

Independent auditor's report

To the Members of Tata Steel Odisha Limited

Report on the audit of the financial statements

Opinion

1. We have audited the accompanying standalone financial statements of Tata Steel Odisha Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, 2020, and total comprehensive income (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

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

Other Information

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do 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 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. If, based on the work we have performed we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Report on other legal and regulatory requirements

11. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
12. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
 - (d) In our opinion, the aforesaid standalone 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

INDEPENDENT AUDITOR'S REPORT

To the Members of Tata Steel Odisha Limited
Report on audit of the Financial Statements
Page 4 of 4

- (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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position
 - ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2020.
 - 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, 2020.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2020.
- 13. The Company has provided 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/E300009
Chartered Accountants

sd/-

Ashish Taksali
Partner
Membership Number: 99625

UDIN: 20099625AAAAAS6084
Hyderabad
June 27, 2020

Annexure A to Independent Auditors' Report

Referred to in paragraph 12(f) of the Independent Auditors' Report of even date to the members of Tata Steel Odisha Limited on the financial statements for the year ended March 31, 2020

Page 1 of 2

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 Odisha Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Annexure A to Independent Auditors' Report

Referred to in paragraph 12(f) of the Independent Auditors' Report of even date to the members of Tata Steel Odisha Limited on the financial statements for the year ended March 31, 2020

Page 2 of 2

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, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

sd/-

Ashish Taksali
Partner
Membership Number: 99625

Hyderabad
June 27, 2020

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 Odisha Limited on the financial statements as of and for the year ended March 31, 2020

- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, service-tax, duty of customs, and duty of excise or value added tax or goods and service tax which have not been deposited on account of any dispute.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

Matters specified in clauses (i), (ii), (iii), (iv), (v), (vi), (viii), (ix), (xi), (xii), (xiv), (xv) and (xvi) of paragraph 3 of CARO, 2016 does not apply to the Company.

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

sd/-

Ashish Taksali
Partner
Membership Number: 99625

Hyderabad
June 27, 2020

Tata Steel Odisha Limited
Balance Sheet as at March 31, 2020

Amount in INR

| | Note | As at March 31, 2020 | As at March 31, 2019 |
|-------------------------------------|------|-------------------------|-------------------------|
| I | | | |
| | | | |
| (1) Non-Current assets | | | |
| (a) Other non financial assets | 2 | - | - |
| | | - | - |
| (2) Current assets | | | |
| (a) Financial assets | | | |
| (i) Cash and cash equivalents | 3 | 1,27,072 | 1,44,207 |
| | | 1,27,072 | 1,44,207 |
| TOTAL ASSETS | | 1,27,072 | 1,44,207 |
| II | | | |
| | | | |
| (1) Equity | | | |
| (a) Equity Share Capital | 4 | 2,56,70,000 | 2,56,70,000 |
| (b) Other Equity | 5 | (2,60,48,495) | (2,59,56,811) |
| | | (3,78,495) | (2,86,811) |
| (2) Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Trade payables | 6 | 52,000 | 60,720 |
| (ii) Other financial liabilities | 7 | 4,53,567 | 3,70,298 |
| | | 5,05,567 | 4,31,018 |
| TOTAL EQUITY AND LIABILITIES | | 1,27,072 | 1,44,207 |

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

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

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

For and on behalf of the Board

sd/-
Ashish Taksali
 Partner
 Membership No.:099625

sd/-
Sandeep
Bhattacharya
 Director
 DIN:07071894

sd/-
Parvatheesam
Kanchinadham
 Director
 DIN:07504007

Place: Hyderabad
 Date: June 27, 2020

Place: Jamshedpur
 Date: June 27, 2020

Place: Mumbai
 Date: June 27, 2020

Tata Steel Odisha Limited
Statement of Profit and Loss for the year ended March 31, 2020

Amount in INR

| | Note No. | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|----------|-----------------------------------|-----------------------------------|
| Expenses | | | |
| Other expenses | 8 | 91,684 | 1,33,074 |
| Total Expenses | | 91,684 | 1,33,074 |
| Loss before tax | | (91,684) | (1,33,074) |
| Tax Expense | | - | - |
| Loss for the year | | (91,684) | (1,33,074) |
| Other Comprehensive Income | | | |
| Item that will not be Reclassified to Profit or Loss in Subsequent Periods: | | - | - |
| Total Comprehensive Loss for the year | | (91,684) | (1,33,074) |
| Earnings per equity share | | | |
| | 9 | | |
| [Nominal value per share Rs10 /- (March 31, 2019 : Rs 10 /-)] | | | |
| Basic and Diluted | | (0.04) | (0.05) |

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

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

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration No.304026E/E300009

Chartered Accountants

For and on behalf of the Board

sd/-

Ashish Taksali

Partner

Membership No.:099625

Place: Hyderabad

Date: June 27, 2020

sd/-

**Sandeep
Bhattacharya**

Director

DIN:07071894

Place: Jamshedpur
Date: June 27, 2020

sd/-

**Parvatheesam
Kanchinadham**

Director

DIN:07504007

Place: Mumbai

Date: June 27, 2020

Tata Steel Odisha Limited
Statement of changes in equity for the year ended March 31, 2020

Amount in INR

A. Equity Share Capital

| Balance as on April 1, 2019 | Changes during the period | Balance as on March 31, 2020 |
|-----------------------------|---------------------------|------------------------------|
| 2,56,70,000 | - | 2,56,70,000 |

| Balance as on April 1, 2018 | Changes during the period | Balance as on March 31, 2019 |
|-----------------------------|---------------------------|------------------------------|
| 2,56,70,000 | - | 2,56,70,000 |

B. Other Equity

As at March 31, 2020

| | Retained Earnings | Other Equity |
|--------------------------|----------------------|----------------------|
| At beginning of the year | (2,59,56,811) | (2,59,56,811) |
| Loss for the year | (91,684) | (91,684) |
| At end of period | (2,60,48,495) | (2,60,48,495) |

As at March 31, 2019

| | Retained Earnings | Other Equity |
|--------------------------|----------------------|----------------------|
| At beginning of the year | (2,58,23,737) | (2,58,23,737) |
| Loss for the year | (1,33,074) | (1,33,074) |
| At end of period | (2,59,56,811) | (2,59,56,811) |

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

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

For Price Waterhouse & Co Chartered Accountants LLP

Chartered Accountants

Firm Registration No.304026E/E300009

For and on behalf of the Board

sd/-

Ashish Taksali

Partner

Membership No.:099625

sd/-

**Sandeep
Bhattacharya**

Director

DIN:07071894

sd/-

**Parvatheesam
Kanchinadham**

Director

DIN:07504007

Place: Hyderabad

Date: June 27, 2020

Place: Jamshedpur

Date: June 27, 2020

Place: Mumbai

Date: June 27, 2020

Tata Steel Odisha Limited**Statement of Cash Flows for the year ended March 31, 2020**

| | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| A. Cash Flow from Operating activities: | | |
| Loss before taxes | (91,684) | (1,33,074) |
| Adjustments for: | | |
| Provision for Doubtfull Debt | - | 50,000 |
| Operating Profit/(loss) before working capital changes | (91,684) | (83,074) |
| Adjustment For | | |
| Increase/(decrease) in trade and other payables | (8,720) | 6,360 |
| Increase/(decrease) in other financial liabilities | 83,269 | 31,940 |
| Cash used in operations | (17,135) | (44,774) |
| Income taxes paid | - | - |
| Net cash outflow from operating activities | (17,135) | (44,774) |
| B. Cash Flow from Investing activities: | | |
| Net cash inflow from investing activities | - | - |
| C. Cash Flow from Financing activities: | | |
| Net cash inflow from financing activities | - | - |
| Net increase/(decrease) in cash and cash equivalents (A+B+C) | (17,135) | (44,774) |
| Cash and cash equivalents at the beginning of the year (Refer note 3) | 1,44,207 | 1,88,981 |
| Cash and cash equivalents at the end of the year (Refer note 3) | 1,27,072 | 1,44,207 |

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

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

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

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration No.304026E/E300009

Chartered Accountants

sd/-

Ashish Taksali

Partner

Membership No.:099625

Place: Hyderabad

Date: June 27, 2020

For and on behalf of the Board

sd/-

**Sandeep
Bhattacharya**

Director

DIN:07071894

Place: Jamshedpur

Date: June 27, 2020

sd/-

**Parvatheesam
Kanchinadham**

Director

DIN:07504007

Place: Mumbai

Date: June 27, 2020

Tata Steel Odisha Limited

Notes to Financial Statements as at and for the year ended March 31, 2020

Background

Tata Steel Odisha Limited is a wholly owned Subsidiary of Tata Steel Limited having its registered office in Mumbai, Maharashtra, India.

1 Summary of 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.

(a) Basis for 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.

(b) Use of estimates and critical accounting judgments

In preparation of the financial statements, the Company makes judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Significant judgments and estimates relate to provisions / write off against assets.

(c) 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.

(d) Other Financial Assets

(i) Classification

The company classifies its financial assets at amortised cost.

(ii) Measurement

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

Tata Steel Odisha Limited

Notes to Financial Statements as at and for the year ended March 31, 2020

Impairment of financial assets

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

Derecognition of financial assets

A financial asset is derecognised only when

- The company has transferred the rights to receive cash flows from the financial asset 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 recipients.

Where the company has transferred an asset, the group 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 company 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 the group has not retained control of the financial asset. Where the group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(e) Trade and other payables:

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

(f) Offsetting financial instruments

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

(g) Earnings Per Share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit/ loss attributable to owners of the company
- by the weighted average number of equity shares outstanding during the financial year.

(ii) Diluted earnings per share

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

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

Amount in INR

2 Other non financial assets

(Unsecured, considered good unless otherwise treated)

| | As at March 31, 2020 | | As at March 31, 2019 | |
|--|----------------------|-------------|----------------------|-------------|
| | Current | Non Current | Current | Non Current |
| (i) Security deposits:- | | | | |
| Considered good - unsecured | - | - | - | - |
| Receivable which have significant increase in credit ri: | - | 50,000 | - | 50,000 |
| Less: Allowance | - | (50,000) | - | (50,000) |
| | - | - | - | - |

3 Cash and cash equivalents

Balances with banks

On Current Account

| | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| | 1,27,072 | 1,44,207 |
| | 1,27,072 | 1,44,207 |

Amount in INR

4 Equity share capital

| | As at March 31, 2020 | As at March 31, 2019 |
|--|--------------------------|--------------------------|
| Authorised: | | |
| 15,000,000,000 Equity Shares of Rs. 10 each | 1,50,00,00,00,000 | 1,50,00,00,00,000 |
| (As at March 31, 2019 : 15,000,000,000 Equity Shares of Rs. 10 each) | | |
| | 1,50,00,00,00,000 | 1,50,00,00,00,000 |
| Issued, Subscribed and Paid up: | | |
| 2,567,000 Equity Shares of Rs. 10 each | 2,56,70,000 | 2,56,70,000 |
| (As at March 31, 2019 : 2,567,000 Equity Shares of Rs. 10 each) | | |
| | 2,56,70,000 | 2,56,70,000 |

Reconciliation of Number of shares

| | As at March 31, 2020 | | As at March 31, 2019 | |
|------------------------------|----------------------|--------------------|----------------------|--------------------|
| | No. of Shares | Amount (Rs.) | No. of Shares | Amount (Rs.) |
| At the beginning of the year | 25,67,000 | 2,56,70,000 | 25,67,000 | 2,56,70,000 |
| Issued during the year | - | - | - | - |
| At the end of the year | 25,67,000 | 2,56,70,000 | 25,67,000 | 2,56,70,000 |

Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

| | As at March 31, 2020 | | As at March 31, 2019 | |
|--------------------|----------------------|-------------|----------------------|-------------|
| | No. of Shares | % | No. of Shares | % |
| Tata Steel Limited | 25,67,000 | 100% | 25,67,000 | 100% |
| | 25,67,000 | 100% | 25,67,000 | 100% |

Term and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- (March 31, 2019: 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.

5 Other Equity

| | As at March 31, 2020 | As at March 31, 2019 |
|---------------------------------------|----------------------|----------------------|
| Retained Earnings | | |
| Balance of Statement of Profit & Loss | | |
| Opening balance of Loss | (2,59,56,811) | (2,58,23,737) |
| Add: Loss for the year | (91,684) | (1,33,074) |
| Balance at the end of the year | (2,60,48,495) | (2,59,56,811) |

6 Trade Payables- Current

| | As at March 31, 2020 | As at March 31, 2019 |
|---|----------------------|----------------------|
| Trade Payable : Micro and Small Enterprises | - | - |
| Trade Payables: others | 52,000 | 60,720 |
| | 52,000 | 60,720 |

Due to Micro, Small and Medium Enterprises

On the basis of information available with the Company there are no Micro, Small and Medium Enterprises identified by the Company as required to be disclosed under the 'Micro, Small and Medium Enterprise Development Act' 2006.

Tata Steel Odisha Limited
Notes to Financial Statements as at and for the year ended March 31, 2020

| | As at March 31, 2020 | As at March 31, 2019 |
|---|----------------------|----------------------|
| 7 Other Financial Liabilities- Current | | |
| Others (due to related parties) (Refer note 12) | 4,53,567 | 3,70,298 |
| | 4,53,567 | 3,70,298 |

| | As at March 31, 2020 | As at March 31, 2019 |
|------------------------------------|----------------------|----------------------|
| 8 Other Expenses | | |
| i). Auditors' Remuneration | | |
| Audit Fee | 40,000 | 40,000 |
| ii). Rates & Taxes | 14,814 | 7,652 |
| iii). Provision for doubtful debts | - | 50,000 |
| iv). Other expenses | 36,870 | 35,422 |
| | 91,684 | 1,33,074 |

9 Earnings per Share

| | For the year ended 31-Mar-20 | For the year ended March 31, 2019 |
|---|---------------------------------|--------------------------------------|
| Number of Equity Shares at the Beginning of the Year (Face Value of Rs.10/- each) | 25,67,000 | 25,67,000 |
| Number of Equity Shares at the End of the Year(Face Value of Rs.10/- each) | 25,67,000 | 25,67,000 |
| Loss attributable to the equity shareholders of the company | (91,684) | (1,33,074) |
| Weighted average number of equity shares | 25,67,000 | 25,67,000 |
| Face Value of Each Equity Share (Rs) | 10 | 10 |
| Earnings per equity share for the year | (0.04) | (0.05) |

10 In view of absence of reasonable certainty of absorption of unabsorbed losses, deferred tax assets have not been recognised in accordance with the principles set out in Indian Accounting Standard (IND AS) - 12 "Income Taxes"

11 Contingencies and commitments:

- (a) Capital and other commitment outstanding Rs. Nil (March 31, 2019 - Rs. Nil).
(b) There is no contingent liability as on March 31, 2020 (March 31, 2019 - Rs. Nil)

12 Related Party Disclosure

Related Party Disclosure

Related party relationship:

| Name of the related party | Type |
|---------------------------|-----------------|
| Tata Steel Limited | Holding Company |

Related party transactions:

| Name of the related party | Nature of transactions | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---------------------------|-----------------------------|--------------------------------------|--------------------------------------|
| Tata Steel Limited | Expenses paid on our behalf | 83,269 | 31,940 |

| Name of the related party | Nature of Balances | As at March 31, 2020 | As at March 31, 2019 |
|---------------------------|-----------------------------|----------------------|----------------------|
| Tata Steel Limited | Other financial liabilities | 4,53,567 | 3,70,298 |

Tata Steel Odisha Limited
Notes to Financial Statements as at and for the year ended March 31, 2020

13 Financial Instruments

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

1. Liquidity Risk

The Company is exposed to the liquidity risk as the current liabilities are in excess of the current assets. However, the entire other financial liabilities are payable to the holding company, Tata Steel Limited. Tata Steel Limited has provided a letter of support to Tata Steel Odisha Limited, which will enable the company to meet its obligations as and when due.

2. Credit Risk

The Company manages its credit risk by maintaining bank balances with Government owned bank.

(a) Financial assets and liabilities

The carrying value of financial instruments by categories as of March 31, 2020 is as follows:

| | Amortised cost |
|-----------------------------|-------------------|
| Assets: | |
| Cash and cash equivalents | 1,27,072 |
| Total | 1,27,072 |
| Liabilities: | |
| Trade payables | 52,000 |
| Other financial liabilities | 4,53,567 |
| Total | 5,05,567 |

The carrying value of financial instruments by categories as of March 31, 2019 is as follows:

| | Amortised cost |
|-----------------------------|-------------------|
| Assets: | |
| Cash and cash equivalents | 1,44,207 |
| Total | 1,44,207 |
| Liabilities: | |
| Trade payables | 60,720 |
| Other financial liabilities | 3,70,298 |
| Total | 4,31,018 |

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

14 The company is presently not engaged in any business operations. However, the Financial statements have been prepared on going concern basis, since the parent company (i.e Tata Steel Limited) has committed to provide unconditional financial support to the Company to pay its dues falling due in next 12 months from the date financial statements of the company are signed.

15 Segment Reporting

The Company has no Operating segments.Hence no disclosure is required as per Ind AS-108 "Operating Segments"

16 Figures for the previous year have been regrouped where necessary to conform with figures for the current year.

17 The financial statements were approved for issue by the Board of Directors on June 27, 2020.

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

For and on behalf of the Board

sd/-
Ashish Taksali
 Partner
 Membership No.:099625

sd/-
Sandeep
Bhattacharya
 Director
 DIN:07071894

sd/-
Parvatheesam
Kanchinadham
 Director
 DIN:07504007

Place: Hyderabad
 Date: June 27, 2020

Place: Jamshedpur
 Date: June 27, 2020

Place: Mumbai
 Date: June 27, 2020