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, 2021, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

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

Other Information

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

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

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

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

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.

Report on other legal and regulatory requirements

10. 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.

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

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

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

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

(d) In our opinion, the aforesaid 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company has long-term contracts as at March 31, 2021 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2021;

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, 2021.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2021.

12. 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/E-300009

sd/-
Ashish Taksali
Partner
Membership Number : 99625

Place : Hyderabad
Date : April 16, 2021
UDIN: 21099625AAAAAH6985

Annexure A to Independent Auditors' Report

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of Tata Steel Special Economic Zone Limited on the financial statements for the year ended March 31, 2021.

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, 2021 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 financial controls 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 (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 11(f) of the Independent Auditors' Report of even date to the members of Tata Steel Special Economic Zone Limited on the financial statements for the year ended March 31, 2021.

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, 2021, 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 E/E-300009

sd/-
Ashish Taksali
Partner
Membership Number: 99625

Place: Hyderabad
Date: April 16, 2021

Annexure B to Independent Auditors' Report
Referred to in paragraph 10 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, 2021.

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets 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 immovable properties, as disclosed in Note 3 on fixed assets to the financial statements, are held in the name of the Company.

ii. The Company is in the business of leasing of real estate, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. The Central Government of India has not specified the maintenance of cost records under 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 undisputed statutory dues in respect of provident fund though there has been a one delay, and is regular in depositing undisputed statutory dues, including income tax, goods and service tax, and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, service-tax, duty of customs, and duty of excise or value added tax or goods and service tax which have not been deposited on account of any dispute.

viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.

ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

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

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

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

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

sd/-
Ashish Taksali
Partner
Membership Number : 99625
Place: Hyderabad
Date: April 16, 2021.

Tata Steel Special Economic Zone Limited
Balance Sheet as at March 31, 2021 **Amount in INR**

	Note	As at March 31, 2021	As at March 31, 2020
(I) ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	03	1,22,43,04,294	77,44,02,911
(b) Intangible assets	04	17,76,712	6,03,167
(c) Right of use assets	05	1,80,42,17,557	1,83,55,73,065
(d) Capital work-in-progress	06	94,99,61,098	1,50,65,33,311
(e) Intangible assets under development	07	30,000	5,20,703
		3,98,02,89,661	**4,11,76,33,157**
(f) Financial Assets			
(i) Deposits	08	5,78,780	20,47,339
(ii) Lease receivable	09	41,40,73,586	-
(g) Other Assets	10	2,45,94,892	7,71,65,636
(h) Tax Asset (Net)	11	22,73,454	10,82,228
		4,42,18,10,373	**4,19,79,28,360**
2 Current assets			
(a) Financial assets			
(i) Trade Receivables	12	82,590	3,45,600
(ii) Cash and cash equivalents	13	11,80,74,732	14,43,82,696
(iii) Lease Receivable	14	4,74,57,706	-
(iv) Other Financial Assets	15	16,17,799	41,810
(b) Other Assets	16	7,20,21,440	2,43,29,663
		23,92,54,267	**16,90,99,769**
TOTAL ASSETS		**4,66,10,64,640**	**4,36,70,28,129**
(II) EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	17	3,99,46,05,010	3,99,46,05,010
(b) Other equity	18	(36,38,23,209)	(29,72,19,029)
		3,63,07,81,801	**3,69,73,85,981**
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	-	4,00,00,000
(ii) Other financial liabilities	20	2,44,29,059	2,87,70,750
(b) Other liabilities	21	2,67,39,982	5,04,64,127
(c) Retirement benefit obligations	22	3,35,768	7,76,786
		5,15,04,809	**12,00,11,663**
(3) Current liabilities			
(a) Financial liabilities			
(i) Trade payables	23		
Total outstanding dues to micro and small enterprises		-	-
Total outstanding dues other than above		1,31,21,409	4,48,57,371
(ii) Other financial liabilities	24	33,04,70,600	13,83,03,089
(iii) Borrowings	25	59,00,00,000	34,00,00,000
(b) Retirement benefit obligations	26	4,01,286	9,27,039
(c) Other Liabilities	27	4,47,84,735	2,55,42,986
		97,87,78,030	**54,96,30,485**
TOTAL EQUITY AND LIABILITIES		**4,66,10,64,640**	**4,36,70,28,129**

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/E-300009

For and on behalf of Board of Directors

sd/-
Ashish Taksali
Partner
Membership No.: 99625

Place: Hyderabad
Date: April 16, 2021

sd/-
Chanakya Chaudhary
Chairman
DIN:02139568

sd/-
Prasanta Mallick
Managing Director
DIN:02347304

sd/-
Swati Sheth
Company Secretary

Place: Bhubaneswar
Date: April 16, 2021

Tata Steel Special Economic Zone Limited
Statement of Profit and Loss for the Year Ended March 31, 2021 **Amount in INR**

	Note	For the the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from operations	28	11,20,31,227	39,80,002
Other Income	29	22,75,571	73,99,762
Total Income		**11,43,06,798**	**1,13,79,764**
Expenses			
(a) Employee benefit expenses	30	1,74,42,743	2,10,35,649
(b) Finance Cost	31	4,90,490	8,82,193
(c) Depreciation and amortization expenses	32	12,69,77,993	12,09,20,868
(d) Other expenses	33	3,62,05,053	4,35,58,573
Total Expenses		**18,11,16,279**	**18,63,97,283**
Loss before tax		**(6,68,09,481)**	**(17,50,17,519)**
Tax Expense		-	-
Loss for the year		**(6,68,09,481)**	**(17,50,17,519)**
Other Comprehensive Income			
Item that will not be Reclassified to Profit or Loss in Subsequent Periods:			
Remeasurement gains on defined benefit plans		2,05,301	36,350
Other Comprehensive Income for the year		**2,05,301**	**36,350**
Total Comprehensive Loss for the year		**(6,66,04,180)**	**(17,49,81,169)**
Earning per equity share			
[Nominal value per share Rs10 /- (March 31, 2020 : Rs 10 /-)]			
Basic (In Rs.)		(0.17)	(0.51)
Diluted (In Rs.)		(0.17)	(0.51)

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/E-300009

sd/-
Ashish Taksali
Partner
Membership No.: 99625

Place: Hyderabad
Date: April 16, 2021

For and on behalf of Board of Directors

sd/-
Chanakya Chaudhary
Chairman
DIN:02139568

sd/-
Prasanta Mallick
Managing Director
DIN:02347304

sd/-
Swati Sheth
Company Secretary

Place: Bhubaneswar
Date: April 16, 2021

Tata Steel Special Economic Zone Limited
Statement of Cash Flows for the Year Ended March 31, 2021 **Amount in INR**

	For the year Ended March 31, 2021	For the year ended March 31, 2020
A. Cash Flow from Operating Activities:		
Loss before tax for the year	**(6,68,09,481)**	**(17,50,17,519)**
Adjustments for:		
Depreciation and amortization expenses	12,69,77,993	12,09,20,868
Dividend/Gain from mutual fund	8,37,366	58,77,336
Finance cost	4,90,490	8,82,193
Interest income from financial assets	(11,62,012)	(1,42,071)
Interest on unwinding of security deposit - IDCO	(1,49,240)	(1,86,550)
Interest on lease receivable	(1,90,93,075)	-
Loss / (Profit) on Sale/Discard of Property, Plant & Equipment	2,18,550	(24,559)
Operating profit/(Loss) before working capital changes	**4,13,10,591**	**(4,76,90,302)**
Adjustments for:		
(Increase)/Decrease in Non current / Current Financial and Other Assets	1,86,80,588	(3,01,84,260)
Increase/ (Decrease) in Non current / Current Financial and Other Liabilities / Provisions	3,76,16,560	9,89,40,645
Cash generated from operations	**9,76,07,739**	**2,10,66,083**
Income tax paid	(11,91,226)	(3,14,228)
Net cash from operating activities	**9,64,16,513**	**2,07,51,855**
B. Cash Flow from Investing Activities:		
Payment for acquisition of property, plant and equipment including capital work in progress, intangible assets and intangible assets under development	(32,86,78,143)	(30,70,08,628)
Sale of Property plant and equipment	29,766	39,178
Interest on Sweep Account	11,97,822	1,06,261
Dividend/Sale from mutual fund	(8,37,366)	(58,77,336)
Net cash from investing activities	**(32,82,87,921)**	**(31,27,40,525)**
C. Cash Flow from Financing Activities:		
Principal elements of lease payments	(37,77,867)	(41,94,201)
Interest paid on lease liabilities	(6,58,689)	(2,42,355)
Proceeds from inter corporate deposit	21,00,00,000	25,00,00,000
Net cash from financing activities	**20,55,63,444**	**24,55,63,444**
Net increase/ (decrease) in cash or cash equivalents (A+B+C)	(2,63,07,964)	(4,64,25,226)
Cash and Cash Equivalents - Opening Balance (Refer Note 13)	14,43,82,696	19,08,07,922
Cash and Cash Equivalents - Closing Balance (Refer Note 13)	**11,80,74,732**	**14,43,82,696**

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/E-300009

For and on behalf of Board of Directors

sd/-
Ashish Taksali
Partner
Membership No.: 99625

sd/-
Chanakya Chaudhary
Chairman
DIN:02139568

sd/-
Prasanta Mallick
Managing Director
DIN:02347304

sd/-
Swati Sheth
Company Secretary

Place: Hyderabad
Date: April 16, 2021

Place: Bhubaneswar
Date: April 16, 2021

Tata Steel Special Economic Zone Limited
Statement of changes in equity for the Year Ended March 31, 2021

Amount in INR

A) Equity Share Capital

Particulars	Number	Amount
Balance as at April 01, 2019	**18,52,42,631**	**1,85,24,26,310**
Issue of Equity Shares during the year	21,42,17,870	2,14,21,78,700
Balance as at March 31, 2020	**39,94,60,501**	**3,99,46,05,010**
Issue of Equity Shares during the year	-	-
Balance as at March 31, 2021	**39,94,60,501**	**3,99,46,05,010**

B) Other Equity

As at March 31, 2021	Share application money pending allotment	Retained Earnings	Total
At beginning of the year	10	(29,72,19,039)	(29,72,19,029)
Net Loss for the year	-	(6,68,09,481)	(6,68,09,481)
Other Comprehensive Income	-	2,05,301	2,05,301
Total comprehensive income for the year	**-**	**(6,66,04,180)**	**(6,66,04,180)**
At end of year	**10**	**(36,38,23,219)**	**(36,38,23,209)**

As at March 31, 2020	Share application money pending allotment	Balance of Statement of Profit and loss	Total
At beginning of the year	2,75,18,81,600	(12,22,37,870)	2,62,96,43,730
Net Loss for the year	-	(17,50,17,519)	(17,50,17,519)
Other Comprehensive Income	-	36,350	36,350
Total comprehensive income for the year	**-**	**(17,49,81,169)**	**(17,49,81,169)**
Transactions with Owners in their Capacity as Owners:			
Adjusted with Receivable from Tata Steel Limited	(60,97,02,890)	-	(60,97,02,890)
Allotment of share	(2,14,21,78,700)	-	(2,14,21,78,700)
At end of year	**10**	**(29,72,19,039)**	**(29,72,19,029)**

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

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/-
Ashish Taksali
Partner
Membership No.: 99625

Place: Hyderabad
Date: April 16, 2021

For and on behalf of Board of Directors

sd/-
Chanakya Chaudhary
Chairman
DIN:02139568

sd/-
Prasanta Mallick
Managing Director
DIN:02347304

sd/-
Swati Sheth
Company Secretary

Place: Bhubaneswar
Date: April 16, 2021

03. Property, Plant and Equipment

As at March 31, 2021	Buildings and other structures	Roads	Plant and Machinery	Furniture and fixtures	Office Equipments	Vehicles	Electrical Installation & Equipments	Laboratory Equipment	Total
Opening gross carrying amount	50,57,27,464	34,61,82,737	-	92,92,880	81,43,338	25,74,505	41,49,019	5,30,500	87,66,00,443
Additions	6,83,18,421	5,65,12,228	41,34,70,275	22,87,488	13,58,057	-	33,21,578	-	54,52,68,047
Disposals	-	-	-	-	(4,26,101)	-	-	-	(4,26,101)
Closing gross carrying amount	**57,40,45,885**	**40,26,94,965**	**41,34,70,275**	**1,15,80,368**	**90,75,294**	**25,74,505**	**74,70,597**	**5,30,500**	**1,42,14,42,389**
Opening accumulated depreciation	3,11,27,174	6,66,92,618	-	16,11,465	18,87,721	4,90,496	3,80,050	8,008	10,21,97,532
Charge for the year	1,79,08,364	6,91,57,956	27,74,343	21,75,692	19,96,228	4,89,156	5,66,211	50,398	9,51,18,348
Disposals	-	-	-	-	(1,77,785)	-	-	-	(1,77,785)
Closing accumulated depreciation	**4,90,35,538**	**13,58,50,574**	**27,74,343**	**37,87,157**	**37,06,164**	**9,79,652**	**9,46,261**	**58,406**	**19,71,38,095**
Net carrying amount - Opening	**47,46,00,290**	**27,94,90,119**	**-**	**76,81,415**	**62,55,617**	**20,84,009**	**37,68,969**	**5,22,492**	**77,44,02,911**
Net carrying amount - Closing	**52,50,10,347**	**26,68,44,391**	**41,06,95,932**	**77,93,211**	**53,69,130**	**15,94,853**	**65,24,336**	**4,72,094**	**1,22,43,04,294**

As at March 31, 2020	Buildings and other structures	Roads	Plant and Machinery	Furniture and fixtures	Office Equipments	Vehicles	Electrical Installation & Equipments	Laboratory Equipment	Total
Opening gross carrying amount	44,36,51,321	-	-	52,02,368	25,80,224	-	-	-	45,14,33,913
Additions	6,20,76,143	34,61,82,737	-	40,90,512	57,59,807	25,74,505	41,49,019	5,30,500	42,53,63,223
Disposals	-	-	-	-	(1,96,693)	-	-	-	(1,96,693)
Closing gross carrying amount	**50,57,27,464**	**34,61,82,737**	**-**	**92,92,880**	**81,43,338**	**25,74,505**	**41,49,019**	**5,30,500**	**87,66,00,443**
Opening accumulated depreciation	1,43,28,651	-	-	26,985	10,70,254	-	-	-	1,54,25,890
Charge for the year	1,67,98,523	6,66,92,618	-	15,84,480	9,99,541	4,90,496	3,80,050	8,008	8,69,53,716
Disposals	-	-	-	-	(1,82,074)	-	-	-	(1,82,074)
Closing accumulated depreciation	**3,11,27,174**	**6,66,92,618**	**-**	**16,11,465**	**18,87,721**	**4,90,496**	**3,80,050**	**8,008**	**10,21,97,532**
Net carrying amount - Opening	**42,93,22,670**	**-**	**-**	**51,75,383**	**15,09,970**	**-**	**-**	**-**	**43,60,08,023**
Net carrying amount - Closing	**47,46,00,290**	**27,94,90,119**	**-**	**76,81,415**	**62,55,617**	**20,84,009**	**37,68,969**	**5,22,492**	**77,44,02,911**

Tata Steel Special Economic Zone Limited
Notes to Financial Statements as at March 31, 2021

04. Intangible Assets **Amount in INR**

As at March 31, 2021	Website Development Costs	Software Costs	Company Logo	Total
Opening gross carrying amount	-	7,23,250	4,01,564	11,24,814
Additions	11,68,988	5,08,694	-	16,77,682
Closing gross carrying amount	**11,68,988**	**12,31,944**	**4,01,564**	**28,02,496**
Opening accumulated amortisation	-	2,86,575	2,35,072	5,21,647
Amortisation charge for the year	1,77,750	1,92,532	1,33,855	5,04,137
Closing accumulated amortization	**1,77,750**	**4,79,107**	**3,68,927**	**10,25,784**
Net carrying amount - Opening	**-**	**4,36,675**	**1,66,492**	**6,03,167**
Net carrying amount - Closing	**9,91,238**	**7,52,837**	**32,637**	**17,76,712**

As at March 31, 2020	Website Development Costs	Software Costs	Company Logo	Total
Opening gross carrying amount	-	7,23,250	4,01,564	11,24,814
Additions	-	-	-	-
Closing gross carrying amount	**-**	**7,23,250**	**4,01,564**	**11,24,814**
Opening accumulated amortisation	-	1,24,398	1,00,850	2,25,248
Amortisation charge for the year	-	1,62,177	1,34,222	2,96,399
Closing accumulated amortization	**-**	**2,86,575**	**2,35,072**	**5,21,647**
Net carrying amount - Opening	**-**	**5,98,852**	**3,00,714**	**8,99,566**
Net carrying amount - Closing	**-**	**4,36,675**	**1,66,492**	**6,03,167**

05. Right of Use assets

	As at March 31, 2021	As at March 31, 2020
Carrying amounts of:		
Office Building	23,70,033	63,90,305
Leasehold Land	1,80,18,47,524	1,82,91,82,760
Total	**1,80,42,17,557**	**1,83,55,73,065**

As at March 31, 2021	**Leasehold Land**	**Office Building**	**Total Right to use assets**
Gross Carrying Amount as at Apr 1, 2020	1,85,87,95,930	1,04,47,888	**1,86,92,43,818**
Gross carrying amount as at March 31, 2021	**1,85,87,95,930**	**1,04,47,888**	**1,86,92,43,818**
Accumulated Depreciation as at Apr 1, 2020	2,96,13,170	40,57,583	**3,36,70,753**
Charge for the year	2,73,35,236	40,20,272	**3,13,55,508**
Accumulated depreciation as at March 31, 2021	**5,69,48,406**	**80,77,855**	**6,50,26,261**
Net carrying amount as at April 1, 2020	**1,82,91,82,760**	**63,90,305**	**1,83,55,73,065**
Net carrying amount as at March 31, 2021	**1,80,18,47,524**	**23,70,033**	**1,80,42,17,557**

As at March 31, 2020	**Leasehold Land**	**Office Building**	**Total Right to use assets**
Gross Carrying Amount as at Apr 1, 2019 (On Account of adoption of IND AS 116)	1,83,65,78,407	1,04,47,888	**1,84,70,26,295**
Additions	2,22,17,523	-	**2,22,17,523**
Gross carrying amount as at March 31, 2020	**1,85,87,95,930**	**1,04,47,888**	**1,86,92,43,818**
Accumulated Depreciation as at Apr 1, 2019	-	-	**-**
Charge for the year	2,96,13,170	40,57,583	**3,36,70,753**
Accumulated depreciation as at March 31, 2020	**2,96,13,170**	**40,57,583**	**3,36,70,753**
Net carrying amount as at March 31, 2020	**1,82,91,82,760**	**63,90,305**	**1,83,55,73,065**

(i) Refer to note 35 for disclosure with respect to leases as per Ind AS 116.

(ii) Out of the total areas of 2970 acres, 173 acres are subleased as on March 31, 2021 (7 acres as on March 31, 2020)

Tata Steel Special Economic Zone Limited

Notes to Financial Statements as at March 31, 2021 **Amount in INR**

	As at March 31, 2021	As at March 31, 2020
06- Capital Work in Progress		
Capital Work in Progress	94,99,61,098	1,50,65,33,311
	94,99,61,098	**1,50,65,33,311**

	As at March 31, 2021	As at March 31, 2020
07- Intangible Assets Under Development		
Legatrix Software	-	4,60,494
Travel Management Software	30,000	30,000
Website Domain Registration	-	30,209
	30,000	**5,20,703**

	As at March 31, 2021	As at March 31, 2020
08- Deposits		
Unsecured, considered good unless otherwise stated		
Security Deposits	5,78,780	20,47,339
	5,78,780	**20,47,339**

	As at March 31, 2021	As at March 31, 2020
09 - Lease Receivable		
Lease Receivable	41,40,73,586	-
	41,40,73,586	**-**

	As at March 31, 2021	As at March 31, 2020
10 - Other Assets - Non-current (Unsecured, considered good unless stated otherwise)		
Balance with Govt. Authorities	2,43,71,992	7,27,80,196
Capital Advances	2,22,900	42,86,207
Advance Recoverable in cash or in kind	-	99,233
	2,45,94,892	**7,71,65,636**

	As at March 31, 2021	As at March 31, 2020
11- Tax Asset (Net)		
Advance Tax	22,73,454	10,82,228
	22,73,454	**10,82,228**

	As at March 31, 2021	As at March 31, 2020
12- Trade Receivables - Current		
Unsecured, considered good unless otherwise treated		
Considered good - unsecured	-	3,45,600
Considered good - unsecured- Due for more than 6 months	82,590	-
	82,590	**3,45,600**

	As at March 31, 2021	As at March 31, 2020
13- Cash and Cash Equivalents		
Balance with Bank -		
On Current Account	11,61,015	13,65,66,370
Deposits with Original Maturity of Less Than Three Months	11,69,13,717	74,13,001
Demand Draft in Hand	-	4,03,325
	11,80,74,732	**14,43,82,696**

Tata Steel Special Economic Zone Limited

Notes to Financial Statements as at March 31, 2021

Amount in INR

	As at March 31, 2021	As at March 31, 2020
14- Lease Receivable		
Lease Receivable	4,74,57,706	-
	4,74,57,706	-

	As at March 31, 2021	As at March 31, 2020
15- Other Financial Assets - Current		
Accrued Int. on Sweep Account	-	35,810
Others	16,17,799	6,000
	16,17,799	**41,810**

	As at March 31, 2021	As at March 31, 2020
16- Other Assets (Current)		
Advance - Irrigation Division, Berhampur	3,25,763	-
Advance for expenses	1,25,524	-
Prepaid Expenses	58,513	-
Deposit - Irrigation Division, Berhampur	1,08,588	-
Balance with Govt. Authorities	7,14,03,052	2,43,29,663
	7,20,21,440	**2,43,29,663**

	As at March 31, 2021	As at March 31, 2020
17- Equity Share Capital		
Authorized:		
55,00,00,000 Equity shares of Rs. 10/- each	5,50,00,00,000	5,50,00,00,000
20,00,00,000 Preference shares of Rs. 10/- each	2,00,00,00,000	2,00,00,00,000
(March 31, 2020: 550,000,000 equity shares of Rs. 10/- each)		
(March 31, 2020: 200,000,000 preference shares of Rs. 10/- each)		
	7,50,00,00,000	**7,50,00,00,000**
Issued, Subscribed and Paid up:		
39,94,60,501 Equity shares of Rs. 10/- each fully paid up	3,99,46,05,010	3,99,46,05,010
(March 31, 2020: 399,460,501 equity shares of Rs. 10/- each fully paid up)		
	3,99,46,05,010	**3,99,46,05,010**
Shares issued to Tata Steel Limited, holding company and its nominee		
Balance at the beginning of the year	39,94,60,501	18,52,42,631
Add: Share issued during the period	-	21,42,17,870
Balance at the end of the period	**39,94,60,501**	**39,94,60,501**
Percentage of Shares held by Tata Steel Limited (immediate and ultimate holding company)	**100**	**100**

Term and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- (March 31, 2020: Rs. 10/-) per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

Tata Steel Special Economic Zone Limited

Notes to Financial Statements as at March 31, 2021

Amount in INR

	As at March 31, 2021	As at March 31, 2020
18 - Other Equity		
(i) Retained Earnings		
Opening balance	(29,72,19,039)	(12,22,37,870)
Add: Net loss for the year	(6,68,09,481)	(17,50,17,519)
Add: *Items of other comprehensive income recognised directly in retained earnings*		
- Other Comprehensive Income for the year	2,05,301	36,350
Closing balance	**(36,38,23,219)**	**(29,72,19,039)**
(ii) Share Application Money Pending Allotment		
Opening balance	10	2,75,18,81,600
Received from Tata Steel Limited, holding company	-	-
Transfer of Asset against equity pending allotment	-	-
	10	**2,75,18,81,600**
Less: Share allotted	-	2,14,21,78,700
Less: Adjusted with Receivable from Tata Steel	-	60,97,02,890
Closing balance	**10**	**10**
Total Other Equity	**(36,38,23,209)**	**(29,72,19,029)**

	As at March 31, 2021	As at March 31, 2020
19 - Borrowings - Non Current		
Loans from related party	-	4,00,00,000
	-	**4,00,00,000**

Long term borrowings

Particulars	Terms of repayment	Coupon/Interest rate	As at March 31, 2021	As at March 31, 2020
Unsecured				
ICD from Tata Steel Ltd. (incl. interest)	2 - 3 years from date of disbursement	10.50%	-	4,48,98,461
Less :Interest Accrued			-	48,98,461
Principal Amount of Borrowing			**-**	**4,00,00,000**

	As at March 31, 2021	As at March 31, 2020
20 - Other financial liabilities - Non Current		
Interest Accrued on Borrowings	-	48,98,461
Lease Liability	-	20,09,250
Security Deposits	2,44,29,059	35,56,692
Payable for purchase of Property, Plant & Equipment	-	1,83,06,347
	2,44,29,059	**2,87,70,750**

	As at March 31, 2021	As at March 31, 2020
21 - Other Liabilities - Non-current		
Deferred Rent	-	2,31,64,127
Prepaid Rent - Land Sublease	2,67,39,982	2,73,00,000
	2,67,39,982	**5,04,64,127**

	As at March 31, 2021	As at March 31, 2020
22 - Retirement Benefit Obligations - Non-current		
Gratuity	3,35,768	7,76,786
	3,35,768	**7,76,786**

Tata Steel Special Economic Zone Limited

Notes to Financial Statements as at March 31, 2021

Amount in INR

	As at March 31, 2021	As at March 31, 2020
23 - Trade Payables - Current		
Trade Payable : Micro and Small Enterprises	-	-
Trade Payable : Others	1,31,21,409	4,48,57,371
	1,31,21,409	**4,48,57,371**

	As at March 31, 2021	As at March 31, 2020
24 - Other Financial Liabilities- Current		
Employee related liabilities	28,56,870	20,15,348
Security deposit from vendor	-	4,58,706
Lease Liability	24,99,740	44,36,556
Payable for purchase of Property, Plant & Equipment	26,52,24,284	11,64,35,346
Interest accrued on borrowings	5,98,89,706	1,49,57,133
	33,04,70,600	**13,83,03,089**

	As at March 31, 2021	As at March 31, 2020
25 - Borrowings - Current		
Loan from related party	59,00,00,000	34,00,00,000
	59,00,00,000	**34,00,00,000**

Short term borrowings

Particulars	Terms of repayment	Coupon/Interest rate	As at March 31, 2021	As at March 31, 2020
Unsecured				
ICD from Tata Steel Ltd. (incl. interest)	One year	10.00% to 10.5%	64,98,89,706	35,49,57,133
Less :Interest Accrued			5,98,89,706	1,49,57,133
Principal Amount of Borrowing			**59,00,00,000**	**34,00,00,000**

	As at March 31, 2021	As at March 31, 2020
26 - Retirement Benefits Obligation - Current		
Gratuity	2,000	6,385
Leave Benefits	3,99,286	9,20,654
	4,01,286	**9,27,039**

	As at March 31, 2021	As at March 31, 2020
27 - Other Liabilities - Current		
Statutory Dues	31,90,879	58,77,760
Advance rent from Sure Safety Solutions	6,40,000	6,40,000
Advance from customer	4,03,93,856	1,84,65,226
Prepaid Rent - Land Sublease	5,60,000	5,60,000
	4,47,84,735	**2,55,42,986**

Tata Steel Special Economic Zone Limited
Notes to Financial Statements for the Year Ended March 31, 2021

Amount in INR

	For the year ended March 31, 2021	For the year ended March 31, 2020
28 - Revenue from Operations		
Income from Lease rent and other services	9,29,38,152	39,80,002
Other Operating Income	1,90,93,075	-
	11,20,31,227	**39,80,002**

	For the year ended March 31, 2021	For the year ended March 31, 2020
29 - Other Income		
Mutual fund dividend/ gain on sale	8,37,366	58,77,336
Interest income from financial assets at amortised cost (Sweep Account)	11,62,012	1,42,071
Interest on income tax refund	53,760	17,280
Unwinding of discount on security deposits - IDCO	1,49,240	1,86,550
Gain on sale of Property, Plant and Equipment (Net)	-	24,559
Other Misc. Income	73,193	11,51,966
	22,75,571	**73,99,762**

	For the year ended March 31, 2021	For the year ended March 31, 2020
30- Employee Benefit Expenses		
Salary & Other Benefits	1,59,50,327	1,89,28,569
Contribution to provident fund	10,23,222	11,45,780
Gratuity	2,17,677	3,28,015
Staff Welfare Expenses	2,51,517	6,33,285
	1,74,42,743	**2,10,35,649**

	For the year ended March 31, 2021	For the year ended March 31, 2020
31- Finance Costs		
Interest on financial liabilities not at fair value through profit or loss	4,32,80,137	2,07,01,096
Interest on lease liabilities	4,90,490	8,82,193
Less: Amount capitalised (see note below)	(4,32,80,137)	(2,07,01,096)
	4,90,490	**8,82,193**

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 10.00% to 10.5% (31st March 2020 10.00% to 10.5%).

	For the year ended March 31, 2021	For the year ended March 31, 2020
32- Depreciation and amortization expenses		
Depreciation of property plant and equipment	9,51,18,348	8,69,53,716
Amortisation of intangible assets	5,04,137	2,96,399
Depreciation of Right of use assets	3,13,55,508	3,36,70,753
	12,69,77,993	**12,09,20,868**

	For the year ended March 31, 2021	For the year ended March 31, 2020
33- Other Expenses		
Legal & professional fees	14,57,110	13,35,008
Telecommunication expenses	37,399	1,75,209
Payment to Auditors		
- As Audit Fees	91,000	57,000
Outsourcing expenses	1,71,45,451	1,89,58,748
Travelling and Conveyances	1,33,415	15,09,769
Directors' sitting fee	3,70,000	2,25,000
Marketing expenses	1,95,699	18,73,687
Rates & taxes	1,31,16,418	1,37,04,550
Loss on Sale / Discard of Fixed Assets (Net)	2,18,550	-
Miscellaneous Expenses	34,40,011	57,19,602
	3,62,05,053	**4,35,58,573**

1) Background

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

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

2) Significant Accounting Policies:

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

2.1 Basis of preparation

(i) Compliance with Ind AS

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

(ii) Historical Cost Convention

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

(ii) Current versus Non-current Classification

The company presents assets and liabilities in the Balance Sheet based on current/non-current classification.
An asset is classified as current when it is:
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.

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.

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

(iii) 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:

• Definition of Material – amendments to Ind AS 1 and Ind AS 8

• 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.

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:

· Employee Benefits (Estimation of Defined Benefit Obligations) — Notes 2.11 and 38

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

· Estimation of Expected Useful Lives of Property, Plant and Equipment and Intangible Assets— Notes 2.3, 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 and furniture and fixtures, 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.

i. 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.

ii. 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.

iii. 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 (years)
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.

(i) 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

(i) Functional and Presentation Currency

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

(ii) Transactions and Balances

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

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

2.11 Employee benefits

(i) Short-term Employee Benefit:

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

(ii) Other Long-Term Employee Benefit Obligation

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

(iii) Post-employment obligations

Defined Benefit Plans

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

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

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

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

Defined Contribution Plans

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

2.12 Provisions

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

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

2.13 Income taxes

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

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

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

Deferred tax assets are 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. 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.A162

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 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.

34. 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 meant for development of domestic tariff area has been leased in favour of the Company by Industrial Infrastructure Development Corporation of Odisha during the Financial Year 2018-2019.

35. Disclosure of Right of Use assets (ROU) and Lease liability as per Ind AS 116

Amount recognised in Balance Sheet	As at March 31, 2021	As at March 31, 2020
Right of Use assets		
Leasehold Land	1,80,18,47,524	1,82,91,82,760
Office Building	23,70,033	63,90,305
Total	**1,80,42,17,557**	**1,83,55,73,065**

Lease liabilities	As at March 31, 2021	As at March 31, 2020
Current	24,99,740	44,36,556
Non-current	-	20,09,250
Total	**24,99,740**	**64,45,806**

Amounts recognised in the statement of profit and loss	As at March 31, 2021	As at March 31, 2020
Interest on lease liabilities	4,90,490	8,82,193
Depreciation charge for the Year	3,13,55,508	3,36,70,753
Total	**3,18,45,998**	**3,45,52,946**
Total cash outflow for leases for the year	44,36,556	44,36,556

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, 2021	As at March 31, 2020
Less then one year	25,87,991	44,36,556
One to two years	-	25,87,991
Total undiscounted lease payments	**25,87,991**	**70,24,547**

36. Contingent Liability and Commitments:

There is no contingent liability as at March 31, 2021 and March 31, 2020.

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on Capital account	17,05,30,877	49,25,72,361

37. 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

38. 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.1,023,222 (March 31, 2020- Rs. 1,145,780)

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

Changes in Present Value of Obligation	For the year ended	
	March 31, 2021	March 31, 2020
Present value of obligation - Opening	7,83,171	7,09,018
Current Service Cost	1,79,100	2,88,038
Interest Cost	38,578	39,977
Actuarial gain/loss on obligations due to Change in Financial Assumption	-18,925	87,398
Actuarial gain/loss on obligations due to Unexpected Experience	-1,86,376	-1,23,748
Benefits paid	-4,57,780	-2,17,512
Present value of obligation - Closing	**3,37,768**	**7,83,171**

Table showing Reconciliation to Balance Sheet:

Reconciliation to Balance Sheet	For the year ended	
	March 31, 2021	March 31, 2020
Fund Liability	3,37,768	7,83,171

Table Showing Plan Assumptions:

Plan assumptions	For the year ended	
	March 31, 2021	March 31, 2020
Discount Rate	6.96%	6.66%
Rate of Compensation Increase (Salary Inflation)	6.00%	6.00%
Average expected future service (Remaining working Life)	20	17
Average Duration of Liabilities	20	17
Mortality Table	IALM 2012 - 2014 Ultimate	IALM 2006-2008 Ultimate
Superannuation at age	60	60
Early Retirement & Disablement (All Causes Combined)	1.00%	1.00%

Table showing Expense Recognised in statement of Profit/Loss:

Expense recognised in statement of Profit/Loss	For the year ended	
	March 31, 2021	March 31, 2020
Current Service Cost	1,79,100	2,88,038
Interest Cost	38,578	39,977
Benefit Cost(Expense Recognized in Statement of Profit/loss)	**2,17,678**	**3,28,015**

Table showing amount recognised in Other Comprehensive Income:

Other Comprehensive Income	For the year ended	
	March 31, 2021	March 31, 2020
Actuarial gain/loss on obligations due to Change in Financial Assumption	18,925	-87,398
Actuarial gain/loss on obligations due to Unexpected Experience	1,86,376	1,23,748
Income for the year recognised in Other Comprehensive Income	**2,05,301**	**36,350**

Table showing Sensitivity Analysis:

Sensitivity Analysis	March 31, 2021		March 31, 2020	
	Increase	Decrease	Increase	Decrease
Discount Rate (-/+ 1%)	3,08,791	3,70,001	7,33,823	8,37,406
%Change Compared to base due to sensitivity	-8.58%	9.54%	-6.30%	6.93%
Salary Growth (-/+ 1%)	3,70,015	3,08,531	8,37,249	7,33,526
%Change Compared to base due to sensitivity	9.55%	-8.66%	6.91%	-6.34%

Risk Exposure

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

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. 399,285/- (March 31, 2020: Rs. 920,654/-).

39. Computation of Earnings Per Share (EPS):

Particulars	Current Year	Previous Year
Number of equity shares at the beginning of the year	39,94,60,501	18,52,42,631
Number of equity shares at the end of the year	39,94,60,501	39,94,60,501
Loss for the year (Rupees)	6,68,09,481	17,50,17,519
Weighted average number of shares considered for computation of Basic EPS (Numbers)	39,94,60,501	34,37,27,652
Weighted average number of shares for computation of Diluted EPS (Numbers)	39,94,60,501	34,37,27,652
Face Value of Each Equity Share (Rs.)	10	10
Earnings Per Shares (Basic and Diluted) in Rupees	**-0.17**	**-0.51**

40. Related Parties Transactions:

i. List of Related Parties and Relationship

Name of the Related Party	Relationship
Tata Steel Limited	Immediate and ultimate holding company

Transactions	Tata Steel Ltd. (Holding Company)	
	Year ended March 31, 2021	Year ended March 31, 2020
Equity Share Capital issued (against share application money pending allotment)	-	2,14,21,78,700
Receivable Balance adjusted with Share Application pending allotment (Non-Cash Transfer)	-	60,97,02,890
Inter-corporate deposit received	21,00,00,000	25,00,00,000
Income from lease rent	8,50,00,000	-
Outsourcing Expenses (Including GST)	3,14,77,787	3,60,51,774
Legal and Professional Fees (Including GST)	1,99,546	3,41,620
Interest expenses on borrowings	4,32,80,137	2,07,01,096
Purchase of property, plant and equipment	12,05,87,051	-
Balances outstanding as at the year end	**Tata Steel Ltd. (Holding Company)**	
	Year ended March 31, 2021	**Year ended March 31, 2020**
Share Application Money pending Allotment	10	10
Trade Payables- Current	71,32,519	2,11,90,528
Borrowings- Non Current	-	4,00,00,000
Borrowings- Current	59,00,00,000	34,00,00,000
Payable for purchase of Property, Plant & Equipment	11,85,02,612	-
Interest accrued on borrowings	5,98,89,706	1,98,55,594

Transactions	Independent Director	
	Year ended March 31, 2021	Year ended March 31, 2020
Sitting Fees	3,70,000	2,25,000

ii. List of Key Managerial Person and Relationship

Transactions	Amit Kumar Kundu, Chief Financial Officer till March 16, 2021		Tanmay Kumar Sahu, Company Secretary till March 15, 2021	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Short Term Employee Benefits	41,82,664	43,42,260	39,12,255	43,99,075
Contribution to Provident Fund	1,70,520	1,77,684	1,76,082	1,83,996
Other Long Term Benefits	3,08,487	-	10,09,930	-
Total	**46,61,671**	**45,19,944**	**50,98,267**	**45,83,071**
Balances outstanding as at the year end	**Amit Kumar Kundu, Chief Financial Officer till March 16, 2021**		**Tanmay Kumar Sahu, Company Secretary till March 15, 2021**	
	Year ended March 31, 2021	**Year ended March 31, 2020**	**Year ended March 31, 2021**	**Year ended March 31, 2020**
Employee Related Liabilities	-	3,90,076	10,32,834	4,03,222

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 is on Deputation from Tata Steel Ltd. With effect from 1st July 2019, his remuneration is shown under Outsource/ Deputation charges.

41.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, 2020	Charge/Credit	As at March 31, 2021
Deferred Tax Liability on property, plant and equipment	9,86,115	61,05,163	70,91,278
Deferred Tax Asset on carried forward of tax losses	9,86,115	61,05,163	70,91,278
Net	-	-	-

Particulars	As at March 31, 2019	Charge/Credit	As at March 31, 2020
Deferred Tax Liability on property, plant and equipment	1,01,29,030	-91,42,915	9,86,115
Deferred Tax Asset on carried forward of tax losses	1,01,29,030	-91,42,915	9,86,115
Net	-	-	-

42. Fair value measurement

Financial instrument by category

Particulars	As at March 31, 2021	As at March 31, 2020
Financial assets	**Amortized cost**	**Amortized cost**
Deposits	5,78,780	20,47,339
Trade receivables	82,590	3,45,600
Cash and cash equivalents	11,80,74,732	14,43,82,696
Other financial assets	16,17,799	41,810
Lease receivable	46,15,31,292	-
Total Financial assets	**58,18,85,193**	**14,68,17,445**
Financial liabilities		
Other financial liabilities	35,48,99,659	16,70,73,839
Borrowings	59,00,00,000	38,00,00,000
Trade payables	1,31,21,409	4,48,57,371
Total Financial liabilities	**95,80,21,068**	**59,19,31,210**

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

43. 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, 2021					
a) Lease Liabilities	24,99,740	25,87,991	25,87,991	-	-
b) Trade payables	1,31,21,409	1,31,21,409	1,31,21,409	-	-
c) Other financial liabilities	35,23,99,919	40,57,87,757	32,79,70,860	4,58,706	7,73,58,191
d) Borrowings (Current)	59,00,00,000	59,00,00,000	59,00,00,000	-	-
As at March 31, 2020					
a) Lease Liabilities (Current and Non Current)	64,45,806	70,24,547	44,36,556	25,87,991	-
b) Trade payables (Current and Non Current)	4,48,57,370	4,48,57,370	44857370	-	-
c) Other financial liabilities @	16,06,28,033	20,22,92,828	16,83,16,533	3,39,76,295	-
d) Borrowings (Current and Non Current)	38,00,00,000	38,00,00,000	34,00,00,000	4,00,00,000	-

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

(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

44. Capital Management

(a) Risk Management

The company's objective when managing capital are to safeguard its ability to continue as a going concern, so that company can continue to provide returns for shareholders and benefit for other stakeholders and maintain an optimal capital structure to reduce cost of capital.

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

In preparing the sales plan for FY'22 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 FY'22 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, Intangible assets, and Trade Receivables 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.

46. Leases as a Lessor:-

During the year 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, 2021
Upto one year	4,74,57,706
One to two years	4,88,81,437
Two to three years	5,03,47,880
Three to four years	5,18,58,317
Four to five years	5,34,14,066
More than five years	98,79,73,721
Total undiscounted lease payments receivable	**1,23,99,33,127**
Unearned finance income	-77,84,01,835
Net investment in lease	**46,15,31,292**

b) Finance income on the net Investment in the lease recognized during the year is Rs. 1,93,58,717

c) Maturity analysis of lease payments under Operating Lease

Undiscounted lease payments to be received on an annual basis	As at March 31, 2021	As at March 31, 2020
Upto one year	82,19,071	3,90,000
One to two years	81,37,514	73,500
Two to three years	83,83,183	77,175
Three to four years	86,36,299	81,034
Four to Five years	88,97,089	85,085
More than Five years	17,70,90,839	1,42,67,566
Total undiscounted lease payments receivable	**21,93,63,995**	**1,49,74,360**

47. 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, 2021	March 31, 2020
Current borrowings including accrued interest	64,98,89,706	35,49,57,133
Non-current borrowings including accrued interest	-	4,48,98,461
Lease liabilities	24,99,740	64,45,806
Net debt	**65,23,89,446**	**40,63,01,400**

Particulars	Liabilities from financing activities		
	Non-current borrowings	Current borrowings	Lease liabilities
Net debt as at 1 April 2019	13,12,24,614	-	-
Add/ less:			
Proceeds from borrowings during the year	-	25,00,00,000	-
Borrowings reclassed during the year	-9,00,00,000	9,00,00,000	-
Payment of lease liability	-	-	-44,36,556
Interest on lease liability	-	-	8,82,193
Borrowing cost capitalised	36,73,847	1,49,57,133	-
Impact of transition to Ind AS 116	-	-	1,00,00,169
Repayment of borrowings during the year	-	-	-
Net debt as at 31 March 2020	**4,48,98,461**	**35,49,57,133**	**64,45,806**
Net debt as at 1 April 2020	4,48,98,461	35,49,57,133	64,45,806
Add/ less:			
Proceeds from borrowings during the year	-	21,00,00,000	-
Borrowings reclassed during the year	-4,48,98,461	4,48,98,461	-
Payment of lease liability	-	-	-44,36,556
Interest on lease liability	-	-	4,90,490
Borrowing cost capitalised	-	4,00,34,112	-
Repayment of borrowings during the year	-	-	-
Net debt as at 31 March 2021	-	**64,98,89,706**	**24,99,740**

48. Income tax expense

This note provides an analysis of the Company's income tax expense, shows amounts that are recognised directly in equity, if any, and how the tax expense is affected by non-assessable and non-deductible items.

(a) Income tax expense

Particulars	March 31, 2021	March 31, 2020
(i) Current tax		
Current tax on profits for the year	-	-

(ii) Deferred tax		
Decrease/ (increase) in deferred tax assets	-61,05,163	91,42,915
(Decrease)/ increase in deferred tax liabilities	61,05,163	-91,42,915
Total deferred tax expense/ (benefit)	**-**	**-**
Income tax expense/ (benefit)	-	-

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

Particulars	March 31, 2021	March 31, 2020
Loss before tax	-6,68,09,481	-17,50,17,519
Tax at the Indian tax rate of 26% (2019-20: 26%)	**-1,73,70,465**	**-4,55,04,555**
(i) Exempted income net of expenses disallowed to earn such exempted income	-2,17,715	-33,67,854
(ii) Tax impact on unrecognised carry forward of tax losses	94,30,967	4,32,97,297
(iv) Tax effect of amounts which are not deductible in calculating taxable income	81,52,432	87,54,397
(iv) Others	4,781	-31,79,285
Total income tax expense	**-**	**-**

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

Particulars	March 31, 2021	March 31, 2020
Carry-forward of tax losses balance (unrecognised)	32,67,11,890	27,30,62,705
Expiry		
AY 2025-26	1,20,07,451	1,81,12,614
AY 2026-27	5,22,42,516	5,22,42,516
AY 2027-28	7,13,44,567	7,13,44,567
AY 2028-29	13,13,63,008	13,13,63,008
AY 2029-30	5,97,54,348	NA

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

50. The financial statements were approved for issue by the Board of Directors on Apr 16, 2021**.**

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

For and on behalf of Board of Directors

sd/-
Ashish Taksali
Partner
Membership No. 99625

Place: Hyderabad
Date : April 16, 2021

sd/-
Chanakya Chaudhary
Chairman
DIN: 02139568

sd/-
Prasanta Mallick
Managing Director
DIN: 02347304

sd/-
Swati Sheth
Company Secretary

Place: Bhubaneswar
Date : April 16, 2021

Tata Steel Special Economic Zone Limited
Balance Sheet as at March 31, 2021 **Amount in INR**

	Note	As at March 31, 2021	As at March 31, 2020
(I) ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	03	1,22,43,04,294	77,44,02,911
(b) Intangible assets	04	17,76,712	6,03,167
(c) Right of use assets	05	1,80,42,17,557	1,83,55,73,065
(d) Capital work-in-progress	06	94,99,61,098	1,50,65,33,311
(e) Intangible assets under development	07	30,000	5,20,703
		3,98,02,89,661	**4,11,76,33,157**
(f) Financial Assets			
(i) Deposits	08	5,78,780	20,47,339
(ii) Lease receivable	09	41,40,73,586	-
(g) Other Assets	10	2,45,94,892	7,71,65,636
(h) Tax Asset (Net)	11	22,73,454	10,82,228
		4,42,18,10,373	**4,19,79,28,360**
2 Current assets			
(a) Financial assets			
(i) Trade Receivables	12	82,590	3,45,600
(ii) Cash and cash equivalents	13	11,80,74,732	14,43,82,696
(iii) Lease Receivable	14	4,74,57,706	-
(iv) Other Financial Assets	15	16,17,799	41,810
(b) Other Assets	16	7,20,21,440	2,43,29,663
		23,92,54,267	**16,90,99,769**
TOTAL ASSETS		**4,66,10,64,640**	**4,36,70,28,129**
(II) EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	17	3,99,46,05,010	3,99,46,05,010
(b) Other equity	18	(36,38,23,209)	(29,72,19,029)
		3,63,07,81,801	**3,69,73,85,981**
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	-	4,00,00,000
(ii) Other financial liabilities	20	2,44,29,059	2,87,70,750
(b) Other liabilities	21	2,67,39,982	5,04,64,127
(c) Retirement benefit obligations	22	3,35,768	7,76,786
		5,15,04,809	**12,00,11,663**
(3) Current liabilities			
(a) Financial liabilities			
(i) Trade payables	23		
Total outstanding dues to micro and small enterprises		-	-
Total outstanding dues other than above		1,31,21,409	4,48,57,371
(ii) Other financial liabilities	24	33,04,70,600	13,83,03,089
(iii) Borrowings	25	59,00,00,000	34,00,00,000
(b) Retirement benefit obligations	26	4,01,286	9,27,039
(c) Other Liabilities	27	4,47,84,735	2,55,42,986
		97,87,78,030	**54,96,30,485**
TOTAL EQUITY AND LIABILITIES		**4,66,10,64,640**	**4,36,70,28,129**

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/E-300009

For and on behalf of Board of Directors

sd/-
Ashish Taksali
Partner
Membership No.: 99625

sd/-
Chanakya Chaudhary
Chairman
DIN:02139568

sd/-
Prasanta Mallick
Managing Director
DIN:02347304

sd/-
Swati Sheth
Company Secretary

Place: Hyderabad
Date: April 16, 2021

Place: Bhubaneswar
Date: April 16, 2021

Tata Steel Special Economic Zone Limited

Statement of Profit and Loss for the Year Ended March 31, 2021 **Amount in INR**

	Note	For the the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from operations	28	11,20,31,227	39,80,002
Other Income	29	22,75,571	73,99,762
Total Income		**11,43,06,798**	**1,13,79,764**
Expenses			
(a) Employee benefit expenses	30	1,74,42,743	2,10,35,649
(b) Finance Cost	31	4,90,490	8,82,193
(c) Depreciation and amortization expenses	32	12,69,77,993	12,09,20,868
(d) Other expenses	33	3,62,05,053	4,35,58,573
Total Expenses		**18,11,16,279**	**18,63,97,283**
Loss before tax		**(6,68,09,481)**	**(17,50,17,519)**
Tax Expense		-	-
Loss for the year		**(6,68,09,481)**	**(17,50,17,519)**
Other Comprehensive Income			
Item that will not be Reclassified to Profit or Loss in Subsequent Periods:			
Remeasurement gains on defined benefit plans		2,05,301	36,350
Other Comprehensive Income for the year		**2,05,301**	**36,350**
Total Comprehensive Loss for the year		**(6,66,04,180)**	**(17,49,81,169)**
Earning per equity share			
[Nominal value per share Rs10 /- (March 31, 2020 : Rs 10 /-)]			
Basic (In Rs.)		(0.17)	(0.51)
Diluted (In Rs.)		(0.17)	(0.51)

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/E-300009

sd/-
Ashish Taksali
Partner
Membership No.: 99625

Place: Hyderabad
Date: April 16, 2021

For and on behalf of Board of Directors

sd/-
Chanakya Chaudhary
Chairman
DIN:02139568

sd/-
Prasanta Mallick
Managing Director
DIN:02347304

sd/-
Swati Sheth
Company Secretary

Place: Bhubaneswar
Date: April 16, 2021

Tata Steel Special Economic Zone Limited
Statement of Cash Flows for the Year Ended March 31, 2021 **Amount in INR**

	For the year Ended March 31, 2021	For the year ended March 31, 2020
A. Cash Flow from Operating Activities:		
Loss before tax for the year	**(6,68,09,481)**	**(17,50,17,519)**
Adjustments for:		
Depreciation and amortization expenses	12,69,77,993	12,09,20,868
Dividend/Gain from mutual fund	8,37,366	58,77,336
Finance cost	4,90,490	8,82,193
Interest income from financial assets	(11,62,012)	(1,42,071)
Interest on unwinding of security deposit - IDCO	(1,49,240)	(1,86,550)
Interest on lease receivable	(1,90,93,075)	-
Loss / (Profit) on Sale/Discard of Property, Plant & Equipment	2,18,550	(24,559)
Operating profit/(Loss) before working capital changes	**4,13,10,591**	**(4,76,90,302)**
Adjustments for:		
(Increase)/Decrease in Non current / Current Financial and Other Assets	1,86,80,588	(3,01,84,260)
Increase/ (Decrease) in Non current / Current Financial and Other Liabilities / Provisions	3,76,16,560	9,89,40,645
Cash generated from operations	**9,76,07,739**	**2,10,66,083**
Income tax paid	(11,91,226)	(3,14,228)
Net cash from operating activities	**9,64,16,513**	**2,07,51,855**
B. Cash Flow from Investing Activities:		
Payment for acquisition of property, plant and equipment including capital work in progress, intangible assets and intangible assets under development	(32,86,78,143)	(30,70,08,628)
Sale of Property plant and equipment	29,766	39,178
Interest on Sweep Account	11,97,822	1,06,261
Dividend/Sale from mutual fund	(8,37,366)	(58,77,336)
Net cash from investing activities	**(32,82,87,921)**	**(31,27,40,525)**
C. Cash Flow from Financing Activities:		
Principal elements of lease payments	(37,77,867)	(41,94,201)
Interest paid on lease liabilities	(6,58,689)	(2,42,355)
Proceeds from inter corporate deposit	21,00,00,000	25,00,00,000
Net cash from financing activities	**20,55,63,444**	**24,55,63,444**
Net increase/ (decrease) in cash or cash equivalents (A+B+C)	(2,63,07,964)	(4,64,25,226)
Cash and Cash Equivalents - Opening Balance (Refer Note 13)	14,43,82,696	19,08,07,922
Cash and Cash Equivalents - Closing Balance (Refer Note 13)	**11,80,74,732**	**14,43,82,696**

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/E-300009

For and on behalf of Board of Directors

sd/-
Ashish Taksali
Partner
Membership No.: 99625

Place: Hyderabad
Date: April 16, 2021

sd/-
Chanakya Chaudhary
Chairman
DIN:02139568

sd/-
Prasanta Mallick
Managing Director
DIN:02347304

sd/-
Swati Sheth
Company Secretary

Place: Bhubaneswar
Date: April 16, 2021

Tata Steel Special Economic Zone Limited
Statement of changes in equity for the Year Ended March 31, 2021 **Amount in INR**

A) Equity Share Capital

Particulars	Number	Amount
Balance as at April 01, 2019	**18,52,42,631**	**1,85,24,26,310**
Issue of Equity Shares during the year	21,42,17,870	2,14,21,78,700
Balance as at March 31, 2020	**39,94,60,501**	**3,99,46,05,010**
Issue of Equity Shares during the year	-	-
Balance as at March 31, 2021	**39,94,60,501**	**3,99,46,05,010**

B) Other Equity

As at March 31, 2021	**Share application money pending allotment**	**Retained Earnings**	**Total**
At beginning of the year	10	(29,72,19,039)	(29,72,19,029)
Net Loss for the year	-	(6,68,09,481)	(6,68,09,481)
Other Comprehensive Income	-	2,05,301	2,05,301
Total comprehensive income for the year	**-**	**(6,66,04,180)**	**(6,66,04,180)**
At end of year	**10**	**(36,38,23,219)**	**(36,38,23,209)**

As at March 31, 2020	**Share application money pending allotment**	**Balance of Statement of Profit and loss**	**Total**
At beginning of the year	2,75,18,81,600	(12,22,37,870)	2,62,96,43,730
Net Loss for the year	-	(17,50,17,519)	(17,50,17,519)
Other Comprehensive Income	-	36,350	36,350
Total comprehensive income for the year	**-**	**(17,49,81,169)**	**(17,49,81,169)**
Transactions with Owners in their Capacity as Owners:			
Adjusted with Receivable from Tata Steel Limited	(60,97,02,890)	-	(60,97,02,890)
Allotment of share	(2,14,21,78,700)	-	(2,14,21,78,700)
At end of year	**10**	**(29,72,19,039)**	**(29,72,19,029)**

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

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

For and on behalf of Board of Directors

sd/-
Ashish Taksali
Partner
Membership No.: 99625

sd/-
Chanakya Chaudhary
Chairman
DIN:02139568

sd/-
Prasanta Mallick
Managing Director
DIN:02347304

sd/-
Swati Sheth
Company Secretary

Place: Hyderabad
Date: April 16, 2021

Place: Bhubaneswar
Date: April 16, 2021

Tata Steel Special Economic Zone Limited

Notes to Financial Statements as at March 31, 2021 **Amount in INR**

03. Property, Plant and Equipment

As at March 31, 2021	Buildings and other structures	Roads	Plant and Machinery	Furniture and fixtures	Office Equipments	Vehicles	Electrical Installation & Equipments	Laboratory Equipment	Total
Opening gross carrying amount	50,57,27,464	34,61,82,737	-	92,92,880	81,43,338	25,74,505	41,49,019	5,30,500	87,66,00,443
Additions	6,83,18,421	5,65,12,228	41,34,70,275	22,87,488	13,58,057	-	33,21,578	-	54,52,68,047
Disposals	-	-	-	-	(4,26,101)	-	-	-	(4,26,101)
Closing gross carrying amount	**57,40,45,885**	**40,26,94,965**	**41,34,70,275**	**1,15,80,368**	**90,75,294**	**25,74,505**	**74,70,597**	**5,30,500**	**1,42,14,42,389**
Opening accumulated depreciation	3,11,27,174	6,66,92,618	-	16,11,465	18,87,721	4,90,496	3,80,050	8,008	10,21,97,532
Charge for the year	1,79,08,364	6,91,57,956	27,74,343	21,75,692	19,96,228	4,89,156	5,66,211	50,398	9,51,18,348
Disposals	-	-	-	-	(1,77,785)	-	-	-	(1,77,785)
Closing accumulated depreciation	**4,90,35,538**	**13,58,50,574**	**27,74,343**	**37,87,157**	**37,06,164**	**9,79,652**	**9,46,261**	**58,406**	**19,71,38,095**
Net carrying amount - Opening	**47,46,00,290**	**27,94,90,119**	**-**	**76,81,415**	**62,55,617**	**20,84,009**	**37,68,969**	**5,22,492**	**77,44,02,911**
Net carrying amount - Closing	**52,50,10,347**	**26,68,44,391**	**41,06,95,932**	**77,93,211**	**53,69,130**	**15,94,853**	**65,24,336**	**4,72,094**	**1,22,43,04,294**

As at March 31, 2020	Buildings and other structures	Roads	Plant and Machinery	Furniture and fixtures	Office Equipments	Vehicles	Electrical Installation & Equipments	Laboratory Equipment	Total
Opening gross carrying amount	44,36,51,321	-	-	52,02,368	25,80,224	-	-	-	45,14,33,913
Additions	6,20,76,143	34,61,82,737	-	40,90,512	57,59,807	25,74,505	41,49,019	5,30,500	42,53,63,223
Disposals	-	-	-	-	(1,96,693)	-	-	-	(1,96,693)
Closing gross carrying amount	**50,57,27,464**	**34,61,82,737**	**-**	**92,92,880**	**81,43,338**	**25,74,505**	**41,49,019**	**5,30,500**	**87,66,00,443**
Opening accumulated depreciation	1,43,28,651	-	-	26,985	10,70,254	-	-	-	1,54,25,890
Charge for the year	1,67,98,523	6,66,92,618	-	15,84,480	9,99,541	4,90,496	3,80,050	8,008	8,69,53,716
Disposals	-	-	-	-	(1,82,074)	-	-	-	(1,82,074)
Closing accumulated depreciation	**3,11,27,174**	**6,66,92,618**	**-**	**16,11,465**	**18,87,721**	**4,90,496**	**3,80,050**	**8,008**	**10,21,97,532**
Net carrying amount - Opening	**42,93,22,670**	**-**	**-**	**51,75,383**	**15,09,970**	**-**	**-**	**-**	**43,60,08,023**
Net carrying amount - Closing	**47,46,00,290**	**27,94,90,119**	**-**	**76,81,415**	**62,55,617**	**20,84,009**	**37,68,969**	**5,22,492**	**77,44,02,911**

Tata Steel Special Economic Zone Limited
Notes to Financial Statements as at March 31, 2021

04. Intangible Assets **Amount in INR**

As at March 31, 2021	Website Development Costs	Software Costs	Company Logo	Total
Opening gross carrying amount	-	7,23,250	4,01,564	11,24,814
Additions	11,68,988	5,08,694	-	16,77,682
Closing gross carrying amount	**11,68,988**	**12,31,944**	**4,01,564**	**28,02,496**
Opening accumulated amortisation	-	2,86,575	2,35,072	5,21,647
Amortisation charge for the year	1,77,750	1,92,532	1,33,855	5,04,137
Closing accumulated amortization	**1,77,750**	**4,79,107**	**3,68,927**	**10,25,784**
Net carrying amount - Opening	**-**	**4,36,675**	**1,66,492**	**6,03,167**
Net carrying amount - Closing	**9,91,238**	**7,52,837**	**32,637**	**17,76,712**

As at March 31, 2020	Website Development Costs	Software Costs	Company Logo	Total
Opening gross carrying amount	-	7,23,250	4,01,564	11,24,814
Additions	-	-	-	-
Closing gross carrying amount	**-**	**7,23,250**	**4,01,564**	**11,24,814**
Opening accumulated amortisation	-	1,24,398	1,00,850	2,25,248
Amortisation charge for the year	-	1,62,177	1,34,222	2,96,399
Closing accumulated amortization	**-**	**2,86,575**	**2,35,072**	**5,21,647**
Net carrying amount - Opening	**-**	**5,98,852**	**3,00,714**	**8,99,566**
Net carrying amount - Closing	**-**	**4,36,675**	**1,66,492**	**6,03,167**

05. Right of Use assets

	As at March 31, 2021	As at March 31, 2020
Carrying amounts of:		
Office Building	23,70,033	63,90,305
Leasehold Land	1,80,18,47,524	1,82,91,82,760
Total	**1,80,42,17,557**	**1,83,55,73,065**

As at March 31, 2021	**Leasehold Land**	**Office Building**	**Total Right to use assets**
Gross Carrying Amount as at Apr 1, 2020	1,85,87,95,930	1,04,47,888	**1,86,92,43,818**
Gross carrying amount as at March 31, 2021	**1,85,87,95,930**	**1,04,47,888**	**1,86,92,43,818**
Accumulated Depreciation as at Apr 1, 2020	2,96,13,170	40,57,583	**3,36,70,753**
Charge for the year	2,73,35,236	40,20,272	**3,13,55,508**
Accumulated depreciation as at March 31, 2021	**5,69,48,406**	**80,77,855**	**6,50,26,261**
Net carrying amount as at April 1, 2020	**1,82,91,82,760**	**63,90,305**	**1,83,55,73,065**
Net carrying amount as at March 31, 2021	**1,80,18,47,524**	**23,70,033**	**1,80,42,17,557**

As at March 31, 2020	**Leasehold Land**	**Office Building**	**Total Right to use assets**
Gross Carrying Amount as at Apr 1, 2019 (On Account of adoption of IND AS 116)	1,83,65,78,407	1,04,47,888	**1,84,70,26,295**
Additions	2,22,17,523	-	**2,22,17,523**
Gross carrying amount as at March 31, 2020	**1,85,87,95,930**	**1,04,47,888**	**1,86,92,43,818**
Accumulated Depreciation as at Apr 1, 2019	-	-	**-**
Charge for the year	2,96,13,170	40,57,583	**3,36,70,753**
Accumulated depreciation as at March 31, 2020	**2,96,13,170**	**40,57,583**	**3,36,70,753**
Net carrying amount as at March 31, 2020	**1,82,91,82,760**	**63,90,305**	**1,83,55,73,065**

(i) Refer to note 35 for disclosure with respect to leases as per Ind AS 116.

(ii) Out of the total areas of 2970 acres, 173 acres are subleased as on March 31, 2021 (7 acres as on March 31, 2020)

Tata Steel Special Economic Zone Limited

Notes to Financial Statements as at March 31, 2021 **Amount in INR**

	As at March 31, 2021	As at March 31, 2020
06- Capital Work in Progress		
Capital Work in Progress	94,99,61,098	1,50,65,33,311
	94,99,61,098	**1,50,65,33,311**

	As at March 31, 2021	As at March 31, 2020
07- Intangible Assets Under Development		
Legatrix Software	-	4,60,494
Travel Management Software	30,000	30,000
Website Domain Registration	-	30,209
	30,000	**5,20,703**

	As at March 31, 2021	As at March 31, 2020
08- Deposits		
Unsecured, considered good unless otherwise stated		
Security Deposits	5,78,780	20,47,339
	5,78,780	**20,47,339**

	As at March 31, 2021	As at March 31, 2020
09 - Lease Receivable		
Lease Receivable	41,40,73,586	-
	41,40,73,586	**-**

	As at March 31, 2021	As at March 31, 2020
10 - Other Assets - Non-current (Unsecured, considered good unless stated otherwise)		
Balance with Govt. Authorities	2,43,71,992	7,27,80,196
Capital Advances	2,22,900	42,86,207
Advance Recoverable in cash or in kind	-	99,233
	2,45,94,892	**7,71,65,636**

	As at March 31, 2021	As at March 31, 2020
11- Tax Asset (Net)		
Advance Tax	22,73,454	10,82,228
	22,73,454	**10,82,228**

	As at March 31, 2021	As at March 31, 2020
12- Trade Receivables - Current		
Unsecured, considered good unless otherwise treated		
Considered good - unsecured	-	3,45,600
Considered good - unsecured- Due for more than 6 months	82,590	-
	82,590	**3,45,600**

	As at March 31, 2021	As at March 31, 2020
13- Cash and Cash Equivalents		
Balance with Bank -		
On Current Account	11,61,015	13,65,66,370
Deposits with Original Maturity of Less Than Three Months	11,69,13,717	74,13,001
Demand Draft in Hand	-	4,03,325
	11,80,74,732	**14,43,82,696**

Tata Steel Special Economic Zone Limited

Notes to Financial Statements as at March 31, 2021

Amount in INR

	As at March 31, 2021	As at March 31, 2020
14- Lease Receivable		
Lease Receivable	4,74,57,706	-
	4,74,57,706	-

	As at March 31, 2021	As at March 31, 2020
15- Other Financial Assets - Current		
Accrued Int. on Sweep Account	-	35,810
Others	16,17,799	6,000
	16,17,799	**41,810**

	As at March 31, 2021	As at March 31, 2020
16- Other Assets (Current)		
Advance - Irrigation Division, Berhampur	3,25,763	-
Advance for expenses	1,25,524	-
Prepaid Expenses	58,513	-
Deposit - Irrigation Division, Berhampur	1,08,588	-
Balance with Govt. Authorities	7,14,03,052	2,43,29,663
	7,20,21,440	**2,43,29,663**

	As at March 31, 2021	As at March 31, 2020
17- Equity Share Capital		
Authorized:		
55,00,00,000 Equity shares of Rs. 10/- each	5,50,00,00,000	5,50,00,00,000
20,00,00,000 Preference shares of Rs. 10/- each	2,00,00,00,000	2,00,00,00,000
(March 31, 2020: 550,000,000 equity shares of Rs. 10/- each)		
(March 31, 2020: 200,000,000 preference shares of Rs. 10/- each)		
	7,50,00,00,000	**7,50,00,00,000**
Issued, Subscribed and Paid up:		
39,94,60,501 Equity shares of Rs. 10/- each fully paid up	3,99,46,05,010	3,99,46,05,010
(March 31, 2020: 399,460,501 equity shares of Rs. 10/- each fully paid up)		
	3,99,46,05,010	**3,99,46,05,010**
Shares issued to Tata Steel Limited, holding company and its nominee		
Balance at the beginning of the year	39,94,60,501	18,52,42,631
Add: Share issued during the period	-	21,42,17,870
Balance at the end of the period	**39,94,60,501**	**39,94,60,501**
Percentage of Shares held by Tata Steel Limited (immediate and ultimate holding company)	**100**	**100**

<u>Term and rights attached to equity shares</u>

The Company has only one class of equity shares having a par value of Rs. 10/- (March 31, 2020: Rs. 10/-) per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

Tata Steel Special Economic Zone Limited
Notes to Financial Statements as at March 31, 2021

Amount in INR

		As at March 31, 2021	As at March 31, 2020
18 - Other Equity			
(i) Retained Earnings			
	Opening balance	(29,72,19,039)	(12,22,37,870)
Add:	Net loss for the year	(6,68,09,481)	(17,50,17,519)
Add:	*Items of other comprehensive income recognised directly in retained earnings*		
	- Other Comprehensive Income for the year	2,05,301	36,350
	Closing balance	**(36,38,23,219)**	**(29,72,19,039)**
(ii) Share Application Money Pending Allotment			
	Opening balance	10	2,75,18,81,600
	Received from Tata Steel Limited, holding company	-	-
	Transfer of Asset against equity pending allotment	-	-
		10	**2,75,18,81,600**
Less:	Share allotted	-	2,14,21,78,700
Less:	Adjusted with Receivable from Tata Steel	-	60,97,02,890
	Closing balance	**10**	**10**
Total Other Equity		**(36,38,23,209)**	**(29,72,19,029)**

		As at March 31, 2021	As at March 31, 2020
19 - Borrowings - Non Current			
	Loans from related party	-	4,00,00,000
		-	**4,00,00,000**

Long term borrowings

Particulars	Terms of repayment	Coupon/Interest rate	As at March 31, 2021	As at March 31, 2020
Unsecured				
ICD from Tata Steel Ltd. (incl. interest)	2 - 3 years from date of disbursement	10.50%	-	4,48,98,461
Less :Interest Accrued			-	48,98,461
Principal Amount of Borrowing			**-**	**4,00,00,000**

		As at March 31, 2021	As at March 31, 2020
20 - Other financial liabilities - Non Current			
	Interest Accrued on Borrowings	-	48,98,461
	Lease Liability	-	20,09,250
	Security Deposits	2,44,29,059	35,56,692
	Payable for purchase of Property, Plant & Equipment	-	1,83,06,347
		2,44,29,059	**2,87,70,750**

		As at March 31, 2021	As at March 31, 2020
21 - Other Liabilities - Non-current			
	Deferred Rent	-	2,31,64,127
	Prepaid Rent - Land Sublease	2,67,39,982	2,73,00,000
		2,67,39,982	**5,04,64,127**

		As at March 31, 2021	As at March 31, 2020
22 - Retirement Benefit Obligations - Non-current			
	Gratuity	3,35,768	7,76,786
		3,35,768	**7,76,786**

Tata Steel Special Economic Zone Limited

Notes to Financial Statements as at March 31, 2021

Amount in INR

	As at March 31, 2021	As at March 31, 2020
23 - Trade Payables - Current		
Trade Payable : Micro and Small Enterprises	-	-
Trade Payable : Others	1,31,21,409	4,48,57,371
	1,31,21,409	**4,48,57,371**

	As at March 31, 2021	As at March 31, 2020
24 - Other Financial Liabilities- Current		
Employee related liabilities	28,56,870	20,15,348
Security deposit from vendor	-	4,58,706
Lease Liability	24,99,740	44,36,556
Payable for purchase of Property, Plant & Equipment	26,52,24,284	11,64,35,346
Interest accrued on borrowings	5,98,89,706	1,49,57,133
	33,04,70,600	**13,83,03,089**

	As at March 31, 2021	As at March 31, 2020
25 - Borrowings - Current		
Loan from related party	59,00,00,000	34,00,00,000
	59,00,00,000	**34,00,00,000**

Short term borrowings

Particulars	Terms of repayment	Coupon/Interest rate	As at March 31, 2021	As at March 31, 2020
Unsecured				
ICD from Tata Steel Ltd. (incl. interest)	One year	10.00% to 10.5%	64,98,89,706	35,49,57,133
Less :Interest Accrued			5,98,89,706	1,49,57,133
Principal Amount of Borrowing			**59,00,00,000**	**34,00,00,000**

	As at March 31, 2021	As at March 31, 2020
26 - Retirement Benefits Obligation - Current		
Gratuity	2,000	6,385
Leave Benefits	3,99,286	9,20,654
	4,01,286	**9,27,039**

	As at March 31, 2021	As at March 31, 2020
27 - Other Liabilities - Current		
Statutory Dues	31,90,879	58,77,760
Advance rent from Sure Safety Solutions	6,40,000	6,40,000
Advance from customer	4,03,93,856	1,84,65,226
Prepaid Rent - Land Sublease	5,60,000	5,60,000
	4,47,84,735	**2,55,42,986**

Amount in INR

	For the year ended March 31, 2021	For the year ended March 31, 2020
28 - Revenue from Operations		
Income from Lease rent and other services	9,29,38,152	39,80,002
Other Operating Income	1,90,93,075	-
	11,20,31,227	**39,80,002**

	For the year ended March 31, 2021	For the year ended March 31, 2020
29 - Other Income		
Mutual fund dividend/ gain on sale	8,37,366	58,77,336
Interest income from financial assets at amortised cost (Sweep Account)	11,62,012	1,42,071
Interest on income tax refund	53,760	17,280
Unwinding of discount on security deposits - IDCO	1,49,240	1,86,550
Gain on sale of Property, Plant and Equipment (Net)	-	24,559
Other Misc. Income	73,193	11,51,966
	22,75,571	**73,99,762**

	For the year ended March 31, 2021	For the year ended March 31, 2020
30- Employee Benefit Expenses		
Salary & Other Benefits	1,59,50,327	1,89,28,569
Contribution to provident fund	10,23,222	11,45,780
Gratuity	2,17,677	3,28,015
Staff Welfare Expenses	2,51,517	6,33,285
	1,74,42,743	**2,10,35,649**

	For the year ended March 31, 2021	For the year ended March 31, 2020
31- Finance Costs		
Interest on financial liabilities not at fair value through profit or loss	4,32,80,137	2,07,01,096
Interest on lease liabilities	4,90,490	8,82,193
Less: Amount capitalised (see note below)	(4,32,80,137)	(2,07,01,096)
	4,90,490	**8,82,193**

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 10.00% to 10.5% (31st March 2020 10.00% to 10.5%).

	For the year ended March 31, 2021	For the year ended March 31, 2020
32- Depreciation and amortization expenses		
Depreciation of property plant and equipment	9,51,18,348	8,69,53,716
Amortisation of intangible assets	5,04,137	2,96,399
Depreciation of Right of use assets	3,13,55,508	3,36,70,753
	12,69,77,993	**12,09,20,868**

Tata Steel Special Economic Zone Limited
Notes to Financial Statements for the Year Ended March 31, 2021

	For the year ended March 31, 2021	For the year ended March 31, 2020
33- Other Expenses		
Legal & professional fees	14,57,110	13,35,008
Telecommunication expenses	37,399	1,75,209
Payment to Auditors		
- As Audit Fees	91,000	57,000
Outsourcing expenses	1,71,45,451	1,89,58,748
Travelling and Conveyances	1,33,415	15,09,769
Directors' sitting fee	3,70,000	2,25,000
Marketing expenses	1,95,699	18,73,687
Rates & taxes	1,31,16,418	1,37,04,550
Loss on Sale / Discard of Fixed Assets (Net)	2,18,550	-
Miscellaneous Expenses	34,40,011	57,19,602
	3,62,05,053	**4,35,58,573**

1) Background

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

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

2) Significant Accounting Policies:

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

2.1 Basis of preparation

(i) Compliance with Ind AS

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

(ii) Historical Cost Convention

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

(ii) Current versus Non-current Classification

The company presents assets and liabilities in the Balance Sheet based on current/non-current classification.
An asset is classified as current when it is:
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.

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.

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

(iii) 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:

• Definition of Material – amendments to Ind AS 1 and Ind AS 8

• 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.

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:

· Employee Benefits (Estimation of Defined Benefit Obligations) — Notes 2.11 and 38

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

· Estimation of Expected Useful Lives of Property, Plant and Equipment and Intangible Assets— Notes 2.3, 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 and furniture and fixtures, 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.

i. 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.

ii. 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.

iii. 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 (years)
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.

(i) 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

(i) Functional and Presentation Currency

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

(ii) Transactions and Balances

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

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

2.11 Employee benefits

(i) Short-term Employee Benefit:

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

(ii) Other Long-Term Employee Benefit Obligation

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

(iii) Post-employment obligations

Defined Benefit Plans

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

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

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

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

Defined Contribution Plans

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

2.12 Provisions

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

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

2.13 Income taxes

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

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

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

Deferred tax assets are 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. 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.A162

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 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.

34. 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 meant for development of domestic tariff area has been leased in favour of the Company by Industrial Infrastructure Development Corporation of Odisha during the Financial Year 2018-2019.

35. Disclosure of Right of Use assets (ROU) and Lease liability as per Ind AS 116

Amount recognised in Balance Sheet	**As at March 31, 2021**	**As at March 31, 2020**
Right of Use assets		
Leasehold Land	1,80,18,47,524	1,82,91,82,760
Office Building	23,70,033	63,90,305
Total	**1,80,42,17,557**	**1,83,55,73,065**

Lease liabilities	**As at March 31, 2021**	**As at March 31, 2020**
Current	24,99,740	44,36,556
Non-current	-	20,09,250
Total	**24,99,740**	**64,45,806**

Amounts recognised in the statement of profit and loss	**As at March 31, 2021**	**As at March 31, 2020**
Interest on lease liabilities	4,90,490	8,82,193
Depreciation charge for the Year	3,13,55,508	3,36,70,753
Total	**3,18,45,998**	**3,45,52,946**
Total cash outflow for leases for the year	44,36,556	44,36,556

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, 2021**	**As at March 31, 2020**
Less then one year	25,87,991	44,36,556
One to two years	-	25,87,991
Total undiscounted lease payments	**25,87,991**	**70,24,547**

36. Contingent Liability and Commitments:

There is no contingent liability as at March 31, 2021 and March 31, 2020.

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Estimated amount of contracts remaining to be executed on Capital account	17,05,30,877	49,25,72,361

37. 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

38. 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.1,023,222 (March 31, 2020- Rs. 1,145,780)

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

Changes in Present Value of Obligation	For the year ended	
	March 31, 2021	March 31, 2020
Present value of obligation - Opening	7,83,171	7,09,018
Current Service Cost	1,79,100	2,88,038
Interest Cost	38,578	39,977
Actuarial gain/loss on obligations due to Change in Financial Assumption	-18,925	87,398
Actuarial gain/loss on obligations due to Unexpected Experience	-1,86,376	-1,23,748
Benefits paid	-4,57,780	-2,17,512
Present value of obligation - Closing	**3,37,768**	**7,83,171**

Table showing Reconciliation to Balance Sheet:

Reconciliation to Balance Sheet	For the year ended	
	March 31, 2021	March 31, 2020
Fund Liability	3,37,768	7,83,171

Table Showing Plan Assumptions:

Plan assumptions	For the year ended	
	March 31, 2021	March 31, 2020
Discount Rate	6.96%	6.66%
Rate of Compensation Increase (Salary Inflation)	6.00%	6.00%
Average expected future service (Remaining working Life)	20	17
Average Duration of Liabilities	20	17
Mortality Table	IALM 2012 - 2014 Ultimate	IALM 2006-2008 Ultimate
Superannuation at age	60	60
Early Retirement & Disablement (All Causes Combined)	1.00%	1.00%

Table showing Expense Recognised in statement of Profit/Loss:

Expense recognised in statement of Profit/Loss	For the year ended	
	March 31, 2021	March 31, 2020
Current Service Cost	1,79,100	2,88,038
Interest Cost	38,578	39,977
Benefit Cost(Expense Recognized in Statement of Profit/loss)	**2,17,678**	**3,28,015**

Table showing amount recognised in Other Comprehensive Income:

Other Comprehensive Income	For the year ended	
	March 31, 2021	March 31, 2020
Actuarial gain/loss on obligations due to Change in Financial Assumption	18,925	-87,398
Actuarial gain/loss on obligations due to Unexpected Experience	1,86,376	1,23,748
Income for the year recognised in Other Comprehensive Income	**2,05,301**	**36,350**

Table showing Sensitivity Analysis:

Sensitivity Analysis	March 31, 2021		March 31, 2020	
	Increase	Decrease	Increase	Decrease
Discount Rate (-/+ 1%)	3,08,791	3,70,001	7,33,823	8,37,406
%Change Compared to base due to sensitivity	-8.58%	9.54%	-6.30%	6.93%
Salary Growth (-/+ 1%)	3,70,015	3,08,531	8,37,249	7,33,526
%Change Compared to base due to sensitivity	9.55%	-8.66%	6.91%	-6.34%

Risk Exposure

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

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. 399,285/- (March 31, 2020: Rs. 920,654/-).

39. Computation of Earnings Per Share (EPS):

Particulars	Current Year	Previous Year
Number of equity shares at the beginning of the year	39,94,60,501	18,52,42,631
Number of equity shares at the end of the year	39,94,60,501	39,94,60,501
Loss for the year (Rupees)	6,68,09,481	17,50,17,519
Weighted average number of shares considered for computation of Basic EPS (Numbers)	39,94,60,501	34,37,27,652
Weighted average number of shares for computation of Diluted EPS (Numbers)	39,94,60,501	34,37,27,652
Face Value of Each Equity Share (Rs.)	10	10
Earnings Per Shares (Basic and Diluted) in Rupees	**-0.17**	**-0.51**

40. Related Parties Transactions:

i. List of Related Parties and Relationship

Name of the Related Party	Relationship
Tata Steel Limited	Immediate and ultimate holding company

Transactions	Tata Steel Ltd. (Holding Company)	
	Year ended March 31, 2021	Year ended March 31, 2020
Equity Share Capital issued (against share application money pending allotment)	-	2,14,21,78,700
Receivable Balance adjusted with Share Application pending allotment (Non-Cash Transfer)	-	60,97,02,890
Inter-corporate deposit received	21,00,00,000	25,00,00,000
Income from lease rent	8,50,00,000	-
Outsourcing Expenses (Including GST)	3,14,77,787	3,60,51,774
Legal and Professional Fees (Including GST)	1,99,546	3,41,620
Interest expenses on borrowings	4,32,80,137	2,07,01,096
Purchase of property, plant and equipment	12,05,87,051	-
Balances outstanding as at the year end	**Tata Steel Ltd. (Holding Company)**	
	Year ended March 31, 2021	**Year ended March 31, 2020**
Share Application Money pending Allotment	10	10
Trade Payables- Current	71,32,519	2,11,90,528
Borrowings- Non Current	-	4,00,00,000
Borrowings- Current	59,00,00,000	34,00,00,000
Payable for purchase of Property, Plant & Equipment	11,85,02,612	-
Interest accrued on borrowings	5,98,89,706	1,98,55,594

Transactions	Independent Director	
	Year ended March 31, 2021	Year ended March 31, 2020
Sitting Fees	3,70,000	2,25,000

ii. List of Key Managerial Person and Relationship

Transactions	Amit Kumar Kundu, Chief Financial Officer till March 16, 2021		Tanmay Kumar Sahu, Company Secretary till March 15, 2021	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Short Term Employee Benefits	41,82,664	43,42,260	39,12,255	43,99,075
Contribution to Provident Fund	1,70,520	1,77,684	1,76,082	1,83,996
Other Long Term Benefits	3,08,487	-	10,09,930	-
Total	**46,61,671**	**45,19,944**	**50,98,267**	**45,83,071**
Balances outstanding as at the year end	**Amit Kumar Kundu, Chief Financial Officer till March 16, 2021**		**Tanmay Kumar Sahu, Company Secretary till March 15, 2021**	
	Year ended March 31, 2021	**Year ended March 31, 2020**	**Year ended March 31, 2021**	**Year ended March 31, 2020**
Employee Related Liabilities	-	3,90,076	10,32,834	4,03,222

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 is on Deputation from Tata Steel Ltd. With effect from 1st July 2019, his remuneration is shown under Outsource/ Deputation charges.

41.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, 2020	Charge/Credit	As at March 31, 2021
Deferred Tax Liability on property, plant and equipment	9,86,115	61,05,163	70,91,278
Deferred Tax Asset on carried forward of tax losses	9,86,115	61,05,163	70,91,278
Net	-	-	-

Particulars	As at March 31, 2019	Charge/Credit	As at March 31, 2020
Deferred Tax Liability on property, plant and equipment	1,01,29,030	-91,42,915	9,86,115
Deferred Tax Asset on carried forward of tax losses	1,01,29,030	-91,42,915	9,86,115
Net	-	-	-

42. Fair value measurement

Financial instrument by category

Particulars	As at March 31, 2021	As at March 31, 2020
Financial assets	**Amortized cost**	**Amortized cost**
Deposits	5,78,780	20,47,339
Trade receivables	82,590	3,45,600
Cash and cash equivalents	11,80,74,732	14,43,82,696
Other financial assets	16,17,799	41,810
Lease receivable	46,15,31,292	-
Total Financial assets	**58,18,85,193**	**14,68,17,445**
Financial liabilities		
Other financial liabilities	35,48,99,659	16,70,73,839
Borrowings	59,00,00,000	38,00,00,000
Trade payables	1,31,21,409	4,48,57,371
Total Financial liabilities	**95,80,21,068**	**59,19,31,210**

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

43. 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, 2021					
a) Lease Liabilities	24,99,740	25,87,991	25,87,991	-	-
b) Trade payables	1,31,21,409	1,31,21,409	1,31,21,409	-	-
c) Other financial liabilities	35,23,99,919	40,57,87,757	32,79,70,860	4,58,706	7,73,58,191
d) Borrowings (Current)	59,00,00,000	59,00,00,000	59,00,00,000	-	-
As at March 31, 2020					
a) Lease Liabilities (Current and Non Current)	64,45,806	70,24,547	44,36,556	25,87,991	-
b) Trade payables (Current and Non Current)	4,48,57,370	4,48,57,370	44857370	-	-
c) Other financial liabilities @	16,06,28,033	20,22,92,828	16,83,16,533	3,39,76,295	-
d) Borrowings (Current and Non Current)	38,00,00,000	38,00,00,000	34,00,00,000	4,00,00,000	-

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

(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

44. Capital Management

(a) Risk Management

The company's objective when managing capital are to safeguard its ability to continue as a going concern, so that company can continue to provide returns for shareholders and benefit for other stakeholders and maintain an optimal capital structure to reduce cost of capital.

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

In preparing the sales plan for FY'22 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 FY'22 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, Intangible assets, and Trade Receivables 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.

46. Leases as a Lessor:-

During the year 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, 2021
Upto one year	4,74,57,706
One to two years	4,88,81,437
Two to three years	5,03,47,880
Three to four years	5,18,58,317
Four to five years	5,34,14,066
More than five years	98,79,73,721
Total undiscounted lease payments receivable	**1,23,99,33,127**
Unearned finance income	-77,84,01,835
Net investment in lease	**46,15,31,292**

b) Finance income on the net Investment in the lease recognized during the year is Rs. 1,93,58,717

c) Maturity analysis of lease payments under Operating Lease

Undiscounted lease payments to be received on an annual basis	As at March 31, 2021	As at March 31, 2020
Upto one year	82,19,071	3,90,000
One to two years	81,37,514	73,500
Two to three years	83,83,183	77,175
Three to four years	86,36,299	81,034
Four to Five years	88,97,089	85,085
More than Five years	17,70,90,839	1,42,67,566
Total undiscounted lease payments receivable	**21,93,63,995**	**1,49,74,360**

47. 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, 2021	March 31, 2020
Current borrowings including accrued interest	64,98,89,706	35,49,57,133
Non-current borrowings including accrued interest	-	4,48,98,461
Lease liabilities	24,99,740	64,45,806
Net debt	**65,23,89,446**	**40,63,01,400**

Particulars	Liabilities from financing activities		
	Non-current borrowings	Current borrowings	Lease liabilities
Net debt as at 1 April 2019	13,12,24,614	-	-
Add/ less:			
Proceeds from borrowings during the year	-	25,00,00,000	-
Borrowings reclassed during the year	-9,00,00,000	9,00,00,000	-
Payment of lease liability	-	-	-44,36,556
Interest on lease liability	-	-	8,82,193
Borrowing cost capitalised	36,73,847	1,49,57,133	-
Impact of transition to Ind AS 116	-	-	1,00,00,169
Repayment of borrowings during the year	-	-	-
Net debt as at 31 March 2020	**4,48,98,461**	**35,49,57,133**	**64,45,806**
Net debt as at 1 April 2020	4,48,98,461	35,49,57,133	64,45,806
Add/ less:			
Proceeds from borrowings during the year	-	21,00,00,000	-
Borrowings reclassed during the year	-4,48,98,461	4,48,98,461	-
Payment of lease liability	-	-	-44,36,556
Interest on lease liability	-	-	4,90,490
Borrowing cost capitalised	-	4,00,34,112	-
Repayment of borrowings during the year	-	-	-
Net debt as at 31 March 2021	-	**64,98,89,706**	**24,99,740**

48. Income tax expense

This note provides an analysis of the Company's income tax expense, shows amounts that are recognised directly in equity, if any, and how the tax expense is affected by non-assessable and non-deductible items.

(a) Income tax expense

Particulars	March 31, 2021	March 31, 2020
(i) Current tax		
Current tax on profits for the year	-	-

(ii) Deferred tax		
Decrease/ (increase) in deferred tax assets	-61,05,163	91,42,915
(Decrease)/ increase in deferred tax liabilities	61,05,163	-91,42,915
Total deferred tax expense/ (benefit)	**-**	**-**
Income tax expense/ (benefit)	-	-

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

Particulars	March 31, 2021	March 31, 2020
Loss before tax	-6,68,09,481	-17,50,17,519
Tax at the Indian tax rate of 26% (2019-20: 26%)	**-1,73,70,465**	**-4,55,04,555**
(i) Exempted income net of expenses disallowed to earn such exempted income	-2,17,715	-33,67,854
(ii) Tax impact on unrecognised carry forward of tax losses	94,30,967	4,32,97,297
(iv) Tax effect of amounts which are not deductible in calculating taxable income	81,52,432	87,54,397
(iv) Others	4,781	-31,79,285
Total income tax expense	**-**	**-**

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

Particulars	March 31, 2021	March 31, 2020
Carry-forward of tax losses balance (unrecognised)	32,67,11,890	27,30,62,705
Expiry		
AY 2025-26	1,20,07,451	1,81,12,614
AY 2026-27	5,22,42,516	5,22,42,516
AY 2027-28	7,13,44,567	7,13,44,567
AY 2028-29	13,13,63,008	13,13,63,008
AY 2029-30	5,97,54,348	NA

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

50. The financial statements were approved for issue by the Board of Directors on Apr 16, 2021**.**

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

sd/-
Ashish Taksali
Partner
Membership No. 99625

Place: Hyderabad
Date : April 16, 2021

For and on behalf of Board of Directors

sd/-
Chanakya Chaudhary
Chairman
DIN: 02139568

sd/-
Prasanta Mallick
Managing Director
DIN: 02347304

sd/-
Swati Sheth
Company Secretary

Place: Bhubaneswar
Date : April 16, 2021