

Price Waterhouse & Co Chartered Accountants LLP

Independent auditor's report

To the Members of Tata Steel Special Economic Zone Limited.

Report on the audit of the financial statements

Opinion

1. We have audited the accompanying financial statements of Tata Steel Special Economic Zone Limited ("the Company"), which comprise the balance sheet as at March 31, 2019, and the statement of Profit and Loss ((including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and total comprehensive income (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

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

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

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

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



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

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

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

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

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

Auditor's responsibilities for the audit of the financial statements

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



Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
10. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

11. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

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

12. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company has long-term contracts as at March 31, 2019 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2019.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019.
- iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/ E300009
Chartered Accountants



Ashish Taksali
Partner
Membership Number: 099625

Hyderabad
April 15, 2019

Price Waterhouse & Co Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 12(f) of the Independent Auditors' Report of even date to the members of Tata Steel Special Economic Zone Limited on the financial statements for the year ended March 31, 2019.

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Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Tata Steel Special Economic Zone Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.



Price Waterhouse & Co Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 12(f) of the Independent Auditors' Report of even date to the members of Tata Steel Special Economic Zone Limited on the financial statements for the year ended March 31, 2019.

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Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/ E300009
Chartered Accountants



Ashish Taksali
Partner
Membership Number: 099625

Hyderabad
April 15, 2019

Price Waterhouse & Co Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Tata Steel Special Economic Zone Limited on the financial statements as of and for the year ended March 31, 2019.

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
 - (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
 - (c) The title deeds of immovable properties, as disclosed in Note 3 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The Company is in the business of leasing of real estate, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under subsection (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities.
 - (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, service-tax, duty of customs, and duty of excise or value added tax or goods and service tax which have not been deposited on account of any dispute.
- viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments). Term loans have been applied, on an overall basis, for the purpose for which they were obtained.



Price Waterhouse & Co Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Tata Steel Special Economic Zone Limited on the financial statements as of and for the year ended March 31, 2019.

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- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/ E300009
Chartered Accountants



Ashish Taksali
Partner
Membership Number: 099625

Hyderabad
April 15, 2019

Tata Steel Special Economic Zone Limited
Balance Sheet as at March 31, 2019

Amount in INR

	Note	As at March 31, 2019	As at March 31, 2018
(I) ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	03	43,60,08,023	19,45,27,313
(b) Intangible assets (Other than Goodwill)	04	8,99,566	95,017
(c) Capital work-in-progress	05	1,57,86,57,790	62,87,86,642
(d) Intangible assets under development	06	4,90,494	2,81,058
		2,01,60,55,873	82,36,90,030
(e) Financial Assets -			
(i) Loans & Deposits	07	14,36,609	-
(f) Other Assets	08	1,87,59,74,443	12,31,11,928
(g) Tax Asset (Net)	09	7,68,000	6,40,000
		3,89,42,34,925	94,74,41,958
(2) Current assets			
(a) Financial assets			
(i) Trade Receivables	10	30,12,000	27,64,800
(ii) Cash and cash equivalents	11	19,08,07,922	10,31,12,162
(iii) Other Financial Assets	12	60,97,02,895	51,06,64,972
		80,35,22,817	61,65,41,934
(b) Other Assets	13	2,82,55,052	-
TOTAL ASSETS		4,72,60,12,794	1,56,39,83,892
(II) EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	14	1,85,24,26,310	1,54,74,26,310
(b) Other equity	15	2,62,96,43,730	(6,55,39,978)
		4,48,20,70,040	1,48,18,86,332
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Trade Payable	16	40,15,647	18,98,675
(ii) Borrowings	17	13,00,00,000	-
(iii) Other financial liabilities	18	12,24,614	-
(b) Retirement benefit obligations	19	7,02,233	3,80,051
(c) Other liabilities	20	-	6,40,000
		13,59,42,494	29,18,726
(3) Current liabilities			
(a) Financial liabilities			
(i) Trade payables	21	1,22,17,186	1,69,95,376
(ii) Other financial liabilities	22	8,75,30,729	5,61,27,551
(b) Retirement benefit obligations	23	14,78,082	3,99,186
(c) Other Liabilities	24	67,74,263	56,56,721
		10,80,00,260	7,91,78,834
TOTAL EQUITY AND LIABILITIES		4,72,60,12,794	1,56,39,83,892

The accompanying Notes form an integral part of the Balance Sheet.

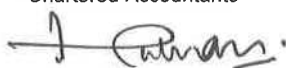
This is the Balance Sheet referred to in our Report of even date.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration No.304026E/E300009

Chartered Accountants

For and on behalf of Board of Directors



(Ashish Taksali)
 Partner
 Membership No.: 099625



(Amit Kumar Kundu)
 Chief Financial Officer
 FCA:53853



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



(Ashish Mathur)
 Managing Director
 (DIN:03508443)



(Arun Misra)
 Chairman
 (DIN:01835605)

Place: Hyderabad
 Date: 15/04/2019

Place: Bhubaneswar
 Date: 15/04/2019

Tata Steel Special Economic Zone Limited
Statement of Profit and Loss for the Year Ended March 31, 2019

		Amount in INR	
	Note	For the year ended March 31, 2019	For the year ended March 31, 2018
Income			
Revenue from operations	25	38,40,000	38,40,000
Other Income	26	37,67,948	47,38,576
Total Income		76,07,948	85,78,576
Expenses			
(a) Employee benefit expenses	27	2,48,28,813	1,13,80,455
(b) Depreciation and amortization expenses		77,95,421	66,65,321
(c) Other expenses	28	3,17,90,898	2,48,17,954
Total Expenses		6,44,15,132	4,28,63,730
Loss before tax		(5,68,07,184)	(3,42,85,154)
Tax Expense		-	-
Loss for the year		(5,68,07,184)	(3,42,85,154)
Other Comprehensive Income			
Item that will not be Reclassified to Profit or Loss in Subsequent Periods:			
Remeasurement gains / (losses) on defined benefit plans		1,09,292	(33,393)
Other Comprehensive Income / (Loss) for the year		1,09,292	(33,393)
Total Comprehensive Loss for the year		(5,66,97,892)	(3,43,18,547)
Earning per equity share [Nominal value per share Rs10 /- (March 31, 2018 : Rs 10 /-)]			
Basic (In Rs.)		(0.33)	(0.23)
Diluted (In Rs.)		(0.33)	(0.23)

The accompanying Notes form an integral part of the Statement of Profit and Loss.

This is the Statement of Profit and Loss referred to in our Report of even date.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration No.304026E/E300009

Chartered Accountants



(Ashish Taksali)
Partner
Membership No.: 099625



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



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

For and on behalf of Board of Directors



(Ashish Mathur)
Managing Director
(DIN:03508443)



(Arun Misra)
Chairman
(DIN:01835605)

Place: Hyderabad
Date: 15/04/2019

Place: Bhubaneswar
Date: 15/04/2019

Tata Steel Special Economic Zone Limited
Statement of Cash Flows for the year ending March 31, 2019

	Amount in INR	
	For the year ended March 31, 2019	For the year ended March 31, 2018
A. Cash Flow from Operating Activities:		
Loss for the year	(5,68,07,184)	(3,42,85,154)
Adjustments for:		
Depreciation and amortisation expenses	77,95,421	66,65,321
Dividend from mutual fund	(36,68,828)	(47,18,612)
Profit on sale of Property, Plant & Equipment	(27,428)	(4,853)
Operating profit/(Loss) before working capital changes	(5,27,08,019)	(3,23,43,298)
Adjustments for:		
(Increase)/Decrease in trade receivable	(2,47,200)	(28,12,800)
Increase/(Decrease) in trade payables	(26,61,221)	(2,33,27,228)
Increase/(Decrease) in other financial liabilities	(2,71,54,414)	(6,27,92,542)
Increase/(Decrease) in other liabilities	4,77,542	20,57,403
Increase/(Decrease) in retirement obligation	15,10,370	3,17,606
(Increase)/Decrease in loans & deposits	(14,36,609)	-
(Increase)/Decrease in other assets	(20,97,57,478)	(74,35,498)
Cash generated from operations	(23,92,69,010)	(9,39,93,059)
Income Tax Paid/Refund	(1,28,000)	-
Net cash from operating activities	(29,21,05,029)	(12,63,36,357)
B. Cash Flow from Investing Activities:		
Payment for acquisition of property, plant and equipment including capital work in progress and intangible assets.	(12,48,81,485)	(7,47,63,837) <i>AK</i>
Sale of Property plant and equipment	51,369	31,862
Increase/(Decrease) capital advance for land	-	43,30,56,472
(Increase)/Decrease in prepaid lease for SEZ land	-	18,94,33,586
Dividend from Mutual Fund	36,68,828	47,18,612
Net cash from investing activities	(12,11,61,288)	55,24,76,695 <i>AK</i>
C. Cash Flow from Financing Activities:		
Issue of equity capital	30,50,00,000	19,00,00,000
Share application money received	16,50,00,000	-
Proceeds from inter corporate deposit	13,00,00,000	70,00,00,000
Payment on behalf of Tata Steel Limited	(9,90,37,923)	(1,31,06,64,972)
Net cash from financing activities	50,09,62,077	(42,06,64,972)
Net increase/ (decrease) in cash or cash equivalents (A+B+C)	8,76,95,760	54,75,366 <i>AK</i>
Cash and Cash Equivalents - Opening Balance (Refer Note 11)	10,31,12,162 <i>AK</i>	9,76,36,796
Cash and Cash Equivalents - Closing Balance (Refer Note 11)	19,08,07,922 <i>AK</i>	10,31,12,162 <i>AK</i>

(a) The above Standalone Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

The accompanying Notes form an integral part of the Cash Flow Statement.

This is the Cash Flow Statement referred to in our Report of even date.

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

For and on behalf of Board of Directors

(Signature)
(Ashish Taksali)
 Partner
 Membership No.: 099625

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

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

(Signature)
(Ashish Mathur)
 Managing Director
 (DIN:03508443)

(Signature)
(Arun Misra)
 Chairman
 (DIN:01835605)

Place: Hyderabad
 Date: 15/04/2019

Place: Bhubaneswar
 Date: 15/04/2019

Tata Steel Special Economic Zone Limited
Statement of changes in equity for the year ended March 31, 2019

Amount in INR

As at March 31, 2019	Share capital		Retained earnings		
	Equity Share Capital	Share application money pending allotment	Balance of Statement of Profit and loss	Remeasurement Gains/ (Losses)	Total
At beginning of the period	1,547,426,310	-	(65,539,978)	-	(65,539,978)
Profit / (Loss) for the period	-	-	(56,807,184)	-	(56,807,184)
Other Comprehensive Income	-	-	-	109,292	109,292
- Remeasurement Gain on Defined Benefit Plans	-	-	-	109,292	109,292
Total comprehensive income for the period	-	-	(56,807,184)	109,292	(56,697,892)
Additions	305,000,000	3,056,881,600	-	-	-
Remeasurement gains/(losses) t/f	-	-	109,292	(109,292)	-
Allotment of share	-	(305,000,000)	-	-	-
At end of period	1,852,426,310	2,751,881,600	(122,237,870)	-	(122,237,870)

As at March 31, 2018	Equity Share Capital	Share application money pending allotment	Balance of Statement of Profit and loss	Remeasurement Gains/ (Losses)	Total
At beginning of the period	1,257,426,310	100,000,000	(31,221,431)	-	(31,221,431)
Profit / (Loss) for the period	-	-	(34,285,154)	-	(34,285,154)
Other Comprehensive Income	-	-	-	(33,393)	(33,393)
- Remeasurement Losses on Defined Benefit Plans	-	-	-	(33,393)	(33,393)
Total comprehensive income for the period	-	-	(34,285,154)	(33,393)	(34,318,547)
Additions	290,000,000	190,000,000	-	-	-
Remeasurement gains/(losses) t/f	-	-	(33,393)	33,393	-
Allotment of share	-	(290,000,000)	-	-	-
At end of period	1,547,426,310	-	(65,539,978)	-	(65,539,978)

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

This is the Standalone Statement of Changes in Equity referred to in our Report of even date.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration No.: 304026E/E-300009

Chartered Accountants



(Ashish Taksali)

Partner

Membership No.: 099625

Place: Hyderabad

Date: 15/04/2019

For and on behalf of the Board



(Amit Kumar Kundu)

Chief Financial Officer

(FCA:53853)



(Tanmay Kumar Sahu (Ashish Mathur))

Company Secretary

(FCS:4872)

Managing Director

(DIN:03508443)

(Arun Misra)

Chairman

(DIN:01835605)

Place: Bhubaneswar

Date: 15/04/2019

Tata Steel Special Economic Zone Limited

Notes to Financial Statements as at and for the year ended March 31, 2019

1) Background

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

The Company, a 100% subsidiary of Tata Steel Limited, is in the process of developing an Industrial Park at Gopalpur, in Ganjam District of Odisha. The Industrial park includes a Domestic Tariff Area and a multi-product Special Economic Zone in which the Company will act as a developer.

2) Significant Accounting Policies:

This note provides a list of the significant accounting policies adopted in the presentation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

(i) Compliance with Ind AS

The financial statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act') [Companies (Accounting Standards) Rules, 2015] and other provisions of the Act.

(ii) Historical Cost Convention

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

(iii) Current versus Non-current Classification

The Company presents assets and liabilities in the Balance Sheet based on current / non-current classification.

An asset is classified as current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle,
- held primarily for the purpose of trading,
- expected to be realised within twelve months after the reporting period, or
- cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

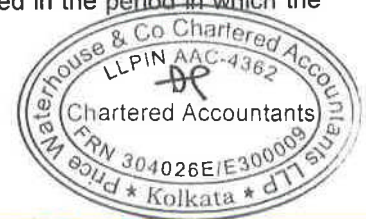
- it is expected to be settled in the normal operating cycle,
- it is held primarily for the purpose of trading,
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as Non-current.

2.2 Critical Estimates and Judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each Balance Sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.



Tata Steel Special Economic Zone Limited

Notes to Financial Statements as at and for the year ended March 31, 2019

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

· Employee Benefits (Estimation of Defined Benefit Obligations) — Notes 2.11 and 32

Post-employment benefits represent obligations that will be settled in the future and require assumptions to project benefit obligations. Post-employment benefit accounting is intended to reflect the recognition of future benefit costs over the employee's approximate service period, based on the terms of the plans and the investment and funding decisions made. The accounting requires the Company to make assumptions regarding variables such as discount rate and salary growth rate. Changes in these key assumptions can have a significant impact on the defined benefit obligations.

· Estimation of Expected Useful Lives of Property, Plant and Equipment and Intangible Assets— Notes 2.3, 3 and 4

Management reviews its estimate of the useful lives of property, plant and equipment and intangible assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of property, plant and equipment and intangible assets.

2.3 Property, plant and equipment

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they occurred. Trial run expenses (net of revenue) are capitalized.

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

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives.

The useful lives have been determined based on technical evaluation done by the management's experts which are same as those specified by Schedule II to the Act, except in case of Porta Cabins and Portable toilet units capitalized under building and other structures, where the useful life is less than that specified in Schedule II. The residual values are not more than 5% of the original cost of the assets.

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

Particulars	Estimated useful life (years)
Buildings and other structures	3 to 30 years
Furniture and fixture	10 years
Office equipment	3 to 5 year



Tata Steel Special Economic Zone Limited

Notes to Financial Statements as at and for the year ended March 31, 2019

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2.4 Intangible assets

Intangible assets have a finite useful life and are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

Computer Software

Computer Software for internal use, which is primarily acquired from third-party vendors is capitalised. Subsequent costs associated with maintaining such software are recognised as expense as incurred. Cost of computer software includes license fees and cost of implementation/system integration services, where applicable.

Computer Software are amortised on a pro-rata basis using the straight-line method over its estimated useful life of 3 to 5 years from the date they are available for use. Amortisation method and useful lives are reviewed periodically including at each financial year end.

2.5 Impairment of Assets

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

2.6 Leases

As a Lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.7 Cash and Cash Equivalents

For the purpose of presentation in the Cash Flow Statement, cash and cash equivalents includes cash on hand, deposits held with banks / financial institutions with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.



Tata Steel Special Economic Zone Limited

Notes to Financial Statements as at and for the year ended March 31, 2019

2.8 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the year in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.9 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of trade discounts, rebates, value added taxes, goods and service tax (GST) and amounts collected on behalf of third parties.

The Company recognizes revenue when the amount can be reliably measured, and it is probable that the economic benefits will flow to the Company and specific criteria have been met for each of the company's activities as described below. The company bases its estimates on historical results, taking into consideration the type of transaction and the specifics of each arrangement.

(i) Rental income

Rental income from is recognized on a straight-line basis over the term of the relevant leases.

2.10 Foreign currency transactions and translation

(i) Functional and Presentation Currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian Rupee (Rupees or Rs.), which is the Company's functional and presentation currency.

(ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. At the year-end, monetary assets and liabilities denominated in foreign currencies are restated at the year-end exchange rates. The exchange differences arising from settlement of foreign currency transactions and from the year-end restatement are recognised in statement of profit and loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

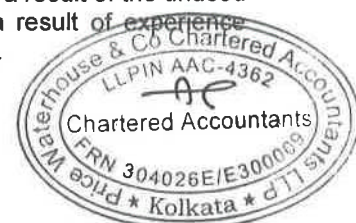
2.11 Employee benefits

i. Short-term Employee Benefit:

Liabilities for short-term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

ii. Other Long Term Employee Benefit Obligation

Long-term compensated absences are provided for based on actuarial valuation, as per projected unit credit method, done at the end of each financial year. Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.



Tata Steel Special Economic Zone Limited

Notes to Financial Statements as at and for the year ended March 31, 2019

iii. Post-employment obligations

Defined Benefit Plans

The liability recognised in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in 'Employee Benefits Expense' in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. These are included in 'Retained Earnings' in the Statement of Changes in Equity.

Defined Contribution Plans

Contributions under defined contribution plans payable in keeping with the related schemes are recognised as expenses for the period in which the employee has rendered the service.

2.12 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expenses relating to a provision is recognised in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.13 Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.



Tata Steel Special Economic Zone Limited

Notes to Financial Statements as at and for the year ended March 31, 2019

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

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

2.14 Trade Receivables

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.15 Investments and other Financial Assets

i. Classification

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- Those measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the statement of profit and loss or other comprehensive income. For investments in debt instrument, this will depend on the business model in which the investment is held. For investment in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

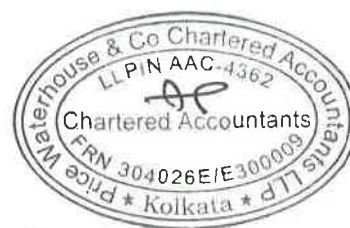
The Company reclassifies debt investments when and only when its business model for managing those assets changes.

ii. Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit and loss.

a. Debt Instruments:

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:



Tata Steel Special Economic Zone Limited

Notes to Financial Statements as at and for the year ended March 31, 2019

- **Amortized cost**

Assets that are held for collection of contractual cash flows where the cash flows represents solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in the statement of profit and loss when the asset is derecognized or impaired.

- **Fair value through Other Comprehensive Income (FVOCI)**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, if any, which are recognized in the statement of profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to the statement of profit and loss and recognized in Other Income/Other Expenses.

- **Fair value through Profit or Loss (FVTPL)**

Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented net in the statement of profit and loss within 'Other Income'/'Other Expenses' in the period in which it arises.

b. Equity Instruments:

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in 'Other Income/Other Expenses' in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

iii. Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost and FVOCI debt instruments, if any. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

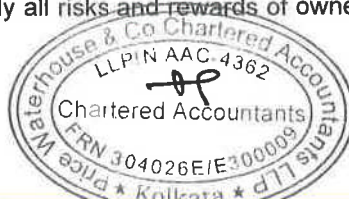
For trade receivables only, the company applies the simplified approach required by Ind AS 109- "Financial Instruments", which requires expected lifetime losses to be recognized at the time of initial recognition of the receivables.

iv. De-recognition of financial assets

A financial asset is derecognized only when:

- The Company has transferred the rights to receive cash flows from the financial assets, or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipient.

Where the company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.



Tata Steel Special Economic Zone Limited

Notes to Financial Statements as at and for the year ended March 31, 2019

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if it has not retained control of the financial asset. Where the company retains control of the financial asset, the asset continues to be recognized to the extent of continuing involvement in the financial asset.

v. Income recognition

• Interest Income

Interest income from debt instruments is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

• Dividends

Dividends are recognized in the statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

2.16 Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest rate method.

2.17 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable rights must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.18 Earnings per Share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.



Tata Steel Special Economic Zone Limited

Notes to Financial Statements as at and for the year ended March 31, 2019

2.19 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired.

2.20 Recent Accounting Pronouncements

Standards Issued but not yet Effective

Ind AS 116, Leases

The Ministry of Corporate Affairs (MCA) has notified Ind AS 116, 'Leases', on March 30, 2019, which is effective for accounting periods beginning on or after April 1, 2019. The new lease standard on leases, which has a lease term of more than 1 year to be recognized in the balance sheet of the lessee as a right to use asset with a corresponding liability. The company is evaluating the impact of the new standard.



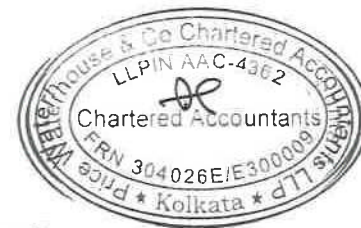
Tata Steel Special Economic Zone Limited
Notes to Financial Statements as at and for the year ended March 31, 2019

03. Property, Plant and Equipment

Amount in INR

As at March 31, 2019	Buildings and other structures	Furniture and fixtures	Office Equipments	Total Tangible Assets
	(A)	(B)	(C)	(A+B+C)
Cost at beginning of the year	20,06,02,084	1,62,368	17,24,648	20,24,89,100
Additions	24,30,49,237	50,47,560	9,98,016	24,90,94,813
Disposals	-	-	(1,50,000)	(1,50,000)
Cost at end of the year	44,36,51,321	52,09,928	25,72,664	45,14,33,913
Depreciation at beginning of the year	73,85,762	11,561	5,64,464	79,61,787
Charge for the year	69,42,889	16,123	6,31,150	75,90,162
Disposals	-	-	(1,26,059)	(1,26,059)
Depreciation at end of the year	1,43,28,651	27,684	10,69,555	1,54,25,890
Net book value at beginning of the year	19,32,16,322	1,50,807	11,60,184	19,45,27,313
Net book value at end of the year	42,93,22,670	51,82,244	15,03,109	43,60,08,023

As at March 31, 2018	Buildings and other structures	Furniture and fixtures	Office Equipments	Total Tangible Assets
Cost at beginning of period	3,05,24,915	73,738	11,35,776	3,17,34,429
Additions	17,00,77,169	88,630	6,38,872	17,08,04,671
Disposals	-	-	(50,000)	(50,000)
Cost at end of period	20,06,02,084	1,62,368	17,24,648	20,24,89,100
Depreciation at beginning of period	6,22,887	2,457	1,76,228	8,01,572
Charge for the period	67,62,875	9,104	4,11,227	71,83,206
Disposals	-	-	(22,991)	(22,991)
Depreciation at end of period	73,85,762	11,561	5,64,464	79,61,787
Net book value at beginning of period	2,99,02,028	71,281	9,59,548	3,09,32,857
Net book value at end of period	19,32,16,322	1,50,807	11,60,184	19,45,27,313



Tata Steel Special Economic Zone Limited
Notes to Financial Statements as at and for the year ended March 31, 2019

04. Intangible Assets (Other than Goodwill)

Amount in INR

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

As at March 31, 2018	Software Costs	Company Logo	Total Intangible Assets
Cost at beginning of period	34,200	-	34,200
Additions	80,806	-	80,806
Cost at end of period	1,15,006	-	1,15,006
Amortisation at beginning of period	1,874	-	1,874
Charge for the year	18,115	-	18,115
Amortisation at end of period	19,989	-	19,989
Net book value at beginning of period	32,326	-	32,326
Net book value at end of period	95,017	-	95,017



Tata Steel Special Economic Zone Limited

Notes to Financial Statements as at and for the year ended March 31, 2019

	As at March 31, 2019	Amount in INR As at March 31, 2018
05- Capital Work In Progress		
Project development expenses	1,57,86,57,790	62,87,86,642
	1,57,86,57,790	62,87,86,642
06- Intangible Assets Under Development		
Board App	-	1,49,494
Legatrix Software	4,60,494	-
Travel Management Software	30,000	-
Company Logo	-	1,31,564
	4,90,494	2,81,058
07- Loans & Deposits (At amortised cost)		
Unsecured, considered good unless otherwise treated	-	-
Security Deposits	14,36,609	-
	14,36,609	-
08 - Other Assets - Non-current (Unsecured, considered good unless stated otherwise)		
Balance with Govt. Authorities	6,43,71,947	5,33,43,976
Capital advance for Land	-	6,52,27,778
Prepaid Expenses	4,47,719	-
Advance Recoverable in cash or in kind	28,31,422	45,40,174
Prepaid lease payment for operating lease	1,80,83,23,355	-
	1,87,59,74,443	12,31,11,928
09- Tax Asset (Net)		
Advance Tax	7,68,000	6,40,000
	7,68,000	6,40,000
10- Trade Receivables - Current (At amortised cost)		
Unsecured, considered good unless otherwise treated	-	-
Considered good - unsecured	30,12,000	27,64,800
	30,12,000	27,64,800
11- Cash and Cash Equivalents		
Balance with Bank -	-	-
On Current Account	19,08,07,922	10,31,12,162
	19,08,07,922	10,31,12,162
12- Other Financial Assets - Current (At Amortised Cost)		
Receivable from Tata Steel Limited [Refer Note 34]	60,97,02,895	51,06,64,972
	60,97,02,895	51,06,64,972
13- Other Assets (Current)		
Prepaid lease payment for operating lease	2,82,55,052	-
	2,82,55,052	-
14- Equity Share Capital		
Authorised:		
55,00,00,000 Equity shares of Rs. 10/- each	5,50,00,00,000	2,50,00,00,000
20,00,00,000 Preference shares of Rs. 10/- each	2,00,00,00,000	-
(March 31, 2018: 25,00,00,000 equity shares of Rs. 10/- each)		
(March 31, 2018: Preference share Nil)	7,50,00,00,000	2,50,00,00,000
Issued, Subscribed and Paid up:		
18,52,42,631 Equity shares of Rs. 10/- each fully paid up	1,85,24,26,310	1,54,74,26,310
(March 31, 2018: 15,47,42,631 equity shares of Rs. 10/- each fully paid up)		
	1,85,24,26,310	1,54,74,26,310
Shares issued to Tata Steel Limited, holding company and its nominee	-	-
Balance at the beginning of the year	15,47,42,631	12,57,42,631
Add: Share issued during the year	3,05,00,000	2,90,00,000
Balance at the end of the year	18,52,42,631	15,47,42,631
Percentage of Shares Issued to Holding Company	100	100

Term and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- (March 31, 2018: Rs. 10/-) per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



Tata Steel Special Economic Zone Limited
Notes to Financial Statements as at and for the year ended March 31, 2019

Amount In INR

15 - Other Equity		As at March 31, 2019	As at March 31, 2018
(i) Retained Earnings			
Balance of Statement of Profit & Loss			
Opening balance of Profit/ (Loss)		(6,55,39,978)	(3,12,21,431)
Add: Loss during the year		(5,68,07,184)	(3,42,85,154)
Other Comprehensive Income/(Loss) during the year		1,09,292	(33,393)
		(12,22,37,870)	(6,55,39,978)
(ii) Share Application Money Pending Allotment			
Opening balance			
Received from Tata Steel Limited, holding company		47,00,00,000	19,00,00,000
Transfer of Asset against equity pending allotment		2,58,68,81,600	-
		3,05,68,81,600	29,00,00,000
Less: Share allotted		30,50,00,000	29,00,00,000
Closing balance		2,75,18,81,600	-
Total Other Equity		2,62,96,43,730	(6,55,39,978)

16 - Trade Payable - Non-current		As at March 31, 2019	As at March 31, 2018
Trade Payble : Micro and Small Enterprises			
		-	-
Trade payables others		40,15,647	18,98,675
		40,15,647	18,98,675
As at March 31, 2019			
As at March 31, 2018			
17 - Borrowings - Non Current			
Loans From related party [Refer Note 34]			
		13,00,00,000	-
		13,00,00,000	-

Long term borrowings

Particulars	Maturity date	Terms of repayment	Coupon/Interest rate	As at 31st March, 2019	As at 31st March, 2018
Unsecured					
ICD from Tata Steel Ltd. (incl. interest)	-	Two to Three years (Previously one year)	10.50%	13,13,60,684	84,97,26,950
Less: Interest Accrued				13,60,684	4,97,26,950
Principal Amount of Borrowing				13,00,00,000	80,00,00,000
Less: Set off has been done against R&R payment				-	80,00,00,000
Net Balance as at year end				13,00,00,000	-

18 - Other financial liabilities - Non Current		As at March 31, 2019	As at March 31, 2018
Interest Accrued on Borrowings [Refer Note 34]			
		12,24,614	-
		12,24,614	-
As at March 31, 2019			
As at March 31, 2018			

19 - Retirement Benefit Obligations - Non-current		As at March 31, 2019	As at March 31, 2018
Gratuity [Refer Note 32 (ii)]			
		7,02,233	3,80,051
		7,02,233	3,80,051
As at March 31, 2019			
As at March 31, 2018			

20 - Other liabilities - Non-current		As at March 31, 2019	As at March 31, 2018
Advance Rent From Sure Safety Solutions			
		-	6,40,000
		-	6,40,000
As at March 31, 2019			
As at March 31, 2018			

21 - Trade Payables - Current		As at March 31, 2019	As at March 31, 2018
Trade Payble : Micro and Small Enterprises			
		-	-
Trade Payble : Others		1,22,17,186	53,22,777
Trade Payble Related parties - [Refer Note 34]		-	1,16,72,599
		1,22,17,186	1,89,95,376
As at March 31, 2019			
As at March 31, 2018			

22 - Other Financial Liabilities- Current		As at March 31, 2019	As at March 31, 2018
Employee Related Liabilities			
		37,36,368	8,90,782
Security deposit from vendor		4,58,706	4,58,706
Payable for purchase of Property, Plant & Equipment		8,33,35,655	5,47,78,063
		8,75,30,729	5,61,27,551
As at March 31, 2019			
As at March 31, 2018			

23 - Retirement Benefits Obligation - Current		As at March 31, 2019	As at March 31, 2018
Gratuity [Refer Note 32 (ii)]			
		6,785	3,146
Leave Benefits [Refer Note 32 (iii)]		14,71,297	3,96,040
		14,78,082	3,99,186
As at March 31, 2019			
As at March 31, 2018			

24 - Other Liabilities - Current		As at March 31, 2019	As at March 31, 2018
Statutory Dues			
		26,69,037	30,38,951
Advance Rent From Sure Safety Solutions		6,40,000	-
Advance from customer		34,65,226	26,17,770
		67,74,263	56,56,721
As at March 31, 2019			
As at March 31, 2018			



Tata Steel Special Economic Zone Limited

Notes to Financial Statements as at and for the year ended March 31, 2019

Amount in INR

	For the year ended March 31, 2019	For the year ended March 31, 2018
25 - Revenue from Operations		
Income from Lease rent and other services	38,40,000	38,40,000
	38,40,000	38,40,000
26 - Other Income		
Mutual fund dividend	36,68,828	47,18,612
Other Non-operating income	99,120	19,964
	37,67,948	47,38,576
27- Employee Benefit Expenses		
Salary & Other Benefits	2,27,28,922	1,02,03,807
Contribution to provident fund [Refer Note 32 (i)]	14,18,347	8,53,190
Gratuity [Refer Note 32 (ii)]	4,35,113	1,98,412
Staff Welfare Expenses	2,46,431	1,25,046
	2,48,28,813	1,13,80,455
28- Other Expenses		
Legal & professional fees	12,42,149	6,19,230
Bank charges	4,986	9,483
Rent	18,48,565	-
Telecommunication expenses	32,847	21,220
Payment to Auditors - As Audit Fees	57,000	67,450
Outsourcing expenses	68,38,033	6,94,639
Travelling and Conveyances	37,38,495	31,68,630
Directors' sitting fee	1,60,000	2,40,351
Marketing expenses	86,63,716	1,86,01,477
Rates & taxes	71,34,819	88,346
Bad Debt Written Off	5,826	-
Miscellaneous Expenses	20,64,462	13,07,128
	3,17,90,898	2,48,17,954



Tata Steel Special Economic Zone Limited

Notes to Financial Statements as at and for the year ended March 31, 2019

29. The Company is in the process of developing an Industrial Park at Gopalpur, in Ganjam District of Odisha over a land parcel of 2970 acres. The Industrial park includes a multi-product special economic zone and domestic tariff area. Land admeasuring 1235 acres meant for development of special economic zone has been leased in favour of the Company by Industrial Infrastructure Development Corporation of Odisha and the same has been notified as Special Economic Zone by Ministry of Commerce & Industry, Government of India. Land admeasuring 1720 acres meant for development of domestic tariff area has been leased in favour of the Company by Industrial Infrastructure Development Corporation of Odisha during the current year.

Cost of the land, premium, ground rent, cess, boundary wall, periphery road and common infrastructure amounting to Rs 259 crore has been paid by Tata Steel Limited, the Holding Company and the same has been transferred in our books during the current year. The aforesaid amount of Rs 259 crore has been treated as non-cash transfer in the form of Equity share pending allotment.

30. Contingent Liability and Commitments:

There is no contingent liability as on March 31, 2019.

Particulars	As at March 31, 2019 (in Rs.)	As at March 31, 2018 (in Rs.)
Estimated amount of contracts remaining to be executed on Capital account	33,07,23,405	11,43,22,729

31. 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.

32. Employee Benefits:

i. Defined Contribution Obligation:

The Company maintains a provident fund with Regional Provident Fund Commissioner. Contributions are made to provident fund for employees at the rate of 12% of basic salary as per regulation. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expenses recognized during the period towards defined contribution plan is Rs.14,18,347 (March 31, 2018- Rs. 8,53,190)

ii. Defined Benefit Obligation:

The Company has defined benefit gratuity plan as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible to get gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days multiplied with number of years of completed services. The gratuity plan is unfunded plan.

The following tables summarize the component of net benefit expenses recognized in the Statement of Profit & Loss and Balance Sheet as at March 31, 2019 as required by Ind AS - 19 Employee benefits.



Tata Steel Special Economic Zone Limited

Notes to Financial Statements as at and for the year ended March 31, 2019

Gratuity Benefit:

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

Changes in Present Value of Obligation	(in Rupees)	
	For the year ended	
	March 31, 2019	March 31, 2018
Present value of obligation as on last valuation	3,83,197	1,51,392
Current Service Cost	4,06,067	1,86,755
Interest Cost	29,046	11,657
Actuarial gain/loss on obligations due to Change in Financial Assumption	10,517	(14,119)
Actuarial gain/loss on obligations due to Unexpected Experience	(1,19,809)	47,512
Present value of obligation as on valuation date	7,09,018	3,83,197

Table showing Reconciliation to Balance Sheet:

Reconciliation to Balance Sheet	(in Rupees)	
	For the year ended	
	March 31, 2019	March 31, 2018
Funded Status	(7,09,018)	(3,83,197)
Fund Liability	7,09,018	3,83,197

Table Showing Plan Assumptions:

Plan Assumptions	(In Rupees)	
	For the year ended	
	March 31, 2019	March 31, 2018
Discount Rate	7.58%	7.70%
Rate of Compensation Increase (Salary Inflation)	6.00%	6.00%
Average expected future service (Remaining working Life)	14	23
Average Duration of Liabilities	14	23
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%



Tata Steel Special Economic Zone Limited

Notes to Financial Statements as at and for the year ended March 31, 2019

Table showing Expense Recognized in statement of Profit/Loss:

Expense Recognized in statement of Profit/Loss	(In Rupees)	
	For the year ended	
	March 31, 2019	March 31, 2018
Current Service Cost	4,06,067	1,86,755
Cost(Loss)/(Gain) on settlement	29,046	11,657

Table showing Other Comprehensive Income:

Other Comprehensive Income	(in Rupees)	
	For the year ended	
	March 31, 2019	March 31, 2018
Actuarial gain/loss on obligations due to Change in Financial Assumption	10,517	(14,119)
Actuarial gain/loss on obligations due to Unexpected Experience	(1,19,809)	47,512
Total Actuarial (gain)/losses	(1,09,292)	33,393
Net (Income)/Expense for the Period Recognized in OCI	(1,09,292)	33,393

Table showing Sensitivity Analysis:

Sensitivity Analysis	(In Rupees)			
	March 31, 2019		March 31, 2018	
	Increase	Decrease	Increase	Decrease
Discount Rate (-/+ 1%)	6,66,612	7,55,310	3,20,939	4,60,299
%Change Compared to base due to sensitivity	(5.981%)	6.529%	(16.25%)	12.01%
Salary Growth (-/+ 1%)	7,56,019	6,65,640	4,60,492	3,19,805
%Change Compared to base due to sensitivity	6.629%	(6.118%)	12.02%	16.54%

During the Current year, Company has considered discount rate 1% instead of 0.5% as considered in Previous Year.

iii. Leave Benefits:

The Company provides for accumulation of leave by its employees. The employees can carry forward a portion of the unutilised leave balances and utilise it in future periods or receive cash in lieu thereof as per the Company's policy. The Company records a provision for leave benefits in the period in which the employee renders the services that increases this entitlement. This is an unfunded plan.

The total provision recorded by the Company towards these benefits as at year end was Rs. 14,71,297 (March 31, 2018: Rs. 3,96,040). The amount of the provision is presented as current, since the Company does not have an unconditional right to defer settlement for any of these benefits. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

iv. Risk Exposure

Interest rate volatility: - The gratuity liability is calculated using discount rate set with reference to Govt. securities yield. If there is any change in yield of Govt. securities, the provision may change accordingly.



Tata Steel Special Economic Zone Limited

Notes to Financial Statements as at and for the year ended March 31, 2019

33. Computation of Earnings Per Share (EPS):

(In Rupees)

Particulars	Current Year	Previous Year
Number of equity shares at the beginning of the year	15,47,42,631	12,57,42,631
Number of equity shares at the end of the year	18,52,42,631	15,47,42,631
Loss for the year (Rupees)	5,68,07,184	3,42,85,154
Weighted average number of shares considered for computation of Basic EPS (Numbers)	17,07,12,494	14,66,24,823
Weighted average number of shares for computation of Diluted EPS (Numbers)	17,07,12,494	14,66,24,823
Face Value of Each Equity Share (Rs.)	10	10
Earnings Per Shares Basic in Rupees	(0.33)	(0.23)
Earnings Per Share Diluted in Rupees	(0.33)	(0.23)

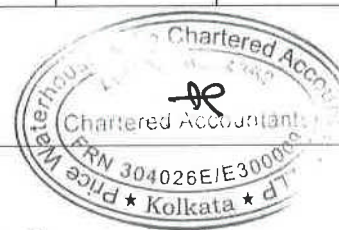
34. Related Parties Transactions:

i. List of Related Parties and Relationship

Name of the Related Party	Relationship
Tata Steel Limited	Holding Company
Tata Steel Processing and Distribution Limited (TSPDL)	Fellow Subsidiary

(in Rupees)

Transactions	Tata Steel Ltd. (Holding Company)		TSPDL (Fellow Subsidiary)	
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
Share Application money received and allotted	30,50,00,000	19,00,00,000	-	-
Share Application received pending for allotment	16,50,00,000	-	-	-
Share Application pending allotment (Non-Cash Transfer)	2,58,68,81,600	-	-	-
Inter Corporate deposit received	13,00,00,000	70,00,00,000	-	-
Purchase of Capital goods	-	-	1,74,380	29,94,973
Receiving of services	1,90,23,716	1,98,95,054	-	-
Interest expenses	13,60,684	4,90,33,781	-	-



Tata Steel Special Economic Zone Limited

Notes to Financial Statements as at and for the year ended March 31, 2019

Balances outstanding as at the year end	Tata Steel Ltd. (Holding Company)		TSPDL (Fellow Subsidiary)	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Trade Payables- Current	-	1,16,72,599	-	-
Borrowings- Non Current	13,00,00,000	-	-	-
Other Financial Liabilities- Current	80,86,104	-	-	5,10,551
Other financial liabilities - Non Current	12,24,614	-	-	-
Other Financial Assets - Current	60,97,02,894	51,06,64,972	-	-

Transactions	Independent Director	
	Year ended March 31, 2019	Year ended March 31, 2018
Sitting Fees	1,60,000	2,40,350

ii. List of Key Managerial Person and Relationship

Transactions	Ashish Mathur, Managing Director		Amit Kumar Kundu, Chief Financial Officer		Tanmay Kumar Sahu Company Secretary	
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
Short Term Employee Benefits	41,12,325	-	21,79,408	-	40,18,020	33,86,647
Contribution to Provident Fund	3,61,939	-	92,460	-	1,63,024	1,44,270
Other Long Term Benefits	19,54,500	-	-	-	-	-
Balances outstanding as at the year end	Ashish Mathur, Managing Director		Amit Kumar Kundu, Chief Financial Officer		Tanmay Kumar Sahu Company Secretary	
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
Employee Related Liabilities	19,54,500	-	2,11,602	-	8,34,443	-

The remuneration to key managerial personnel does not include provisions made for gratuity and leave benefits as they are determined on an actuarial basis for the Company as a whole.



Tata Steel Special Economic Zone Limited

Notes to Financial Statements as at and for the year ended March 31, 2019

35. Deferred Taxes:

The deferred tax liability is primarily in respect of property, plant and equipment. As the company is in the process of initial phase of setting up the industrial park, the company has recognized deferred tax asset on unabsorbed depreciation and carry forward of losses to the extent of deferred tax liability, resulting in net deferred tax liability of nil (previous year: nil).

Particulars	As on March 31, 2018	Charge/Credit	As on March 31, 2019
Deferred Tax Liability on difference in WDV	39,61,002	61,68,028	1,01,29,030
Deferred Tax Asset on carried forward loss	39,61,002	61,68,028	1,01,29,030
Difference	-	-	-

Particulars	As on March 31, 2017	Charge/Credit	As on March 31, 2018
Deferred Tax Liability on difference in WDV	6,16,342	33,44,659	39,61,002
Deferred Tax Asset on carried forward loss	6,16,342	33,44,659	39,61,002
Difference	-	-	-

36. Leases

Company's office premises is obtained under non-cancellable operating lease. The lease term is for 3 years and renewable for further period on mutual consent. Lease agreements has no price escalation clause and rent is not based on any contingencies. There is no restriction under the lease agreement. There are no subleases.

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows	As at March 31, 2019	As at March 31, 2018
Within one year	34,59,456	-
Later than one year but not later than five year	54,77,472	-

The company has taken land on long term lease from IDCO, refer note -29

37. Fair value measurement

Financial instrument by category

Particulars	As at March 31, 2019	As at March 31, 2018
	Amortized cost	Amortized cost
Financial assets		
Loans & Deposits	14,36,609	-
Trade receivables	30,12,000	27,64,800
Cash and cash equivalents	19,08,07,922	10,31,12,162
Other financial assets	60,97,02,895	51,06,64,972
Total Financial assets	80,49,59,426	61,65,41,934



Tata Steel Special Economic Zone Limited

Notes to Financial Statements as at and for the year ended March 31, 2019

Particulars	As at March 31, 2019	As at March 31, 2018
	Amortized cost	Amortized cost
Financial liabilities		
Trade payable – Non Current	40,15,647	18,98,675
Borrowings	13,00,00,000	-
Other financial liabilities – Non Current	12,24,614	-
Trade payables - Current	1,22,17,186	1,69,95,376
Other financial liabilities – Current	8,75,30,729	5,61,27,551
Total Financial liabilities	23,49,88,176	7,50,21,602

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

38. Financial risk management

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

Risk exposures and responses

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

(a) Foreign currency risk management

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

(b) Liquidity risk

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

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

Maturity profile of Financial Liabilities

Maturity profile of all financial liabilities is as under:

Particulars	As at March 31, 2019	As at March 31, 2018
Maturing within one year		
Trade Payables	1,22,17,186	1,69,95,376
Other Financial Liabilities	8,75,30,729	5,61,27,551
Maturing within one to three year.		
Borrowings	13,00,00,000	-
Trade Payables	40,15,647	18,98,675
Other Financial Liabilities @	3,13,63,930	

@ Includes contractual interest payment based on interest rate prevailing at the end of the reporting period.



Tata Steel Special Economic Zone Limited

Notes to Financial Statements as at and for the year ended March 31, 2019

(c) Credit Risk:

Credit risk is the risk of financial loss arising from the counter party failure to repay or service debt according to the contractual terms and obligations. Financial instruments that are subjected to concentration of credit risk principally consists of investments, trade and other receivables. None of the financial instruments of the Company results in the material concentration of the credit risk.

39. Capital Management

(a) Risk Management

The company's objective when managing capital are to

- Safeguard its ability to continue as a going concern, so that company can continue to provide returns for shareholders and benefit for other stakeholders and,
- Maintain an optimal capital structure to reduce cost of capital.

40. The Honourable Supreme Court of India in its judgment in the matter of Vivekanada Vidyamandir & Others Vs The Regional Provident Fund Commissioner (II) West Bengal laid principles in relation to inclusion of allowances for determination of wages for the purposes of computing the provident fund contributions. The management is currently evaluating the matter together with the legal advisors to determine the applicability/ effective date (i.e., prospective or retrospective) and the operation of the Order. However, based on initial assessment the impact of the same is not expected to be material on these financial statements.

41. In terms of G.S.R. 308(E) dated March 30, 2017 the disclosures relating to specified bank notes are required to be provided for the period 8th November 2016 to 30 December 2016 and accordingly such disclosures are not applicable in the current year.

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

43. The financial statements were approved for issue by the Board of Directors on April 15, 2019.

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

For and on behalf of Board of Directors



(Ashish Taksali)
Partner
M No.099625



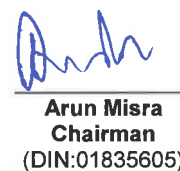
Amit Kumar Kundu
Chief Financial Officer
(FCA:53853)



Tanmay Kumar Sahu
Company Secretary
(FCS:4872)



Ashish Mathur
Managing Director
(DIN:03508443)



Arun Misra
Chairman
(DIN:01835605)

Place : Hyderabad
Date : April 15, 2019

Place : Bhubaneswar
Date : April 15, 2019