-**	**-**
24- Other Expenses			
(a)	Auditors' remuneration	90,000	95,608
(b)	Legal & professional charges	3,60,114	1,64,450
(c)	Bank charges	5,498	16,389
(d)	Adminstrative expenses	13,22,020	61,732
(e)	ROC filing fee & certification	-	75,20,532
(f)	Mobile & Telephone expenses	22,228	49,943
(g)	Outsourcing expenses	4,97,487	3,54,533
(h)	Travelling expenses	7,75,767	3,25,975
(i)	Directors' sitting fee	3,75,000	20,000
(j)	Medical reimbursement	-	11,425
(k)	Receivable Written Off	6,29,163	-
(l)	Marketing Expenses	37,98,703	-
(m)	Rates & taxes	48,213	-
		79,24,192	**86,20,586**

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TATA STEEL SPECIAL ECONOMIC ZONE LTD.

NOTES TO BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS

Note 25: Significant Accounting Policy and additional notes to accounts

1. General Corporate Information

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

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 and the Company will act as developer. The project development is in progress. Statement of Profit & Loss has been prepared since the Company has incurred only minor Corporate / Administrative expenses.

The financial statements as at March 31, 2017 present the financial position of the Company.

The functional and presentation currency of the Company is Indian Rupee ("INR") which is the currency of the primary economic environment in which the Company operates.

As on March 31, 2017, Tata Steel Limited alongwith its Nominees, owns 100% of the Ordinary shares of Tata Steel Special Economic Zone Limited, and has the ability to significantly influence the Company's operations.

2. Basis for preparation and measurement

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 01, 2016.

The transition from previous GAAP (i.e., I GAAP) to Ind AS has been accounted for in accordance with Ind AS 101 "First Time Adoption of Indian Accounting Standards", with April 01, 2015 as the transition date. In accordance with Ind AS 101 "First time adoption of Indian Accounting Standard", the Company has presented a reconciliation from the presentation of financial statements under accounting standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of total equity as at April 1, 2015 & March 31 2016 and of total comprehensive income for the year ended March 31 2016.

The financial statements have been prepared on the historical cost basis.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date on such basis as provided under Ind AS 113.

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3. Use of estimates and critical accounting judgments

In preparation of the financial statements, the Company makes judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on 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 recognized in the period in which the estimate is revised and future periods affected.

Significant judgments and estimates relating to the carrying amounts of assets and liabilities include useful lives of property, plant and equipment, intangible assets, impairment of property, plant and equipment, impairment of equity accounted investments, goodwill, intangible assets, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

4. Significant Accounting Policies

The significant accounting policies applied by the Company in preparation of its consolidated financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements and in preparing the opening Ind As statement of financial position as at April 01, 2015 for the purpose of transition to Ind AS, unless otherwise indicated.

A. Property, plant and equipment

An item of property, plant and equipment is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognized in the statement of profit and loss as incurred. When a replacement occurs, the carrying amount of the replaced part is de-recognized. Where a tangible fixed asset comprises major components having different useful lives, these components are accounted for as separate items.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Trial run expenses (net of revenue) are capitalized. Borrowing costs during the period of construction is added to the cost of eligible tangible assets.

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

B. Intangible assets

Cost of intangible assets are capitalized when the asset is ready for its intended use.

Intangible assets include expenditure on computer software and are stated at the amount initially recognized less accumulated amortization and accumulated impairment losses.

Any intangible asset, when determined of no further use, is written off.

C. Depreciation and amortization of property, plant and equipment and intangible assets

Depreciation or amortization is provided so as to write off, on a straight-line basis, the cost of property, plant and equipment and other intangible assets, including those held under finance leases to their residual value. These charges are commenced from the dates the assets are available for their intended use and are spread over their estimated useful economic lives or, in the

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case of leased assets, over the lease period if shorter. The estimated useful lives of assets and residual values are reviewed regularly and, when necessary, revised. No further charge is provided in respect of assets that are fully written down but are still in use.

Depreciation on assets under construction commences only when the assets are ready for their intended use.

The estimated useful lives for the main categories of property, plant and equipment and other intangible assets are:

	Estimated useful life (years)
Buildings on freehold land and leasehold land held for long periods	maximum of 30 years *
Furniture, fixture and office equipment	3 to 10 years
Computer software	maximum 3 years
Other Assets	1 to 15 years

*for these class of assets, based on internal assessment and technical evaluation carried out by engineers, the Company believes that the useful lives as given above best represent the period over which Company expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

D. Impairment

At each balance sheet date, the Company reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that the carrying amount of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Intangible assets with an indefinite useful life are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognized in the statement of profit and loss as and when the carrying amount of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized in the statement of profit and loss immediately.

E. Leases

The Company determines whether an arrangement contains a lease by assessing whether the fulfillment of a transaction is dependent on the use of a specific asset and whether the transaction

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conveys the right to use that asset to the Company in return for payment. Where this occurs, the arrangement is deemed to include a lease and is accounted for either as finance or operating lease.

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

i. The Company as lessee

a. **Operating lease** – Rentals payable under operating leases are charged to the statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

   In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

b. **Finance lease** – Finance leases are capitalized at the commencement of lease, at the lower of the fair value of the property or the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income over the period of the lease.

ii. The Company as lessor

a. **Operating lease** – Rental income from operating leases is recognized in the statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight line basis over the lease term.

b. **Finance lease** – When assets are leased out under a finance lease, the present value of the minimum lease payments is recognized as a receivable. The difference between the gross receivable and the present value of the receivable is recognized as unearned finance income. Lease income is recognized over the term of the lease using the net investment method before tax, which reflects a constant periodic rate of return.

F. Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognized in the statement of profit and loss.

i. Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective

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interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

ii. Financial assets

a. Cash and bank balances

Cash and bank balances consist of:

i) **Cash and cash equivalents** - which include cash in hand, deposits held at call with banks and other short term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have maturities of less than one year from the date of such deposits. These balances with banks are unrestricted for withdrawal and usage.

ii) **Other bank balances** - which include balances and deposits with banks that are restricted for withdrawal and usage.

b. Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c. Financial assets measured at fair value (Through OCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company in respect of equity investments (other than in joint arrangements and associates) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Company on an instrument by instrument basis at the time of initial recognition of such equity investments.

d. Financial assets measured at fair value (Through Profit & Loss)

Financial asset not measured at amortized cost or at fair value through other comprehensive income is carried at fair value through profit or loss.

e. Impairment of financial assets

Loss allowance for expected credit losses is recognized for financial assets measured at amortized cost and fair value through other comprehensive income.
The Company recognizes life time expected credit losses for all trade receivables that do not constitute a financing transaction.

For financial assets, whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognized. Loss allowance equal to the lifetime expected credit losses is recognized if the credit risk on the financial instruments has significantly increased since initial recognition.

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f. **De-recognition of financial assets**

The Company de-recognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

iii. **Financial liabilities and equity instruments**

a. **Classification as debt or equity**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

b. **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

c. **Financial Liabilities**

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost, using the effective interest rate method where the time value of money is significant.

Interest-bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortized cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognized over the term of the borrowings in the statement of profit and loss.

d. **De-recognition of financial liabilities**

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

G. **Employee benefits**

i. **Defined contribution plans**

Payments to defined contribution plans are charged as an expense as they fall due. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

ii. **Defined benefit plans**

For defined benefit retirement schemes the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Re-measurement gains and losses of the net defined benefit liability/(asset) are recognized

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immediately in other comprehensive income. The service cost, net interest on the net defined benefit liability/(asset) is treated as a net expense within employment costs.

Past service cost is recognized as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognized, whichever is earlier.

The retirement benefit obligation recognized in the balance sheet represents the present value of the defined-benefit obligation as reduced by the fair value plan assets.

iii. Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognized based on actuarial valuation at the present value of the obligation as on the reporting date.

iv. Provisions

Provisions are recognized in the balance sheet when the Company has a present obligation (legal or constructive) as a result of a past event, which is expected to result in an outflow of resources embodying economic benefits which can be reliably estimated. Each provision is based on the best estimate of the expenditure required to settle the present obligation at the balance sheet date. When appropriate, provisions are measured on a discounted basis.

Constructive obligation is an obligation that derives from an entity's actions where:

a) by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and

b) As a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

H. Income taxes

Tax expense for the year comprises current and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted in countries where the Company and its subsidiaries operate by the end of the reporting period.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences. In contrast, deferred tax assets are only recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

Deferred tax liabilities are recognized on taxable temporary differences arising on investments in subsidiaries, joint ventures and associates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized based on the tax rates and tax laws that have been enacted or

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substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to cover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and they are in the same taxable entity, or a Company of taxable entities where the tax losses of one entity are used to offset the taxable profits of another and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction.

Current and deferred tax are recognized as an expense or income in the statement of profit and loss, except when they relate to items credited or debited either in other comprehensive income or directly in equity, in which case the tax is also recognized in other comprehensive income or directly in equity.

I. Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable net of discounts, taking into account contractually defined terms and excluding taxes or duties collected on behalf of the government.

i. Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognized if there are significant uncertainties regarding recovery of the amount due, associated costs or the possible return of goods.

Revenue from sale of services such as charged as per TSSEZ income is recognized when service is rendered in line with the agreements.

ii. Interest income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

iii. Dividend income

Dividend income from investments is recognized when the shareholder's rights to receive payment have been established.

iv. Rental income

Rental income from investment properties and subletting of properties is recognized on a straight line basis over the term of the relevant leases.

v. Liquidated Damages income

Recovery of liquidated damages is recognized in the Statement of Profit & Loss as income at the time of occurrence except in case of Joint Venture Company (JVC) which are governed by the respective Production Sharing Contracts. In case of return/refund of the liquidated damages, the same is accounted for as other expenses. In case of any dispute over the liquidated damages, provision is created in the accounts.

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J. Foreign currency transactions and translation

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in the statement of profit and loss in the period in which they arise except for:

i. exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

ii. exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to the statement of profit and loss on repayment of the monetary items.

K. Borrowing Costs

Borrowings costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for the intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending expenditure on qualifying assets is recognized the statement of profit or loss.

Discounts or premiums and expenses on the issue of debt securities are amortized over the term of the related security and included within borrowing costs. Premiums payable on early redemptions of debt securities, in lieu of future finance costs, are written off as borrowing costs when paid.

L. Segment reporting

Considering the nature and associated risks and return of products & services, the Company has adopted its products & services as the primary reporting segments. There are no reportable geographical segments.

Segment assets, liabilities, income and expenses have been either directly identified or allocated to the segments on the basis usually followed for allocation of cost adopted for preparing and presenting the financial statements of the Company.

M. Earnings per Share

The basic earnings per share is computed by dividing the net profit/(loss) attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit/(loss) attributable to the equity shareholders for the year by the weighted average number of equity shares together with any dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

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N. Cashflow 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.

5. Additional Notes to Accounts:

i. The Company 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 and the Company will act as developer. The multi product special economic zone, which is spread over 1235 acres of land has been notified by Ministry of Commerce & Industry, Government.

ii. The land admeasuring 2970 acres at Gopalpur meant for the project was registered in name of Odisha Industrial Infrastructure Development Corporation (IDCO). Allotment letters have been received by the Company from IDCO in respect of the Land on leasehold basis for 90 years. Compensation to the land owners, Premium, Ground Rent and Cess on this land have been paid by Tata Steel Limited, the Holding Company which will be accounted in the books of the Company on receipt of debit note from Tata Steel Limited.

iii. Out of the above land, lease deed in respect of 1235 acres of land meant for SEZ project is registered in name of the Company. Registration Charges of Rs.0.61 crore, Administrative charges for acquisition proposal pertaining to 19 villages amounting to Rs.6.13 crore and Additional Rehabilitation and Resettlement (R & R) Expenses of Rs.53.60 crore (as of 31st March 2016) incurred by the Company was capitalized as leasehold land under IGAAP. Further accounting of the expenses related to land shall be done on receipt of debit note from Tata Steel Limited regarding cost of land, premium land development and R & R Expenses. Under Ind AS the land cost is treated as operating lease as per Ind AS 17. The payment made till date amounting to Rs.19.21 crore (previous year Rs. 15.65 crore) has been treated as prepayment of lease and shown under Other Non-financial Assets.

iv. In respect of rest of land, Additional R & R Expenses have been determined at Rs.311.40 crore out of which Rs.5.10 crore (previous year Rs.49.82 crore) has been paid as of 31st March, 2017 and kept as advance for land under Other Non-financial Assets pending registration of land in favour of the Company and receipt of debit note from Tata Steel Limited in respect of cost of land, premium and other land development expenses.

v. The Company started construction of boundary wall in earlier years which was stopped due to unforeseen reasons and the contract awarded by the Company relating to boundary wall has been closed. Tata Steel Limited, the Holding Company is now undertaking the further construction of boundary wall on the aforementioned land and the construction is in progress. The cost incurred by Tata Steel Limited for construction of boundary wall has not been accounted in the accounts in absence of any debit note received from Tata Steel Limited.

vi. A shed has been constructed in Non-SEZ area and given on Operating Lease. In absence of availability of debit note from Tata Steel Limited towards the shed, the same has been capitalized at Rs.3 crore.

vii. Service tax input credit, in respect of project development expenditure to be capitalized on commencement of commercial operations have been considered as recoverable/adjustable with the service tax liability on output services after starting of the commercial operations and classified under other non-current asset.

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viii. Details of specified Bank notes (SBN) and other currencies held and transacted during the period from 8th November, 2016 to 30th December, 2016 are provided in the table below:

	SBNs	Other Denomination Notes	Total
	(Rs.)	(Rs.)	(Rs.)
Closing cash in hand as on 8-11-2016	-	-	-
Permitted receipts	-	-	-
Permitted payments	-	-	-
Amount deposited in Bank	-	-	-
Closing cash in hand as on 30-12-2016	-	-	-

ix. Explanation of Transition to Ind As

The Company has adopted Indian Accounting Standard (referred to as 'Ind AS') with effect from April 01, 2016. The reconciliations of equity and total comprehensive income in accordance with Previous GAAP (IGAAP) to Ind AS are explained below.

i. Equity reconciliation

(in Rupees)

		As at March31,2016	As at April 1, 2015
Equity as per IGAAP		1326204880	902829118
	Re-measurements:		
1	Financial instruments	-	-
2	Property, plant and equipment	-	-
3	Re-classification of perpetual securities	-	-
4	Reversal of proposed dividend and tax thereon	-	-
5	Recognition of certain arrangement as Finance Lease	-	-
6	Employee Benefits	-	-
7	Equity Accounting of Joint Ventures	-	-
8	Discounting of Provision and Recognition of Constructive Obligation	-	-
9	Reporting of Non-Controlling Interest within equity	-	-
10	Business combinations	-	-
11	Others	-	-
12	Tax impact on above adjustments	-	-
Equity as per Ind AS		1326204880	902829118

ii. Profit after tax reconciliation

(in Rupees)

		Year ended March 31,2016
Net Profit as per I GAAP		(12031934)
	Re-measurements:	
1	Reversal of gain on sale of equity instruments classified as fair value through other comprehensive	-

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		(in Rupees) Year ended March 31,2016
2	Additional depreciation and amortization on fair value as deemed cost of property, plant and equipment	-
3	Increase/ (decrease) in defined benefit cost	-
4	Others	5686783
5	Tax effect on above adjustments	-
Profit after tax as per Ind AS		(6345151)
Other Comprehensive Income as per Ind AS		-
Total Comprehensive Income as per Ind AS		-

x. Contingent Liability and Commitments:

Particulars		As at March 31, 2017 (in Rupees)	As at March 31, 2016 (in Rupees)
(i)	Contingent Liabilities	-	-
(ii)	Estimated amount of contracts remaining to be executed on Capital account and not provided	226119848	127326124

xi. 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'.

xii. Auditors' Remuneration:

Particulars	Current Year (Rs)	Previous Year (Rs)
Audit fee	60000	57250
Other services	30000	38008

xiii. Employee Benefits:

i. No Director is eligible to receive any remuneration during the period.

ii. Defined Contribution Obligation:

The Company maintains a provident fund with Regional Provident Fund Commissioner. Contributions are made by the employees as well as the company to the fund based on the current salaries. The contribution made by the Company has been charged to statement of profit & loss as a defined contribution plan.

iii. Defined Benefit Obligation:

The Company has defined benefit gratuity plan. Every employee who has completed 5 years or more of service get a gratuity on departure at 15 days salary (Last drawn salary) for each complete of year of service. The scheme of gratuity is unfunded.

The following tables summarize the component of net benefit expenses recognized in the statement of Profit &Loss account and Balance Sheet as at 31st March, 2016 as required by Ind AS - 19 Employee benefits. As there was only one employee during the year 2014-15 who joined on 14th January, 2015 no actuarial valuation was carried out during all the 5 previous years.

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a) Gratuity Benefit

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

(in Rupees)

Changes in Present Value of Obligation	For the year ended March 31, 2017	For the year ended March 31, 2016
Present value of obligation as on last valuation	31951	-
Current Service Cost	105698	31951
Interest Cost	2396	-
Participant Contribution	-	-
Plan Amendments: Vested portion at end of period (Past Service)	-	-
Plan Amendments: Non-Vested portion at end of period (Past Service)	-	-
Actuarial gain/loss on obligations due to Change in Financial Assumption	7589	-
Actuarial gain/loss on obligations due to Change in Demographic assumption	-	-
Actuarial gain/loss on obligations due to Unexpected Experience	3758	-
Actuarial gain/loss on obligations due to Other reason	-	-
The effect of change in Foreign exchange rates	-	-
Benefits Paid	-	-
Acquisition Adjustment	-	-
Disposal/Transfer of Obligation	-	-
Curtailment cost	-	-
Settlement Cost	-	-
Other (Unsettled Liability at the end of the valuation date)	-	-
Present value of obligation as on valuation date	151392	31951

Table showing Changes in Fair Value of Plan Assets:

(in Rupees)

Changes in Fair Value of Plan Assets	For the year ended March 31, 2017	For the year ended March 31, 2016
Fair value of Plan Assets at Beginning of period	-	-
Interest Income	-	-
Employer Contributions	-	-
Participant Contributions	-	-
Acquisition/Business Combination	-	-
Settlement Cost	-	-
Benefits Paid	-	-
The effect of asset ceiling	-	-
The effect of change in Foreign Exchange	-	-
Administrative Expenses and Insurance	-	-
Return on Plan Assets excluding Interest	-	-
Fair value of Plan Assets at End of	-	-

Table showing Reconciliation to Balance Sheet:

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(in Rupees)

Reconciliation to Balance Sheet	For the year ended	
	March 31, 2017	March 31, 2016
Funded Status	(151392)	(31951)
Unrecognized Past Service Cost	-	-
Unrecognized Actuarial gain/loss at end of the period	-	-
Post Measurement Date Employer	-	-
Fund Liability	151392	31951
Fund Asset	-	-

Table Showing Plan Assumptions:

(in Rupees)

Plan Assumptions	For the year ended	
	March 31, 2017	March 31, 2016
Discount Rate	7.50%	8.00%
Expected Return on Plan Asset	7.50%	8.00%
Rate of Compensation Increase (Salary Inflation)	6.00%	6.00%
Pension Increase Rate	N/A	N/A
Average expected future service (Remaining	25	14
Average Duration of Liabilities	25	14
Mortality Table	IALM 2006-2008 Ultimate	IALM 2006-2008 Ultimate
Superannuation at age -Male	60	60
Superannuation at age -Female	60	60
Early Retirement & Disablement (All Causes	1.00%	1.00%

Table showing Expense Recognized in statement of Profit/Loss:

(in Rupees)

Expense Recognized in statement of Profit/Loss	For the year ended	
	March 31, 2017	March 31, 2016
Current Service Cost	105698	31951
Past Service Cost(vested)	-	-
Past Service Cost(Non-Vested)	-	-
Net Interest Cost	-	-
Cost(Loss/(Gain) on settlement	2396	-
Cost(Loss/(Gain) on curtailment	-	-
Actuarial Gain Loss Applicable only for last year	-	-
Employee Expected Contribution	-	-
Net Effect of changes in Foreign Exchange Rates	-	-
Benefit Cost (Expense Recognized in Statement of Profit/loss)	-	-

Table showing Other Comprehensive Income:

(in Rupees)

Other Comprehensive Income	For the year ended	
	March 31, 2017	March 31, 2016
Actuarial gain/loss on obligations due to Change in Financial Assumption	7589	-
Actuarial gain/loss on obligations due to Change in Demographic assumption	-	-

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(in Rupees)

Other Comprehensive Income	For the year ended	
	March 31, 2017	March 31, 2016
Actuarial gain/loss on obligations due to Unexpected Experience	3758	-
Actuarial gain/loss on obligations due to Other reason	0	-
Total Actuarial (gain)/losses	11347	-
Return on Plan Asset, Excluding Interest Income	-	-
The effect of asset ceiling	0	-
Balance at the end of the Period	-	-
Net(Income)/Expense for the Period Recognized in OCI	11347	-

Table showing Changes in Fair Value of Plan Assets:

(in Rupees)

Changes in Fair Value of Plan Assets	For the year ended	
	March 31, 2017	March 31, 2016
Cash & Cash Equivalents	-	-
Investment Funds	-	-
Derivatives	-	-
Asset-Backed Securities	-	-
Structured Debt	-	-
Real Estates	-	-
Special Deposit Scheme	-	-
State Government Securities	-	-
Government of India Assets	-	-
Corporate Bonds	-	-
Debt Securities	-	-
Annuity Contracts/Insurance Fund	-	-
Other	-	-
Total	-	-

Table showing Total Allocation in % of Plan Asset at end Measurement Period:

(in Rupees)

Total Allocation in % of Plan Asset at end Measurement Period	For the year ended	
	March 31, 2017	March 31, 2016
Cash & Cash Equivalents	-	-
Investment Funds	-	-
Derivatives	-	-
Asset-Backed Securities	-	-
Structured Debt	-	-
Real Estates	-	-
Special Deposit Scheme	-	-
State Government Securities	-	-
Government of India Assets	-	-
Corporate Bonds	-	-
Debt Securities	-	-
Annuity Contracts/Insurance Fund	-	-
Other	-	-
Total	-	-

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Mortality Table:

Age	Mortality (Per Annum)
25	0.000984
30	0.001056
35	0.001282
40	0.001123
45	0.002874
50	0.004946
55	0.007888
60	0.011534
65	0.0170085
70	0.0258545

Table showing Sensitivity Analysis:

(in Rupees)

Sensitivity Analysis	March 31, 2017		March 31, 2016	
	Increase	Decrease	Increase	Decrease
Discount Rate (-/+ 0.5%)	137469	166956	-	-
%Change Compared to base due to	(9.20%)	10.28%	-	-
Salary Growth (-/+ 0.5%)	167043	137280	-	-
%Change Compared to base due to	10.34%	(9.32%)	-	-
Attrition Rate (-/+ 0.5%)	150785	152002	-	-
%Change Compared to base due to	(0.40%)	0.40%	-	-
Mortality Rate (-/+ 10%)	151533	151251	-	-
%Change Compared to base due to	0.09%	(0.09%)	-	-

Table showing Cash Flow Information:

Cash Flow Information	(in Rupees)
Next Year Total (Expected)	323426
Minimum Funding Requirements	-
Company's Discretion	-

Table showing Benefit Information Estimated Future payments (Past Service):

Benefit Information Estimated Future payments (Past Service)	
Year	(in Rupees)
1	2251
2	1077
3	1181
4	1283
5	1426
6 to 10	10234
More than 10 years	695378
Total Undiscounted Payments Past and Future Service	-
Total Undiscounted Payments related to Past Service	711576
Less Discount for Interest	560184
Projected Benefit Obligation	151392

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Table showing Outlook Next Year Components of Net Periodic Benefit Cost:

Outlook Next Year Components of Net Periodic Benefit Cost	(in Rupees)
Current service Cost (Employer portion Only) Next period	161713
Interest Cost next period	11317
Expected Return on Plan Asset	-
Unrecognized past service Cost	-
Unrecognized actuarial/gain loss at the end of the period	-
Settlement Cost	-
Curtailment Cost	-
Other (Actuarial Gain/loss)	-
Benefit Cost	173030

Table showing expected return on Plan Asset at end Measurement:

(in Rupees)

Expected return on Plan Asset at end Measurement	For the year ended	
	March 31, 2017	March 31, 2016
Current liability	2171	253
Non-Current Liability	149221	31698
Net Liability	151392	31951

b) Leave Encashment Benefit

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

(in Rupees)

Changes in Present Value of Obligation	For the year ended	
	March 31, 2017	March 31, 2016
Present value of obligation as on last valuation	66233	-
Current Service Cost	145874	31951
Interest Cost	2095	-
Participant Contribution	N/A	-
Plan Amendments: Vested portion at end of period (Past Service)	-	-
Plan Amendments: Non-Vested portion at end of period (Past Service)	-	-
Actuarial gain/loss on obligations due to Change in Financial Assumption	25685	-
Actuarial gain/loss on obligations due to Change in Demographic assumption	-	-
Actuarial gain/loss on obligations due to Unexpected Experience	113549	-
Actuarial gain/loss on obligations due to Other reason	-	-
The effect of change in Foreign exchange rates	-	-
Benefits Paid	76590	-
Acquisition Adjustment	-	-
Disposal/Transfer of Obligation	-	-
Curtailment cost	-	-
Settlement Cost	-	-
Other (Unsettled Liability at the end of the valuation date)	-	-
Present value of obligation as on valuation date	276846	31951

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Table showing Changes in Fair Value of Plan Assets:

(in Rupees)

Changes in Fair Value of Plan Assets	For the year ended	
	March 31, 2017	March 31, 2016
Fair value of Plan Assets at Beginning of period	-	-
Interest Income	-	-
Employer Contributions	-	-
Participant Contributions	-	-
Acquisition/Business Combination	-	-
Settlement Cost	-	-
Benefits Paid	-	-
The effect of asset ceiling	-	-
The effect of change in Foreign Exchange	-	-
Administrative Expenses and Insurance	-	-
Return on Plan Assets excluding Interest	-	-
Fair value of Plan Assets at End of	-	-

Table showing Reconciliation to Balance Sheet:

(in Rupees)

Reconciliation to Balance Sheet	For the year ended	
	March 31, 2017	March 31, 2016
Funded Status	(276846)	(66233)
Unrecognized Past Service Cost	0	0
Unrecognized Actuarial gain/loss at end of the period	0	0
Post Measurement Date Employer	0	0
Unfunded Accrued/Prepaid Pension cost	N/A	N/A
Fund Asset	0	0
Fund Liability	276846	66233

Table Showing Plan Assumptions:

(in Rupees)

Plan Assumptions	For the year ended	
	March 31, 2017	March 31, 2016
Discount Rate	7.50%	8.00%
Expected Return on Plan Asset	7.50%	8.00%
Rate of Compensation Increase(Salary Inflation)	6.00%	6.00%
Pension Increase Rate	N/A	N/A
Average expected future service (Remaining	25	14
Average Duration of Liabilities	-	-
Mortality Table	IALM 2006-2008 Ultimate	IALM 2006-2008 Ultimate
Superannuation at age-Male	60	60
Superannuation at age-Female	60	60
Early Retirement & Disablement (All Causes Combined)	1.00%	1.00%
Voluntary Retirement	Ignored	Ignored

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Table showing Expense Recognized in statement of Profit/Loss:

(in Rupees)

Expense Recognized in statement of Profit/Loss	For the year ended	
	March 31, 2017	March 31, 2016
Current Service Cost	145874	66233
Past Service Cost(vested)	0	0
Past Service Cost(Non-Vested)	-	-
Net Interest Cost	2095	-
Cost(Loss/(Gain) on settlement	-	-
Cost(Loss/(Gain) on curtailment	-	-
Actuarial Gain loss Applicable only for last year	139234	-
Employee Expected Contribution	-	-
Net Effect of changes in Foreign Exchange Rates	-	-
Benefit Cost (Expense Recognized in (Profit/Loss)	287203	66233

Table showing Other Comprehensive Income:

(in Rupees)

Other Comprehensive Income	For the year ended	
	March 31, 2017	March 31, 2016
Actuarial gain/loss on obligations due to Change in Financial Assumption	-	-
Actuarial gain/loss on obligations due to Change in Demographic assumption	-	-
Actuarial gain/loss on obligations due to Unexpected Experience	-	-
Actuarial gain/loss on obligations due to Other reason	-	-
Total Actuarial (gain)/losses	-	-
Return on Plan Asset, Excluding Interest Income	-	-
The effect of asset ceiling	-	-
Balance at the end of the Period	-	-
Net(Income)/Expense for the Period Recognized in OCI	-	-

Mortality Table:

Age	Mortality (Per Annum)
25	0.000984
30	0.001056
35	0.001282
40	0.001123
45	0.002874
50	0.004946
55	0.007888
60	0.011534
65	0.0170085
70	0.0258545

Table showing Sensitivity Analysis:

(in Rupees)

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Sensitivity Analysis	March 31, 2017		March 31, 2016	
	Increase	Decrease	Increase	Decrease
Discount Rate (-/+ 0.5%)	256987	297869	-	-
%Change Compared to base due to sensitivity	(7.17%)	7.59%	-	-
Salary Growth (-/+ 0.5%)	296532	258968	-	-
%Change Compared to base due to sensitivity	7.11%	(6.46%)	-	-
Attrition Rate (-/+ 0.5%)	272596	280506	-	-
%Change Compared to base due to sensitivity	(1.54%)	1.32%	-	-
Mortality Rate (-/+ 10%)	275987	277369	-	-
%Change Compared to base due to sensitivity	(0.31%)	0.19%	-	-

Table showing Cash Flow Information:

Cash Flow Information	(in Rupees)
Next Year Total (Expected)	323426
Minimum Funding Requirements	-
Company's Discretion	-

Table showing Benefit Information Estimated Future payments (Past Service):

Benefit Information Estimated Future payments (Past Service)	
Year	(in Rupees)
1	2537
2	2721
3	2954
4	3180
5	3482
6 to 10	23579
More than 10 years	1225635
Total Undiscounted Payments Past and Future Service	-
Total Undiscounted Payments related to Past Service	1264088
Less Discount for Interest	987242
Projected Benefit Obligation	276846

Table showing expected return on Plan Asset at end Measurement:

(in Rupees)

Expected return on Plan Asset at end Measurement	For the year ended	
	March 31, 2017	March 31, 2016
Current liability	2447	707
Non-Current Liability	274399	65526
Net Liability	276846	66233

xiv. Computation of Earnings Per Share (EPS):

(in Rupees)

	Current Year	**Previous Year**
Number of shares as on 1st April 2016 (Face Value of Rs.10/- each)	92092631	32422631

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TATA STEEL SPECIAL ECONOMIC ZONE LTD.

	Current Year	Previous Year
Number of shares as on 31st March 2017 (Face Value of Rs.10/- each)	125742631	92092631
Loss for the year (Rupees)	13124238	6345151
Weighted average number of shares considered for computation of Basic EPS (Numbers)	116100713	43959042
Weighted average number of shares for computation of Diluted EPS (Numbers)	126100713	-
Earnings Per Shares – Basic in Rupees	(0.12)	(0.14)
Earnings Per Share Diluted in Rupees (In-view of loss, considered to be anti dilutive)	(0.12)	(0.14)

xv. Segment reporting:

(in Rupees)

	DTA	SEZ	Un-allocable	Total
Segment Revenue				
External Revenue	2473210	0	0	2473210
Intersegment Revenue	0	0	0	0
Total Revenue	2473210	0	0	2473210
Segment Results before exceptional items, interest, tax and depreciation:				
Reconciliation to Net profit/ (loss)				
Finance income	0	0	3733290	3733290
Employee benefit & Other Expenses			-18712953	-18712953
Finance cost			0	0
Depreciation and Amortization	-606438	0	0	-606438
Profit before exceptional items and tax	1866772	0	-14979663	-13112891
Exceptional items				
Profit before tax	1866772	0	-14979663	-13112891
Tax				
Profit after tax from continuing operations				
Profit after tax from discontinued operations				
Total profit and loss for the period				
	1866772	0	-14979663	-13112891

Capital expenditure

Segment Assets

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TATA STEEL SPECIAL ECONOMIC ZONE LTD.

Included in above	189433586	498284250	904295971	1592013807
Equity Accounted Investments				
Segment liabilities				
	189433586	498284250	904295971	1592013807

i. Related Parties:

a) Key Management Personnel – Mr. Arun Misra (Managing Director)
Mr. Tanmay Kumar Sahu(CFO & Company Secretary)

b) Holding Company – Tata Steel Limited

c) Subsidiaries of the Company or Subsidiaries and joint ventures of Holding company (having transaction with the Company) – Tata Steel Processing & Distribution Limited

(in Rupees)

Transactions	Key Management Personnel		Holding Company		Subsidiaries and joint ventures of Holding Company	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Share Application money received	-	-	436500000	596700000	-	-
Inter Corporate deposit received	-	-	100000000	-	-	-
Purchase of goods	-	-	11860922	-	48219879	-
Receiving of services	-	-	12959286	8103154	-	-
Interest expenses	-	-	693151	-	-	-
Remuneration	3608661	3271413	-	3271413	-	-
Outstanding Payables	152622	-	106080457	-	3790197	-

ii. Previous year figures have been regrouped/rearranged wherever necessary.

In terms of our report of even date

For A.K. Sabat & Co.,
Chartered Accountants
(Firm Rgd.No.321012E)

For and on behalf of Board of Directors

(B. R. Mohanty)
Partner
Membership No.057266
Kolkata
Date: 14th June, 2017

(Tanmay Kumar Sahu)
CFO & Company Secretary

(Arun Misra)
Managing Director

(Samita Shah)
Director