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, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow 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, 2022 , and total comprehensive income (comprising of profit/ loss and other comprehensive income) changes in equity and its cash flow 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 Directors' 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 Directors' 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.

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

Auditor's responsibilities for the audit of the financial statements

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

- 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, 2020 ("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.

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 the Statement of Cash Flow 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

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

    (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 (as amended), 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 was not required to recognise a provision as at March 31, 2022 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The Company did not have any derivative contracts as at March 31, 2022.

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, 2022.

iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 53 (f) to the financial statements);

(b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 53 (f) to the financial statements); and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The Company has not declared or paid any dividend during the year.

13. The Company has paid for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

sd/-
Dhiraj Kumar
Partner
Membership Number: 060466

UDIN: 22060466AHHSAZ6064
Place: Kolkata
Date: April 18,2022

Annexure A to Independent Auditor's Report

Referred to in paragraph 12f of the Independent Auditor's Report of even date to the members of Tata Steel Special Economic Zone Limited on the financial statements for the year ended March 31, 2022.

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, 2022 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 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 ("the Guidance Note") 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.

Auditor's 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 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.

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, 2022, 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 issued by ICAI.

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

sd/-
Dhiraj Kumar
Partner
Membership Number: 060466

UDIN: 22060466AHHSAZ6064
Place: Kolkata
Date: April 18, 2022

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, 2022.

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.

(b) The Property, Plant and Equipment of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), other than those disclosed in Note 3 on Property, Plant and Equipment and Note 5 on Right of Use assets to the financial statements, are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.

ii. (a) 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)(a) of the Order are not applicable to the Company.

(b) During the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions on the basis of security of current assets and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.

iii. (a) The Company has made investments in Eleven Mutual Fund schemes during the year.

(b) In respect of the aforesaid investments, the terms and conditions under which such investments were made are not prejudicial to the Company's interest.

(c) The Company has not granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the 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 Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, 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 statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.

viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix. (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained. (Also refer Note 23 to the financial statements)

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, the Company has not raised funds on short term basis.

(e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year.

(x)(a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(x)(b) The Company has made a preferential allotment during the year, in compliance with the requirements of Section 42 and Section 62 of the Act. The funds have not been raised since the total consideration was adjusted against the liability existing in the books, and therefore the question of our commenting that the fund have been used for the purpose does not arises.

(xi) (a) 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, noticed or reported during the year, nor have we been informed of any such case by the Management.

(xi)(b) 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, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(xi)(c) 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, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

(xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is 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 Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.

(xiv) (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(xiv) (b) The reports of the Internal Auditor for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connect with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the Group has Six CICs in the group, CICs as part of the Group as detailed in note 54 to the financial statements. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

(xvii) The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 50 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

(xx) The provisions relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

sd/-
Dhiraj Kumar
Partner
Membership Number: 060466

UDIN: 22060466AHHSAZ6064
Place: Kolkata
Date: April 18, 2022

Tata Steel Special Economic Zone Limited
Balance Sheet as at March 31, 2022 **Amount in INR**

	Note	As at March 31, 2022	As at March 31, 2021
(I) Assets			
(1) Non-current assets			
(a) Property, plant and equipment	03	1,110,010,282	1,224,304,294
(b) Intangible assets	04	938,692	1,776,712
(c) Right-of-use assets	05	1,752,551,903	1,804,217,557
(d) Capital work-in-progress	06	1,084,199,352	949,961,098
(e) Intangible assets under development	07	-	30,000
		3,947,700,229	**3,980,289,661**
(f) Financial assets			
(i) Lease receivable	08	415,974,269	414,073,586
(g) Other financial assets			
(i) Security deposits	09	578,780	578,780
(h) Other non-current assets	10	1,731,662	24,594,892
(i) Tax asset (Net)	11	8,180,210	2,273,454
Total non-current assets		**4,374,165,150**	**4,421,810,373**
(2) Current assets			
(a) Financial assets			
(i) Trade receivables	12	-	82,590
(ii) Cash and cash equivalents	13	315,236,199	118,074,732
(iii) Lease receivable	14	48,881,437	47,457,706
(iv) Other financial assets	15	76,596,289	1,617,799
(b) Other current assets	16	30,593,491	72,021,440
Total current assets		**471,307,416**	**239,254,267**
Total assets		**4,845,472,566**	**4,661,064,640**
(II) Equity and liabilities			
(1) Equity			
(a) Equity share capital	17	4,084,243,890	3,994,605,010
(b) Other equity	18	(184,836,966)	(363,823,209)
Total equity		**3,899,406,924**	**3,630,781,801**
(2) Liabilities			
(A) Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	19	381,065	-
(ii) Other financial liabilities	20	25,985,374	24,429,059
(b) Other non-current liabilities	21	40,927,699	26,739,982
(c) Employee benefit obligations	22	511,624	335,768
Total non-current liabilities		**67,805,762**	**51,504,809**
(B) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	590,000,000	590,000,000
(ii) Lease liabilities	24	1,866,008	2,499,740
(iii) Trade payables	25		
total outstanding dues of micro and small enterprises		-	-
total outstanding dues other than above		11,661,337	13,121,409
(iv) Other financial liabilities	26	210,173,485	327,970,860
(b) Employee benefit obligations	27	628,978	401,286
(c) Other current liabilities	28	63,930,072	44,784,735
Total current liabilities		**878,259,880**	**978,778,030**
Total liabilities		**946,065,642**	**1,030,282,839**
Total equity and liabilities		**4,845,472,566**	**4,661,064,640**

The accompanying notes form an integral part of the financial statements.

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

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

For and on behalf of Board of Directors

sd/-
Dhiraj Kumar
Partner
Membership No.: 060466

sd/-
Chanakya Chaudhary
Chairman
DIN: 02139568

sd/-
Prasanta Mallick
Managing Director
DIN: 02347304

sd/-
Manas Bandyopadhyay
Chief Financial Officer

sd/-
Swati Sheth
Company Secretary

Place: Kolkata
Date: April 18, 2022

Place: Bhubaneswar
Date: April 18, 2022

Tata Steel Special Economic Zone Limited
Statement of Profit and Loss for the year ended March 31, 2022 **Amount in INR**

		Note	For the year ended March 31, 2022	For the year ended March 31, 2021
Income				
(a)	Revenue from operations	29	356,407,610	112,031,227
(b)	Other income	30	8,524,870	2,275,571
Total income			**364,932,480**	**114,306,798**
Expenses				
(a)	Cost of Sales	31	12,407,692	-
(b)	Employee benefit expense	32	11,628,699	17,442,743
(c)	Finance Costs	33	194,967	490,490
(d)	Depreciation and amortisation expense	34	145,156,185	126,977,993
(e)	Other expenses	35	43,784,097	36,205,053
Total expenses			**213,171,640**	**181,116,279**
Profit/ (loss) before tax			**151,760,840**	**(66,809,481)**
Income tax expense			1,677,158	-
Profit/ (loss) after tax for the year			**150,083,682**	**(66,809,481)**
Other comprehensive income				
Item that will not be reclassified to profit or loss in subsequent periods:				
Remeasurement gains on defined benefit plans			38,841	205,301
Other comprehensive income for the year			**38,841**	**205,301**
Total comprehensive profit/ (loss) for the year			**150,122,523**	**(66,604,180)**
Earning per equity share				
	Basic earning per share (in Rs.)		0.37	(0.17)
	Diluted earning per share (in Rs.)		0.37	(0.17)

The accompanying Notes form an integral part of the financial statements.

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

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

For and on behalf of Board of Directors

sd/-
Dhiraj Kumar
Partner
Membership No.: 060466

sd/-
Chanakya Chaudhary
Chairman
DIN: 02139568

sd/-
Prasanta Mallick
Managing Director
DIN: 02347304

sd/-
Manas Bandyopadhyay
Chief Financial Officer

sd/-
Swati Sheth
Company Secretary

Place: Kolkata
Date: April 18, 2022

Place: Bhubaneswar
Date: April 18, 2022

Tata Steel Special Economic Zone Limited
Statement of changes in equity for the year ended March 31, 2022 **Amount in INR**

A) Equity share capital

Particulars	Number of shares	Amount
Balance as at April 01, 2021	**399,460,501**	**3,994,605,010**
Changes in equity share capital	-	-
Balance as at March 31, 2022	**399,460,501**	**3,994,605,010**
Changes in equity share capital	8,963,888	89,638,880
Balance as at March 31, 2022	**408,424,389**	**4,084,243,890**

B) Other equity

As at March 31, 2021	Share application money pending allotment	Retained earnings	Securities premium	Total
At beginning of the year	**10**	**(297,219,039)**	**-**	**(297,219,029)**
Loss for the year	-	(66,809,481)	-	(66,809,481)
Other comprehensive income	-	205,301	-	205,301
Total comprehensive income/ (loss) for the year	**-**	**(66,604,180)**	**-**	**(66,604,180)**
At end of the period	**10**	**(363,823,219)**	**-**	**(363,823,209)**

As at March 31, 2022	Share application money pending allotment	Retained earnings	Securities premium	Total
At beginning of the year	**10**	**(363,823,219)**	**-**	**(363,823,209)**
Profit for the year	-	150,083,682		150,083,682
Other comprehensive income	-	38,841		38,841
Total comprehensive income/ (loss) for the year	**-**	**150,122,523**	**-**	**150,122,523**
Transactions with owners in their capacity as owners:				
Issue of shares	-	-	28,863,720	28,863,720
At end of the period	**10**	**(213,700,696)**	**28,863,720**	**(184,836,966)**

The accompanying Notes form an integral part of the financial statements.

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

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

sd/-
Dhiraj Kumar
Partner
Membership No.: 060466

Place: Kolkata
Date: April 18, 2022

For and on behalf of Board of Directors

sd/-
Chanakya Chaudhary
Chairman
DIN: 02139568

sd/-
Prasanta Mallick
Managing Director
DIN: 02347304

sd/-
Manas Bandyopadhyay
Chief Financial Officer

sd/-
Swati Sheth
Company Secretary

Place: Bhubaneswar
Date: April 18, 2022

Tata Steel Special Economic Zone Limited
Statement of Cash Flow for the year ended March 31, 2022 **Amount in INR**

	For the year ended March 31, 2022	For the year ended March 31, 2021
A. Cash flow from operating activities:		
Profit/ (loss) before tax for the year	**150,083,682**	**(66,809,481)**
Adjustments for:		
Depreciation and amortisation expenses	145,156,185	126,977,993
Dividend/Gain from mutual fund	(5,209,840)	837,366
Finance cost	194,966	490,490
Interest income from financial assets	(3,051,891)	(1,162,012)
Interest on unwinding of security deposit	(111,929)	(149,240)
Interest on lease receivable	(271,073,025)	(19,093,075)
Loss/ (profit) on sale/ discard of property, plant and equipment	280,067	218,550
Operating profit/(loss) before working capital changes	**16,268,215**	**41,310,591**
Adjustments for:		
(Increase)/decrease in non-current/ current financial and other assets	258,960,384	18,680,588
Increase/ (decrease) in non-current/ current financial and other liabilities/ provisions	33,962,179	37,616,560
Cash generated from operations	**309,190,778**	**97,607,739**
Income taxes paid	(5,906,756)	(1,191,226)
Net cash inflow from operating activities	**303,284,022**	**96,416,513**
B. Cash flow from investing activities:		
Payment for acquisition of property, plant and equipment (including capital work in progress and intangible assets)	(110,749,501)	(328,678,143)
Proceeds from sale of property plant and equipment	-	29,766
Interest on fixed deposits/ sweep account	2,856,088	1,197,822
Dividend/ sale from mutual fund	5,209,840	(837,366)
Net cash outflow from investing activities	**(102,683,573)**	**(328,287,921)**
C. Cash flow from financing activities:		
Proceeds from borrowings	-	210,000,000
Principal element of lease payments	(2,859,246)	(3,777,867)
Interest paid on lease liabilities	(579,736)	(658,689)
Net cash inflow (outflow) from financing activities	**(3,438,982)**	**205,563,444**
Net increase (decrease) in cash and cash equivalents (A+B+C)	197,161,467	(26,307,964)
Cash and cash equivalents at the beginning of the financial year (refer Note 13)	118,074,732	144,382,696
Cash and cash equivalents at the end of the financial year (refer Note 13)	**315,236,199**	**118,074,732**

The accompanying Notes form an integral part of the financial statements.

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

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

For and on behalf of Board of Directors

sd/-
Dhiraj Kumar
Partner
Membership No.: 060466

sd/-
Chanakya Chaudhary
Chairman
DIN: 02139568

sd/-
Prasanta Mallick
Managing Director
DIN: 02347304

sd/-
Manas Bandyopadhyay
Chief Financial Officer

sd/-
Swati Sheth
Company Secretary

Place: Kolkata
Date: April 18, 2022

Place: Bhubaneswar
Date: April 18, 2022

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 Utility Services Company Limited, is in the process of developing an Industrial Park at Gopalpur, in Ganjam District of Odisha. Tata Steel Limited is the ulimate holding company of the company.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.

(A) An asset is classified as current when it is:

a) expected to be realised or intended to be sold or consumed in the normal operating cycle,

b) held primarily for the purpose of trading,

c) expected to be realised within twelve months after the reporting period, or

d) cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
All other assets are classified as non-current.

(B) A liability is classified as current when:
a) it is expected to be settled in the normal operating cycle,
b) it is held primarily for the purpose of trading,
c) it is due to be settled within twelve months after the reporting period, or
d) there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.
All other liabilities are classified as non-current.

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

(iv) New and amended standards adopted by the Company
The Company has applied the following amendments to Ind AS for the first time for their annual reporting period commencing 1 April 2020:
(a) Definition of Material – amendments to Ind AS 1 and Ind AS 8.
(b) COVID-19 related concessions – amendments to Ind AS 116.
The amendments listed above did not have any material impact on the amounts recognised in current and prior periods and are not expected to significantly affect the future periods.

v) Reclassifications consequent to amendments to Schedule II
The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on March 24, 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from April 1, 2021.
Consequent to above, the company has changed the classification/ presentation of 'lease liabilities' in the current year.
The lease liabilities has now been included in the "Lease liabilities" line item. Previously, lease liabilities were included in 'Other financial liabilities' line item.
The company has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1. The impact of such classifications is summarised below:

Balance sheet (extract)	As at March 31, 2021 (as previously reported)	Increase/ (Decrease)	As at March 31, 2021 (restated)
Current liabilities			
Financial liabilities			
Lease liabilities	-	2,499,740	2,499,740
Other financial liabilities	330,470,600	(2,499,740)	327,970,860

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.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

The areas involving critical estimates or judgements are:

(a) Employee Benefits (Estimation of Defined Benefit Obligations) — Notes 2.11 and 39

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.

(b) Estimation of Expected Useful Lives of Property, Plant and Equipment and Intangible Assets— Notes 2.3, 2.4 3 and 4

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

2.3 Property, Plant and Equipment

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

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

Depreciation methods, estimated useful lives and residual value :

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

The useful lives have been determined based on technical evaluation done by the management’s experts which are same as those specified by Schedule II to the Companies Act 2013, except in case of Porta Cabins and Portable toilet units capitalized under building and other structures, furniture and fixtures and office equipement, where the useful life is less than that specified in Schedule II. The residual values are not more than 5% of the original cost of the assets.

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

Particulars	Estimated useful life
Buildings and other structures	3 to 30 years
Roads	3 to 5 years
Furniture and fixtures	5 to 10 years
Office Equipment	3 to 5 years
Vehicles	5 years
Electrical Installation and Equipment	10 years
Laboratory Equipment	10 years
Plant & Machinery	30 to 35 years

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

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

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.

(a) 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.

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

(c) Amortisation methods and periods
The Company amortises intangible assets with a finite useful life using the straight-line method over the following periods:

Particulars	Estimated useful life
Computer Software	3 to 5 years
Website development	3 years
Company logo	2 years

2.5 Impairment of Assets

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

2.6 Leases

As a Lessee:
Leases are recognised as right of use assets and a corresponding liability at the date at which the leased asset is available for use by the company. Contract may contain both lease and non lease components. The Company allocates the consideration in the contract to the lease and non lease components based on their relative standalone prices.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payment: -

(a) Fixed payments (including in substance fixed payments) less any lease incentive receivable.
(b) Variable lease payment that are based on an index or a rate, initially measured using the index or a rate at the commencement date.
(c) Amount expected to be paid by the Company under residual value guarantees.
(d) Exercise price of a purchase option if the Company is reasonably certain to exercise that option.
(e) Payment of penalties for terminating the lease, if the lease term reflects the Company exercising that option

Right-of-use assets are measured at cost comprising the following: -
(a) The amount of the initial measurement of lease liability.
(b) Any lease payment made at or before the commencement date less any lease incentive received.
(c) Any initial direct cost and
(d) Restoration costs.

Right of use of assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight line basis.
Payment associated with short-term leases of equipment and all the leases of low value assets are recognised on a straight line basis as an expenses in the statement of profit and loss. Short term leases are leases with a lease term of 12 months or less.

As a Lessor
Lease income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in relation to an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

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

2.7 Cash and Cash Equivalents

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

2.8 Borrowing Costs

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

2.9 Revenue Recognition

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

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

(a) Rental income

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

2.10 Foreign Currency transactions and translation

(a) 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.

(b) 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

(a) 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.

(b) 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.

(c) 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 recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

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

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

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

2.14 Trade Receivables

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

2.15 Investments and other Financial Assets

i. Classification

The Company classifies its financial assets in the following measurement categories:
– Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
– Those measured at amortized cost.

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

For assets measured at fair value, gains and losses will either be recorded in the statement of profit and loss or other comprehensive income. For investments in debt instrument, this will depend on the business model in which the investment in 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. Recognition

Regular way purchases and sales of financial assets are recognised on trade-date, being the date on which the group commits to purchase or sale the financial asset.

iii. Measurement

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

a. Debt Instruments:

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

· Amortized cost

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

· Fair value through Other Comprehensive Income (FVOCI)

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

· Fair value through Profit or Loss (FVTPL)

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

b. Equity Instruments

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

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

iii. Impairment of financial assets

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

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

iv. De-recognition of financial assets

A financial asset is derecognised only when:

– The Company has transferred the rights to receive cash flows from the financial assets, or

– Retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipient.

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

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

v. Income recognition

· Interest Income

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

· Dividends

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

2.16 Trade and other payables

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

2.17 Offsetting financial instruments

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

2.18 Contributed equity

Equity shares are classified as equity.
Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

a) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(b) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

a) The profit attributable to owners of the Company

b) by the weighted average number of equity shares outstanding during the financial year

(ii) Diluted earnings per share

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

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

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

2.19 Borrowings

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

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

Tata Steel Special Economic Zone Limited

Notes to Financial Statements as at March 31, 2022

Amount in INR

03 - Property, plant and equipment

As at March 31, 2022	Buildings and other structures	Roads	Plant and machinery	Furniture and fixtures	Office equipment	Vehicles	Electrical installation & equipment	Laboratory equipment	Total
Opening gross carrying amount	574,045,885	402,694,965	413,470,275	11,580,368	9,075,294	2,574,505	7,470,597	530,500	1,421,442,389
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	(296,880)	(188,960)	-	-	-	(485,840)
Closing gross carrying amount	**574,045,885**	**402,694,965**	**413,470,275**	**11,283,488**	**8,886,334**	**2,574,505**	**7,470,597**	**530,500**	**1,420,956,549**
Opening accumulated depreciation	49,035,538	135,850,574	2,774,343	3,787,157	3,706,164	979,652	946,261	58,406	197,138,095
Charge for the year	20,716,372	77,242,682	11,251,502	1,957,234	1,596,892	489,156	709,709	50,398	114,013,945
Disposals	-	-	-	(85,569)	(120,204)	-	-	-	(205,773)
Closing accumulated depreciation	**69,751,910**	**213,093,256**	**14,025,845**	**5,658,822**	**5,182,852**	**1,468,808**	**1,655,970**	**108,804**	**310,946,267**
Net carrying amount - opening period	**525,010,347**	**266,844,391**	**410,695,932**	**7,793,211**	**5,369,130**	**1,594,853**	**6,524,336**	**472,094**	**1,224,304,294**
Net carrying amount - closing period	**504,293,975**	**189,601,709**	**399,444,430**	**5,624,666**	**3,703,482**	**1,105,697**	**5,814,627**	**421,696**	**1,110,010,282**

As at March 31, 2021	Buildings and other structures	Roads	Plant and machinery	Furniture and fixtures	Office equipment	Vehicles	Electrical installation & equipment	Laboratory equipment	Total
Opening gross carrying amount	505,727,464	346,182,737	-	9,292,880	8,143,338	2,574,505	4,149,019	530,500	876,600,443
Additions	68,318,421	56,512,228	413,470,275	2,287,488	1,358,057	-	3,321,578	-	545,268,047
Disposals	-	-	-	-	(426,101)	-	-	-	(426,101)
Closing gross carrying amount	**574,045,885**	**402,694,965**	**413,470,275**	**11,580,368**	**9,075,294**	**2,574,505**	**7,470,597**	**530,500**	**1,421,442,389**
Opening accumulated depreciation	31,127,174	66,692,618	-	1,611,465	1,887,721	490,496	380,050	8,008	102,197,532
Charge for the year	17,908,364	69,157,956	2,774,343	2,175,692	1,996,228	489,156	566,211	50,398	95,118,348
Disposals	-	-	-	-	(177,785)	-	-	-	(177,785)
Closing accumulated depreciation	**49,035,538**	**135,850,574**	**2,774,343**	**3,787,157**	**3,706,164**	**979,652**	**946,261**	**58,406**	**197,138,095**
Net carrying amount - opening period	**474,600,290**	**279,490,119**	**-**	**7,681,415**	**6,255,617**	**2,084,009**	**3,768,969**	**522,492**	**774,402,911**
Net carrying amount - closing period	**525,010,347**	**266,844,391**	**410,695,932**	**7,793,211**	**5,369,130**	**1,594,853**	**6,524,336**	**472,094**	**1,224,304,294**

Tata Steel Special Economic Zone Limited
Notes to Financial Statements as at March 31, 2022

04 - Intangible assets **Amount in INR**

As at March 31, 2022	Website Development Costs	Software Costs	Company Logo	Total
Opening gross carrying amount	1,168,988	1,231,944	401,564	2,802,496
Additions	-	-	-	-
Closing gross carrying amount	**1,168,988**	**1,231,944**	**401,564**	**2,802,496**
Opening accumulated amortisation	177,750	479,107	368,927	1,025,784
Amortisation charge for the year	584,495	220,888	32,637	838,020
Closing accumulated amortisation	**762,245**	**699,995**	**401,564**	**1,863,804**
Net carrying amount - opening period	**991,238**	**752,837**	**32,637**	**1,776,712**
Net carrying amount - closing period	**406,743**	**531,949**	**-**	**938,692**

As at March 31, 2021	Website Development Costs	Software Costs	Company Logo	Total
Opening gross carrying amount	-	723,250	401,564	1,124,814
Additions	1,168,988	508,694	-	1,677,682
Closing gross carrying amount	**1,168,988**	**1,231,944**	**401,564**	**2,802,496**
Opening accumulated amortisation	-	286,575	235,072	521,647
Amortisation charge for the year	177,750	192,532	133,855	504,137
Closing accumulated amortisation	**177,750**	**479,107**	**368,927**	**1,025,784**
Net carrying amount - opening period	**-**	**436,675**	**166,492**	**603,167**
Net carrying amount - closing period	**991,238**	**752,837**	**32,637**	**1,776,712**

05 - Right-of-use assets

	As at March 31, 2022	As at March 31, 2021
Carrying amounts of:		
Leasehold land	1,750,347,753	1,801,847,524
Office building	2,204,150	2,370,033
Total	**1,752,551,903**	**1,804,217,557**

As at March 31, 2022	**Leasehold land**	**Office building**	**Total**
Opening gross carrying amount	1,858,795,930	10,447,888	**1,869,243,818**
Additions	-	2,991,347	**2,991,347**
Disposals	(25,312,334)	-	**(25,312,334)**
Closing gross carrying amount	**1,833,483,596**	**13,439,235**	**1,846,922,831**
Opening accumulated depreciation	56,948,406	8,077,855	**65,026,261**
Charge for the year	27,146,989	3,157,231	30,304,220
Disposals	(959,553)	-	**(959,553)**
Closing accumulated depreciation	**83,135,842**	**11,235,086**	**94,370,928**
Net carrying amount - opening period	**1,801,847,524**	**2,370,033**	**1,804,217,557**
Net carrying amount - closing period	**1,750,347,753**	**2,204,150**	**1,752,551,903**

As at March 31, 2021	**Leasehold land**	**Office building**	**Total**
Opening gross carrying amount	1,858,795,930	10,447,888	**1,869,243,818**
Additions	-	-	**-**
Closing gross carrying amount	**1,858,795,930**	**10,447,888**	**1,869,243,818**
Opening accumulated depreciation	29,613,170	4,057,583	**33,670,753**
Charge for the year	27,335,236	4,020,272	31,355,508
Disposals	-	-	**-**
Closing accumulated depreciation	**56,948,406**	**8,077,855**	**65,026,261**
Net carrying amount - opening period	**1,829,182,760**	**6,390,305**	**1,835,573,065**
Net carrying amount - closing period	**1,801,847,524**	**2,370,033**	**1,804,217,557**

(i) Refer to note 36 for disclosure with respect to leases as per Ind AS 116.

(ii) Out of the total areas of 2955 acres, 226 acres are subleased as on March 31,2022 (172 acres as on March 31, 2021)

(iii) The Company is in the process of developing an Industrial Park at Gopalpur, in Ganjam District of Odisha over a land parcel of 2970 acres. The Industrial park includes a multi-product special economic zone and domestic tariff area. Land admeasuring 1235 acres meant for development of special economic zone has been leased in favour of the Company by Industrial Infrastructure Development Corporation of Odisha and the same has been notified as Special Economic Zone by Ministry of Commerce & Industry, Government of India. Land admeasuring 1735 acres is meant for development of domestic tariff area, out of which 1720 acres have been leased in favour of the Company by Industrial Infrastructure Development Corporation of Odisha in financial year 2018-19 and remaining 15 acres is in process of being acquired by the Company.

	As at March 31, 2022	As at March 31, 2021
06- Capital work-in-Progress		
Capital work-in-progress	1,084,199,352	949,961,098
	1,084,199,352	**949,961,098**

Ageing for Capital-work-in progress (CWIP) as at March 31, 2022

Capital-work-in progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Capital works-in-progress at Gopalpur site	155,203,172	109,332,464	163,012,237	656,651,479	1,084,199,352
Projects temporarily suspended	-	-	-	-	-
Total	**155,203,172**	**109,332,464**	**163,012,237**	**656,651,479**	**1,084,199,352**

Ageing for Capital-work-in progress (CWIP) as at March 31, 2021

Capital-work-in progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Capital works-in-progress at Gopalpur site	129,785,616	163,524,004	215,334,764	441,316,714	949,961,098
Projects temporarily suspended	-	-	-	-	-
Total	**129,785,616**	**163,524,004**	**215,334,764**	**441,316,714**	**949,961,098**

	As at March 31, 2022	As at March 31, 2021
07- Intangible assets under development		
Travel management software	-	30,000
	-	**30,000**

Ageing for Intangibles assets under development (IAUD) as at March 31, 2021

Intangibles assets under development	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	30,000	-	30,000
Projects temporarily suspended	-	-	-	-	-
Total	**-**	**-**	**30,000**	**-**	**30,000**

	As at March 31, 2022	As at March 31, 2021
08 - Lease receivable		
Lease receivable	415,974,269	414,073,586
	415,974,269	**414,073,586**

	As at March 31, 2022	As at March 31, 2021
09- Security deposits		
Unsecured, considered good unless otherwise stated		
Security deposits	578,780	578,780
	578,780	**578,780**

	As at March 31, 2022	As at March 31, 2021
10 - Other non-current assets		
Unsecured, considered good unless otherwise stated		
Balance with government authorities	-	24,371,992
Capital advances	1,731,662	222,900
	1,731,662	**24,594,892**

	As at March 31, 2022	As at March 31, 2021
11- Tax asset (Net)		
Advance tax	8,180,210	2,273,454
	8,180,210	**2,273,454**

Amount in INR

	As at March 31, 2022	As at March 31, 2021
12- Trade receivables		
Trade receivables from contract with customers – billed	-	82,590
Trade receivables from contract with customers – unbilled	-	-
Trade receivables from contract with customers – related parties	-	-
	-	**82,590**
Break-up of security details		
Trade receivables considered good – secured	-	-
Trade receivables considered good – unsecured	-	82,590
Trade receivables which have significant increase in credit risk	-	-
Trade receivables – credit impaired	-	-
	-	**82,590**

Trade receivables ageing as at March 31, 2021

Amount in Rs

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables						
considered good	-	82,590	-	-	-	82,590
which have significant increase in credit risk	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-
Disputed trade receivables						
considered good	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-
Total	**-**	**82,590**	**-**	**-**	**-**	**82,590**

*There are no unbilled and not due trade receivable as at the reporting date.

	As at March 31, 2022	As at March 31, 2021
13- Cash and cash equivalents		
Balance with bank -		
In current account	299,068,541	1,161,015
Deposits with original maturity of less than three months	16,167,658	116,913,717
	315,236,199	**118,074,732**

	As at March 31, 2022	As at March 31, 2021
14- Lease receivable		
Lease receivable	48,881,437	47,457,706
	48,881,437	**47,457,706**

	As at March 31, 2022	As at March 31, 2021
15- Other financial assets		
Accrued interest on sweep account	195,803	-
Fixed deposits (maturity less than 1 year)	76,400,486	-
Security deposits	-	1,617,799
	76,596,289	**1,617,799**

	As at March 31, 2022	As at March 31, 2021
16- Other current assets		
Advance - Irrigation division, Berhampur	325,763	325,763
Advance for expenses	194,147	125,524
Prepaid expenses	46,369	58,513
Deposit - Irrigation division, Berhampur	108,588	108,588
Balance with government authorities	29,918,624	71,403,052
	30,593,491	**72,021,440**

17- Equity share capital

	Number of shares	Amount
Authorised equity share capital:		
As at April 01, 2020	**550,000,000**	**5,500,000,000**
Increase during the year	-	-
As at March 31, 2021	**550,000,000**	**5,500,000,000**
Increase during the year	-	-
As at March 31, 2022	**550,000,000**	**5,500,000,000**
Authorised preference share capital:		
As at April 01, 2020	**200,000,000**	**2,000,000,000**
Increase during the year	-	-
As at March 31, 2021	**200,000,000**	**2,000,000,000**
Increase during the year	-	-
As at March 31, 2022	**200,000,000**	**2,000,000,000**
(i) Movements in equity share capital:		
As at April 01, 2020	**399,460,501**	**3,994,605,010**
Share issued	-	-
As at March 31, 2021	**399,460,501**	**3,994,605,010**
Share issued to Tata Steel Limited (ultimate holding company)	8,963,888	89,638,880
As at March 31, 2022	**408,424,389**	**4,084,243,890**

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, 2021: 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.

(ii) Shares of the company held by holding company	**As at March 31, 2022**	**As at March 31, 2021**
Tata Steel Limited (Refer Note 1)	-	3,994,605,010
Tata Utility Services Company Limited (Refer Note 1)	408,424,389	-
	408,424,389	**3,994,605,010**

Note 1

During the FY 2021-22, Tata Steel Limited (TSL), carried out a corporate level restructuring of its portfolio. Accordingly, Tata Steel Utilities and Infrastructure Services Limited (TSUISL), a wholly owned subsidiary of TSL, had been identified as the holding company of the Utilities and Infrastructure Services cluster. Subsequently, TSL's holding (other than shares held jointly with nominees) in the Company had been transferred to TSUISL.

(iii) Details of shareholders holding more than 5% shares in the company

Particulars	**As at March 31, 2022**		**As at March 31, 2021**	
	Number of shares	**% holding**	**Number of shares**	**% holding**
Tata Utility Services Company Limited	408,424,389	100%		-
Tata Steel Limited	-	-	399,460,501	100%

(iv) Details of shareholding of promoters:

Name of the promoter	**As at March 31, 2022**		
	Number of shares	**% of total number of shares**	**% of change during the year**
Tata Utility Services Company Limited	408,424,329	100%	100%
Tata Steel Limited (Refer Note 1)	-	0%	-100%
Mr. Deepak Kamath*	10	0%	0%
Mr. Pranay Sinha*	10	0%	0%
Mr. Ramadhar Rai*	10	0%	0%
Mr. Rabindra K Singh*	10	0%	0%
Mr. Sanjay Kumar*	10	0%	0%
Mr. Pramod Kumar Singh Rathore*	10	0%	0%
Total	**408,424,389**	**0%**	**0%**

Name of the promoter	**As at March 31, 2021**		
	Number of shares	**% of total number of shares**	**% of change during the year**
Tata Steel Limited	399,460,441	100%	0%
Mr. Deepak Kamath*	10	0%	0%
Mr. Pranay Sinha*	10	0%	0%
Mr. Ramadhar Rai*	10	0%	0%
Mr. Rabindra K Singh*	10	0%	0%
Mr. Sanjay Kumar*	10	0%	0%
Mr. Pramod Kumar Singh Rathore*	10	0%	0%
Total	**399,460,501**	**100%**	**0%**

*below the companies rounding off limit.

(v) Aggregate number of shares issued for consideration other than cash

Particulars	As at March 31, 2022	As at March 31, 2021
	Number of shares	Number of shares
Shares issued to ultimate holding company as consideration for liability existing in the books	8,963,888	-

		As at March 31, 2022	As at March 31, 2021
18 - Other equity			
(i) Retained earnings			
	Opening balance	(363,823,219)	(297,219,039)
Add:	Net Profit / (loss) for the year	150,083,682	(66,809,481)
Add:	Items of other comprehensive income recognised directly in retained earnings		
	- Other comprehensive income for the year	38,841	205,301
	Closing balance	**(213,700,696)**	**(363,823,219)**
(ii) Securities premium			
	Opening balance	-	-
	Received from Tata Steel Limited, ultimate holding company	28,863,720	-
	Closing balance	**28,863,720**	**-**
(iii) Share application money pending allotment			
	Opening balance	10	10
	Received from Tata Steel Limited, ultimate holding company	118,502,600	-
	Transfer of assets against equity pending allotment	-	-
		118,502,610	**10**
Less:	Share allotted	89,638,880	-
Less:	Securities premium	28,863,720	-
	Closing balance	**10**	**10**
		(184,836,966)	**(363,823,209)**

		As at March 31, 2022	As at March 31, 2021
19 - Lease liabilities			
	Lease liability	381,065	-
		381,065	**-**

		As at March 31, 2022	As at March 31, 2021
20 - Other financial liabilities			
	Security deposits	25,985,374	24,429,059
		25,985,374	**24,429,059**

		As at March 31, 2022	As at March 31, 2021
21 - Other non-current Liabilities			
	Prepaid rent - land sublease	40,927,699	26,739,982
		40,927,699	**26,739,982**

		As at March 31, 2022	As at March 31, 2021
22 - Employee benefit obligations			
	Gratuity	511,624	335,768
		511,624	**335,768**

		As at March 31, 2022	As at March 31, 2021
23 - Borrowings			
	Loan from ultimate holding Company (March 31, 2021: holding company)	590,000,000	590,000,000
		590,000,000	**590,000,000**

		As at March 31, 2022	As at March 31, 2021
24 - Lease liabilities			
	Lease liability	1,866,008	2,499,740
		1,866,008	**2,499,740**

		As at March 31, 2022	As at March 31, 2021
25 - Trade payables			
	Total outstanding dues of micro and small enterprises	-	-
	Total outstanding dues other than above	11,661,337	13,121,409
		11,661,337	**13,121,409**

Trade payables ageing as at March 31, 2022

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1 - 2 years	2-3 years	More than 3 years	
Undisputed trade payables							
Micro enterprises and small	-	-	-	-	-	-	-
Others	2,872,875	5,445,264	3,020,511	79,163	243,524	-	11,661,337
Disputed trade payables							
Micro enterprises and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	**2,872,875**	**5,445,264**	**3,020,511**	**79,163**	**243,524**	**-**	**11,661,337**

Trade payables ageing as at March 31, 2021

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1 - 2 years	2-3 years	More than 3 years	
Undisputed trade payables							
Micro enterprises and small	-	-	-	-	-	-	-
Others	3,776,489	8,123,755	653,582	567,583	-	-	13,121,409
Disputed trade payables							
Micro enterprises and small	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	**3,776,489**	**8,123,755**	**653,582**	**567,583**	**-**	**-**	**13,121,409**

	As at March 31, 2022	As at March 31, 2021
26 - Other financial liabilities		
Employee related liabilities	2,735,863	2,856,870
Security deposit	211,500	-
Payable for purchase of property, plant and equipment	96,891,416	265,224,284
Interest accrued on borrowings	110,334,706	59,889,706
	210,173,485	**327,970,860**

Borrowings:

Particulars	Terms of repayment	Coupon/ Interest rate	As at March 31, 2022	As at March 31, 2021
Unsecured				
Inter corporate deposit from Tata Steel Limited (including accrued interest)	One year	9.50% (March 31, 2021 10.00% to 10.50%)	700,334,706	649,889,706
Less: Interest accrued (Net of TDS)			110,334,706	59,889,706
Principal amount of borrowing			**590,000,000**	**590,000,000**

	As at March 31, 2022	As at March 31, 2021
27 - Employee benefits obligation		
Gratuity	3,754	2,000
Leave benefits	625,224	399,286
	628,978	**401,286**

	As at March 31, 2022	As at March 31, 2021
28 - Other current liabilities		
Statutory dues	5,635,666	3,190,879
Advance rent from Sure Safety Solutions	-	640,000
Advance from customer	57,429,806	40,393,856
Prepaid rent - land sublease	864,600	560,000
	63,930,072	**44,784,735**

	For the year ended March 31, 2022	For the year ended March 31, 2021
29 - Revenue from operations		
Income from lease rent and other services	85,334,585	92,938,152
Other operating income	271,073,025	19,093,075
	356,407,610	**112,031,227**

	For the year ended March 31, 2022	For the year ended March 31, 2021
30 - Other income		
Mutual fund dividend/ gain on sale	5,209,840	837,366
Interest income from financial assets at amortised cost	3,051,891	1,162,012
Interest on income tax refund	41,892	53,760
Unwinding of discount on security deposits	111,929	149,240
Other miscellaneous income	109,318	73,193
	8,524,870	**2,275,571**

	For the year ended March 31, 2022	For the year ended March 31, 2021
31- Cost of Sales		
Cost of Sales	12,407,692	-
	12,407,692	**-**

	For the year ended March 31, 2022	For the year ended March 31, 2021
32- Employee benefit expense		
Salary, wages and bonus	10,091,513	15,950,327
Contribution to provident fund	722,049	1,023,222
Gratuity	216,451	217,677
Staff welfare expenses	598,686	251,517
	11,628,699	**17,442,743**

	For the year ended March 31, 2022	For the year ended March 31, 2021
33- Finance costs		
Interest on financial liabilities not at fair value through profit or loss	56,050,000	43,280,137
Interest on lease liabilities	194,967	490,490
Less: Amount capitalised (see note below)	(56,050,000)	(43,280,137)
	194,967	**490,490**

Note: The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the actual interest rate applicable to the entity's borrowings during the year in this case is 9.50% (March 31, 2021: 10.00% to 10.50%).

	For the year ended March 31, 2022	For the year ended March 31, 2021
34- Depreciation and amortisation expense		
Depreciation of property plant and equipment	114,013,945	95,118,348
Amortisation of intangible assets	838,020	504,137
Depreciation of right-of-use assets	30,304,220	31,355,508
	145,156,185	**126,977,993**

Tata Steel Special Economic Zone Limited

Notes to Financial Statements for the year ended March 31, 2022 **Amount in INR**

	For the year ended March 31, 2022	For the year ended March 31, 2021
35- Other expenses		
Legal & professional fees	1,529,829	1,457,110
Telecommunication expenses	9,992	37,399
Auditors remuneration		
- As Audit Fees	91,000	91,000
Outsourcing expenses	22,785,977	17,145,451
Travelling and conveyances	316,780	133,415
Directors' sitting fee	40,000	370,000
Marketing expenses	396,719	195,699
Rates & taxes	13,732,313	13,116,418
Loss on sale/ discard of property plant and equipment (Net)	280,067	218,550
Miscellaneous expenses	4,601,420	3,440,011
	43,784,097	**36,205,053**

36. Disclosure of Right-of-use assets (ROU) and Lease liability as per Ind AS 116

Amount recognised in Balance Sheet	As at March 31, 2022	As at March 31, 2021
Right of Use assets		
Leasehold Land	1,750,347,753	1,801,847,524
Office Building	2,204,150	2,370,033
Total	**1,752,551,903**	**1,804,217,557**

Lease liabilities	As at March 31, 2022	As at March 31, 2021
Current	1,866,008	2,499,740
Non-current	381,065	-
Total	**2,247,073**	**2,499,740**

Amounts recognised in the statement of profit and loss	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on lease liabilities	194,967	490,490
Depreciation charge for the Year	30,304,220	31,355,508
Total	**30,499,187**	**31,845,998**
Total cash outflow for leases for the year	3,438,982	4,436,556

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

Maturity analysis of lease payments	As at March 31, 2022	As at March 31, 2021
Less then one year	2,042,376	2,587,991
One to two years	340,396	-
Total undiscounted lease payments	**2,382,772**	**2,587,991**

37. Contingent Liability and Commitments:

(a) There is no contingent liability as at March 31, 2022 and March 31, 2021 which are required to be disclosed in the financial statements.

(b) Commitments:

Particulars	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on Capital account and not provided for	192,609,139	170,530,877

38. There are no amounts payable of micro and small enterprises as at March 31,2022 and March 31,2021. There are no micro and small enterprises to whom the Company owes dues, which are outstanding for more than 45 days during the years ended March 31,2022 and March 31,2021. This information as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties could be identified on the basis of information available with the Company.

39. Employee Benefits:

i.Defined Contribution Obligation:

The Company maintains a provident fund with Regional Provident Fund Commissioner. Contributions are made to provident fund for employees at the rate of 12% of basic salary as per regulation. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expenses recognised during the period towards defined contribution plan is Rs. 721,319 (March 31, 2021- Rs. 10,23,222)

ii.Defined Benefit Obligation:

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

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

Gratuity Benefit:

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on March 24, 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from April 1, 2021.
Consequent to above, the company has changed the classification/ presentation of 'lease liabilities' in the current year.
The lease liabilities has now been included in the “Lease liabilities” line item. Previously, lease liabilities were included in ‘Other financial liabilities’ line item.
The company has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1. The impact of such classifications is summarised below:

Changes in Present Value of Obligation	As at March 31, 2022	As at March 31, 2021
Present value of obligation - Opening	337,768	783,171
Current Service Cost	191,625	179,100
Interest Cost	24,826	38,578
Actuarial gain/loss on obligations due to Change in Financial Assumption	(34,823)	(18,925)
Actuarial gain/loss on obligations due to Unexpected Experience	(4,018)	(186,376)
Benefits paid	-	(457,780)
Present value of obligation - Closing	**515,378**	**337,768**

Table showing Reconciliation to Balance Sheet:

Reconciliation to Balance Sheet	**As at March 31, 2022**	**As at March 31, 2021**
Fund Liability	515,378	337,768

Table Showing Plan Assumptions:

Plan assumptions	**As at March 31, 2022**	**As at March 31, 2021**
Discount Rate	7.35%	6.96%
Rate of Compensation Increase (Salary Inflation)	6.00%	6.00%
Average expected future service (Remaining working Life)	22	20
Average Duration of Liabilities	22	20
Mortality Table	IALM 2012-2014 Ultimate	IALM 2012 - 2014 Ultimate
Superannuation at age	60	60
Early Retirement & Disablement (All Causes Combined)	1.00%	1.00%

Table showing Expense Recognised in statement of Profit and Loss:

Expense recognised in statement of Profit and Loss	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Current Service Cost	191,625	179,100
Interest Cost	24,826	38,578
Benefit Cost(Expense Recognized in Statement of Profit and loss)	**216,451**	**217,678**

Table showing amount recognised in Other Comprehensive Income:

Other Comprehensive Income	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Actuarial gain/loss on obligations due to Change in Financial Assumption	34,823	18,925
Actuarial gain/loss on obligations due to Unexpected Experience	4,018	186,376
Income for the year recognised in Other Comprehensive Income	**38,841**	**205,301**

Table showing Sensitivity Analysis:

Sensitivity Analysis	**March 31, 2022**		**March 31, 2021**	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount Rate (-/+ 1%)	474,622	560,541	308,791	370,001
%Change Compared to base due to sensitivity	-7.91%	8.76%	-8.58%	9.54%
Salary Growth (-/+ 1%)	560,705	474,137	370,015	308,531
%Change Compared to base due to sensitivity	8.80%	-8.00%	9.55%	-8.66%

Risk Exposure

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

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

iii.Leave Benefits:

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

The total provision recorded by the Company towards these benefits as at year end was Rs. 625,224/- (March 31, 2021: Rs.399,285/-).

40. Computation of Earnings Per Share (EPS):

Particulars	**Current Year**	**Previous Year**
Profit/ (Loss) for the year	150,083,683	(66,809,481)
Number of equity shares at the beginning of the year	399,460,501	399,460,501
Number of equity shares at the end of the year	408,424,389	399,460,501
Weighted average number of shares considered for computation of Basic and Diluted EPS (Numbers)	404,151,193	399,460,501
Weighted average number of shares for computation of Diluted EPS (Numbers)	404,151,193	399,460,501
Face Value of Each Equity Share (in Rs.)	10	10
Basic and Diluted earning per share (in Rs.)	**0.37**	**(0.17)**

41. Related Parties Transactions:

Related party disclosure pursuent to Ind AS 24 prescribed under the act.

i. List of Related Parties and Relationship

Name of the Related Parties	Description of Relationship
Tata Steel Limited	Ultimate holding company
Tata Steel Utilities and Infrastructure Services Limited	Immediate holding company
Prasanta Mallick (Managing Director from July 01, 2019)	Key Manegerial Person
Manas Bandyopadhyay (Chief Financial officer from September 06, 2021)	Key Manegerial Person
Amit Kumar Kundu (Chief Financial officer till March 16,2021)	Key Manegerial Person
Swati Sheth (Company Secretary from April 16,2021)	Key Manegerial Person
Tanmay Kumar Sahu (Company Secretary till March 15,2021)	Key Manegerial Person

ii. Details of Related Party Tranactions and balance outstanding

Transactions	Tata Steel Limited (Ultimate Holding Company)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Equity Share Capital issued	118,502,600	-
Receivable Balance adjusted with Equity share capital issued (Non-Cash Transfer)	118,502,600	-
Inter-corporate deposit received/ renewed	590,000,000	210,000,000
Income from lease rent	53,513,241	85,000,000
Outsourcing Expenses (Including GST)	33,917,449	31,477,787
Legal and Professional Fees (Including GST)	241,551	199,546
Interest expenses on borrowings	56,050,000	43,280,137
Purchase of property, plant and equipment	-	120,587,051
Balances outstanding as at the year end	**Tata Steel Limited (Ultimate Holding Company)**	
	As at March 31, 2022	**As at March 31, 2021**
Share Application Money pending Allotment	10	10
Trade Payables- Current	7,975,730	7,132,519
Borrowings- Current	590,000,000	590,000,000
Payable for purchase of Property, Plant & Equipment	-	118,502,612
Interest accrued on borrowings	110,334,706	59,889,706

Transactions	Independent Director	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Sitting Fees	40,000	370,000

Transactions	Amit Kumar Kundu, Chief Financial Officer till March 16, 2021		Tanmay Kumar Sahu, Company Secretary till March 15, 2021	
	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
Short Term Employee Benefits	-	4,182,664	-	3,912,255
Contribution to Provident Fund	-	170,520	-	176,082
Other Long Term Benefits	-	308,487	-	1,009,930
Total	**-**	**4,661,671**	**-**	**5,098,267**
Balances outstanding as at the year end	**As at March 31, 2022**	**As at March 31, 2021**	**As at March 31, 2022**	**As at March 31, 2021**
Employee Related Liabilities	-	-	-	1,032,834

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

Mr. Prasanta Mallick, Managing Director, Tata Steel Special Economic Zone Limited is on Deputation from Tata Steel Limited with effect from July 01, 2019, his remuneration is shown under Outsourcing expenses.

Mr. Manas Bandyopadhyay, Chief Financial Officer, Tata Steel Special Economic Zone Limited is on Deputation from Tata Steel Limited with effect from September 06, 2021, his remuneration is shown under Outsourcing expenses.

Ms. Swati Sheth, Company Secretary, Tata Steel Special Economic Zone Limited is appointed with effect from April 16, 2021, she is entiteled to a nominal remuneration of Rs. 1/- per annum.

42.Deferred Tax:

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

Particulars	As at March 31, 2021	Charge/Credit	As at March 31, 2022
Deferred Tax Liability on property, plant and equipment	7,091,278	9,881,033	16,972,311
Deferred Tax Asset on carried forward of tax losses	7,091,278	9,881,033	16,972,311
Net	**-**	**-**	**-**

Particulars	As at March 31, 2020	Charge/Credit	As at March 31, 2021
Deferred Tax Liability on property, plant and equipment	986,115	6,105,163	7,091,278
Deferred Tax Assets on carried forward of tax losses	986,115	6,105,163	7,091,278
Net	**-**	**-**	**-**

43. Fair value measurement

Financial instrument by category

Particulars	As at March 31, 2022	As at March 31, 2021
Financial assets	**Amortised cost**	**Amortised cost**
Security Deposits	578,780	578,780
Trade receivables	-	82,590
Cash and cash equivalents	315,236,199	118,074,732
Other financial assets	76,596,289	1,617,799
Lease receivable (Current and Non Current)	464,855,706	461,531,292
Total Financial assets	**857,266,974**	**581,885,193**
Financial liabilities		
Other financial liabilities	238,405,932	354,899,659
Borrowings	590,000,000	590,000,000
Trade payables	11,661,337	13,121,409
Total Financial liabilities	**840,067,269**	**958,021,068**

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

44. Financial risk management

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

· Risk exposures and responses

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

(a) Foreign currency risk management

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

(b) Liquidity risk

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

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

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

Particulars	Carrying Amount	Contractual Cash flows	Between 0 to 1 Years	Between 1 to 3 Years	More than 3 years
As at March 31, 2022					
a) Lease Liabilities	2,247,073	2,382,772	2,042,376	340,396	
b) Trade payables	11,661,337	11,661,337	11,661,337		
c) Other financial liabilities	236,158,859	288,726,382	210,173,485	1,194,706	77,358,191
d) Borrowings (Current)	590,000,000	590,000,000	590,000,000		
As at March 31, 2021					
a) Lease Liabilities	2,499,740	2,587,991	2,587,991	-	-
b) Trade payables	13,121,409	13,121,409	13,121,409	-	-
c) Other financial liabilities	352,399,919	405,787,757	327,970,860	458,706	77,358,191
d) Borrowings (Current)	590,000,000	590,000,000	590,000,000	-	-

(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.

45. Capital Management

(a) Risk Management

The Company's capital management is intended to create value for shareholders by facilitating the achievement of long-term and short-term goals of the Company.
The Company determines the amount of capital required on the basis of annual business plan coupled with long-term and short term strategic investment and expansion plans.The funding needs are met through equity, cash generated from operations, borrowings.
The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.
Net debt includes interest bearing borrowings less cash and cash equivalents, other bank balances and current investments.
The table below summarises the capital, net debt and net debt to equity ratio of the Company.

Particulars	As at March 31, 2022	As at March 31, 2021
Equity share capital	4,084,243,890	3,994,605,010
Other equity	(184,836,966)	(363,823,209)
Total equity (A)	**3,899,406,924**	**3,630,781,801**
Current borrowings including accrued interest	700,334,706	649,889,706
Lease obligations	2,247,073	2,499,740
Gross debt (B)	**702,581,779**	**652,389,446**
Total capital (A+B)	**4,601,988,703**	**4,283,171,247**
Gross debt as above	702,581,779	652,389,446
Less: Cash and cash equivalents	315,236,199	118,074,732
Less: Other balances with banks	76,596,289	-
Net debt (C)	**310,749,291**	**534,314,714**
Net debt to equity ratio*	**0.08**	**0.15**

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

In preparing the sales plan for financial year 2022-23 and onwards, the company has considered only those customers who have shown keen interest in setting up units in Gopalpur Industrial Park. The current revenue base of the company is enough to meet the minimum operational expenditure requirement for financial year 2022-23 and onwards.

The Company has made a detailed assessment of its liquidity position for the next one year and of the recoverability and carrying values of its assets comprising Property, Plant and Equipment and Intangible assets at the balance sheet date, and has concluded that there are no material adjustments required in the financial statements.

Management believes that it has considered all the possible impact of known events arising from COVID 19 pandemic in the preparation of the financial statements. However, the impact of assessment of COVID 19 is a continuous process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

47. Leases as a Lessor:-

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

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

Maturity analysis of lease receivable under Finance Lease	March 31, 2022	March 31, 2021
Upto one year	48,881,437	47,457,706
One to two years	50,347,880	48,881,437
Two to three years	51,858,317	50,347,880
Three to four years	53,414,066	51,858,317
Four to five years	55,016,488	53,414,066
More than five years	932,957,233	987,973,721
Total undiscounted lease payments receivable	**1,192,475,421**	**1,239,933,127**
Unearned finance income	(727,619,717)	(778,401,835)
Net investment in lease	**464,855,704**	**461,531,292**

b) Finance income on the net Investment in the lease recognized during the year is Rs. 499,61,807/- (March 2021, Rs. 193,58,717)

c) Maturity analysis of lease payments under Operating Lease

Undiscounted lease payments to be received on an annual basis	As at March 31, 2022	As at March 31, 2021
Upto one year	8,690,171	8,219,071
One to two years	8,924,939	8,137,514
Two to three years	9,166,749	8,383,183
Three to four years	9,415,813	8,636,299
Four to Five years	9,672,350	8,897,089
More than Five years	200,381,912	177,090,839
Total undiscounted lease payments receivable	**246,251,934**	**219,363,995**

48. Net Debt Reconciliation :-

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

Particulars	March 31, 2022	March 31, 2021
Current borrowings including accrued interest	700,334,706	649,889,706
Lease liabilities	2,247,073	2,499,740
Net debt	**702,581,779**	**652,389,446**

Particulars	Liabilities from financing activities		
	Non-current borrowings	Current borrowings	Lease liabilities
Net debt as at 1 April 2020	44,898,461	354,957,133	6,445,806
Add/ less:			
Proceeds from borrowings during the year	-	210,000,000	-
Borrowings reclassed during the year	(44,898,461)	44,898,461	-
Payment of lease liability	-	-	(4,436,556)
Interest on lease liability	-	-	490,490
Borrowing cost capitalised	-	40,034,112	-
Repayment of borrowings during the year	-	-	-
Net debt as at 31 March 2021	-	**649,889,706**	**2,499,740**
Net debt as at 1 April 2021		649,889,706	2,499,740
Add/ less:			
Proceeds from borrowings during the year	-	-	-
Borrowings reclassed during the year	-	-	-
Payment of lease liability	-	-	(447,634)
Interest on lease liability	-	-	194,967
Borrowing cost capitalised	-	50,445,000	-
Repayment of borrowings during the year	-	-	-
Net debt as at 31 March 2022	-	**700,334,706**	**2,247,073**

49. Income tax expense

(a) Income tax expense

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(i) Current tax	1,677,158	-
Current tax on profits for the year	**1,677,158**	-

(ii) Deferred tax		
Decrease/ (increase) in deferred tax assets	(9,881,033)	(6,105,163)
(Decrease)/ increase in deferred tax liabilities	9,881,033	6,105,163
Total deferred tax expense/ (benefit)	**-**	**-**
Income tax expense/ (benefit)	-	-

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit before tax	151,760,841	(66,809,481)
Tax at the Indian tax rate of 26% (2020-21: 26%)	**39,457,819**	**(17,370,465)**
(i) Exempted income net of expenses disallowed to earn such exempted income	-	(217,715)
(ii) Tax impact on unrecognised carry forward of tax losses	30,722,444	9,430,967
(iii) Tax effect of amounts which are not deductible in calculating taxable income	7,058,217	8,152,432
(iv) Others	-	4,781
Total income tax expense	**1,677,158**	**-**

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

Particulars	As at March 31, 2022	As at March 31, 2021
Carry-forward of tax losses balance (unrecognised)	15,237,039	160,547,688
Expiry		
AY 2025-26	-	16,098,729
AY 2026-27	-	32,157,860
AY 2027-28	-	52,498,851
AY 2028-29	15,237,039	59,792,248
AY 2029-30	-	-

50. Ratio

Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for variance
Current Ratio	Current Assets	Current Liabilities	0.54	0.24	120%	Cash and Bank balance increased due to: 1) higher turnover due to higher sub-leasing of land; and 2) lower capital expenditure during the ongoing pandemic
Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.15	0.16	-7%	Not Applicable
Debt Service Coverage Ratio	Earnings before interest, depreciation and taxes (Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest)	Debt Service (Interest & Lease Payments + Principal Repayments)	5.25	1.39	279%	Increase in turnover with higher sub-leasing of land accounted for as financial lease
Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	0.04	(0.02)	317%	Increased turnover and profitability, increased the net worth of the Company for the year ended March 31, 2022 resulting in an improvement in the ratio
Inventory turnover ratio*	Cost of goods sold or Sales	Average Inventory	NA	NA	NA	Not Applicable
Trade Receivables turnover ratio	Total Sales	Avgerage Trade receivables (Opening + Closing balance / 2)	8,630.77	523.28	1549%	Increase in turnover along with better realisation from customer helped improve the ratio
Trade Payable turnover ratio	Total Purchases	Average Trade Payables (Opening + Closing balance / 2)	12.26	13.19	-7%	Not Applicable
Net capital turnover ratio	Net Sales (Total Sales - Sales Returns)	Working Capital (Current Assets - Current Liabilities)	(0.88)	(0.15)	478%	Increase in turnover alongwith better realisation resulted into better working capital ratio
Net profit ratio	Net Profit after Tax	Revenue from opertions (Total Revenue from opertions - Returns)	0.42	(0.60)	-171%	Company achieved positive PAT in FY22 as compared to a negative PAT of FY'21
Return on Capital employed	Earning before interest and taxes	Capital Employed (Net Worth + Intangible Assets)	0.04	(0.02)	-313%	Company achieved positive PAT in FY22 as compared to a negative PAT of FY'21
Return on investment	Gain on Investment	Total Investment	0.02	NA	NA	Investment in Fixed Deposit during FY'22 featuring in the ratio. There was no such investments during FY'21

*Since the company do not have inventory

51. Corporate Social Responsibility (CSR)

Based on the provisions of Section 135 of the Companies Act, 2013 ('the Act') readwith Schedule VII to the Act and the Companies (Corporate Social Responsibility) Rules, 2014, as amended, Corporate Social Responsibility is not applicable to the Company.

52. Corporate Social Code

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment received Indian Parliament approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently on November 13, 2020 draft rules were published and invited for stakeholders' suggestions. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

53. Additional Regulatory Information required by Schedule III

(a) Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(b) Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) Relationship with struck off companies

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(d) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(e) Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(f) Utilisation of borrowed funds and share premium

(i) The Company has not advanced or loaned or invested funds to any other person or entity, including foreign entity (Intermediary) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiary) or
b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiary

(ii) The Company has not received any fund from any person or entity, including foreign entity (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiary) or

b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiary

(g) Undisclosed Income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961 that has not

(h) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(i) Valuation of Property, Plant and Equipment (including Right-of-use Assets) and Intangible Assets

The Company has not revalued its Property, Plant and Equipment (including Right-of-use Assets) or Intangible Assets or both during the current or previous year.

54. The Company has done an assessment to identify Core Investment Company (CIC) [including CIC's in the Group] as per the necessary guidelines of Reserve Bank of India (including Core Investment Companies (Reserve Bank) Directions, 2016). The Companies identified as CIC's at Group level are Panatone Finvest Limited , TATA Capital Limited, TATA Industries Limited , TATA Sons Private Limited ,TMF Holdings Limited and T S Investments Limited.

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

56. The financial statements were approved for issue by the Board of Directors on Apr 18, 2022**.**

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

sd/-
Dhiraj Kumar
Partner
Membership No.: 060466

Place: Kolkata
Date : April 18, 2022

For and on behalf of Board of Directors

sd/-	sd/-	sd/-	sd/-
Chanakya Chaudhary	**Prasanta Mallick**	**Manas Bandyopadhyay**	**Swati Sheth**
Chairman	Managing Director	Chief Financial Officer	Company Secretary
DIN: 02139568	DIN: 02347304		

Place: Bhubaneswar
Date : April 18, 2022