

TS Alloys Limited
Annual Report 2016

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TS ALLOYS LIMITED
FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016

TS Alloys Limited
Annual Report 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF T S ALLOYS LIMITED

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Report on the Financial Statements

We have audited the accompanying financial statements of T S ALLOYS LIMITED ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

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 Act in the manner so required and give a true and fair

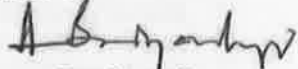


view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
 - e) On the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - 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 has disclosed the impact of pending litigations on its financial position in its financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 302009E)


Abhijit Bandyopadhyay
Partner
(Membership No. 054785)

Kolkata, 18 April, 2016

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **TS ALLOYS LIMITED** ("the Company") as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation



of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, 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 Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No.302009E)



Abhijit Bandyopadhyay
Partner
(Membership No. 054785)

Kolkata, 18 April, 2016

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of Company as at the balance sheet date. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (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 Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has been has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax,



Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2016 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (In Rs. lacs)
Central Excise Act, 1944	Excise Duty	Commissioner Central Excise	2006-07	248.33
Central Excise Act, 1944	Excise Duty	Commissioner Central Excise	2011-12 to 2012-13	20.95
Odisha Value Added Tax Act, 2004	Sales Tax	Deputy Commissioner of Commercial Taxes	2010-11	9.22
Income-tax Act, 1961	Income Tax	Assistant Commissioner of Income Tax	2011-12 and 2012-13	324.07

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.



- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No. 302009E)



Abhijit Bandyopadhyay
Partner
(Membership No. 054785)

Kolkata, April 18, 2016

T S Alloys Limited
Balance Sheet as at March 31, 2016

₹. in Lacs

	Notes	As at March 31, 2016	As at March 31, 2015
(I) EQUITY AND LIABILITIES			
(1) Shareholder's fund			
(a) Share capital	03	6,570.76	5,947.45
(b) Reserves and surplus	04	4,636.95	4,512.88
		11,207.71	10,460.33
(2) Non-current liabilities			
(a) Long-term borrowings	05	-	-
(b) Deferred tax liabilities (net)	30	1,105.12	1,193.04
(c) Long-term provisions	06	15.42	10.50
		1,120.54	1,203.54
(3) Current liabilities			
(a) Short-term borrowings	05	407.33	363.61
(b) Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises	07	-	-
(ii) Total outstanding dues of creditor other than micro enterprises and small enterprises	07	950.70	1,284.12
(c) Other current liabilities	08	142.22	377.88
(d) Short-term provisions	06	128.58	0.09
		1,628.83	2,025.70
TOTAL EQUITY AND LIABILITIES		13,957.08	13,689.57
(II) ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	09	6,718.15	7,290.89
(ii) Capital work-in-progress		254.66	282.09
		6,972.71	7,572.98
(b) Non-current investment	10	2,710.75	2,087.44
(c) Long-term loans and advances	11	2,481.33	2,280.79
(d) Other non-current assets	12	-	-
		12,144.79	11,941.21
(2) Current assets			
(a) Inventories	13	978.69	986.95
(b) Trade receivables	14	587.62	537.39
(c) Cash and cash equivalents	16	5.50	11.41
(d) Short-term loans and advances	11	97.26	69.77
(e) Other current assets	15	143.22	142.84
		1,812.29	1,748.36
TOTAL ASSETS		13,957.08	13,689.57

See accompanying notes 1 - 36 forming an integral part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants


Abhijit Bandyopadhyay
Partner



Kolkata, April 18, 2016

For and on behalf of the Board of Directors


Sandeep Kumar Tanwar
Managing Director


Manikant Naik
Director


M. Srinivas
Chief Financial Officer


P K Biswal
Company Secretary



Kolkata, April 18, 2016

T S Alloys Limited
Statement of Profit and Loss for the year ended March 31, 2016

₹. in Lacs

	Note	As at March 31, 2016	As at March 31, 2015
I Revenue from operations	17	12,281.49	6,385.02
II Other income	18	155.82	207.90
III Total Revenue (I + II)		12,437.31	6,592.92
IV EXPENSES			
(a) Raw material consumed	19	1,087.23	645.50
(b) Changes in stock of work-in-progress	20	(5.64)	5.06
(c) Employee benefits expense	21	596.39	492.85
(d) Finance costs	22	86.94	71.95
(e) Depreciation and amortisation expense	09	661.04	654.64
(f) Other expenses	23	9,975.20	5,755.32
Total Expenses (IV)		12,401.16	7,625.32
V Profit before tax (III - IV)		36.15	(1,032.40)
VI Tax Expense			
(1) Current tax			
(2) Deferred tax credit		(87.92)	(29.80)
Total tax expense		(87.92)	(29.80)
VII Profit after Tax (V - VI)		124.07	(1,002.60)
VIII Earnings per equity share:			
Basic and Diluted (Face Value of ₹ 10 each)	28	0.20	(1.80)

See accompanying notes 1 - 36 forming an integral part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants




Abhijit Bandyopadhyay
Partner

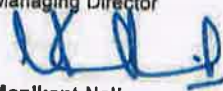


Kolkata, April 18, 2016

For and on behalf of the Board of Directors



Sandeep Kumar Tanwar
Managing Director



Manikant Nalk
Director



M Srinivas
Chief Financial Officer



P K Biswal
Company Secretary

Kolkata, April 18, 2016



T S Alloys Limited

Cash Flow Statement for the year ended March 31, 2016

	₹. in Lacs	
	As at March 31, 2016	As at March 31, 2015
A. Cash Flow from operating activities:		
Profit before taxes	36.15	(1,032.40)
Adjustments for:		
Depreciation	661.04	654.64
Net loss on sale of tangible assets	11.87	(0.70)
Interest Income	(154.45)	(156.74)
Finance cost	86.94	71.95
Provisions for loss due to fire	128.49	-
Provision for impairment of tangible assets	47.96	-
Operating profit before working capital changes	818.00	(463.26)
Adjustments for:		
Movements in trade and other receivables	(87.03)	625.41
Movements in Inventories	8.26	83.77
Movements in trade and other payables	(351.83)	(91.52)
Cash generated from operations	387.40	154.41
Direct taxes paid	(171.23)	(206.13)
Net cash from / (utilised in) operating activities	216.17	(61.72)
B. Cash Flow from Investing activities:		
Capital expenditure on fixed assets including capital advances	(164.73)	(36.37)
Proceeds from sale of tangible assets	0.03	28.34
Purchase of investments	(623.31)	(994.02)
Interest received from deposits	154.07	156.73
Net cash utilised in Investing activities	(633.94)	(845.32)
C. Cash Flow from Financing activities:		
Proceeds from Issue of equity shares	823.31	994.02
Interest paid to bank and others	(86.50)	(78.21)
Proceeds from borrowings from banks	43.72	363.61
Repayment of borrowings from banks	(166.67)	(688.66)
Net cash from financing activities	411.86	612.76
Net increase or (decrease) in cash or cash equivalents	(5.91)	(284.28)
Cash and cash equivalents as at April 1¹	11.41	295.69
Cash and cash equivalents as at March 31¹	5.50	11.41

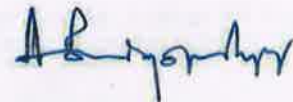
See accompanying notes 1 - 36 forming an integral part of financial statements

Notes:

1. Cash and cash equivalents includes cash in hand, balances with banks in current accounts and deposit accounts having original maturity of three months or less.
2. Figures in brackets represent outflows
3. The Company has paid ₹ 6.01 lacs on account of corporate social responsibility expenses.

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

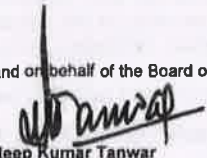


Abhijit Bandyopadhyay
Partner

Kolkata, April, 18 2016



For and on behalf of the Board of Directors



Sandeep Kumar Tanwar
Managing Director



Manikant Naik
Director



M. Srinivas
Chief Financial Officer



P K Blewal
Company Secretary

Kolkata, April 18, 2016



T S Alloys Limited
Notes to the Financial Statements

01 Corporate information

T S Alloys Limited incorporated under the Companies Act, 1956 is a wholly owned subsidiary of Tata Steel Limited. The Company primarily acts as a conversion agent/ external processing agent for conversion of ferro chrome from chrome ore and coke supplied by Tata Steel Limited.

02 Significant Accounting Policies

(a) Basis of Accounting

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

(b) Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

(c) Inventories

Raw materials are valued at cost or net realisable value whichever is lower. Cost comprises purchase price, freight and handling, non refundable taxes and duties and other directly attributable costs.

Work in progress is valued at cost and net realisable value. Cost of work in progress includes cost of conversion and other cost included to bring the same to the present condition.

Finished and semi-finished products are valued at lower of cost and net realisable value.

Stores and spares are valued at cost comprising of purchase price, freight and handling, non refundable taxes and duties and other directly attributable costs less provision for obsolescence, if any.

(d) Cash Flow Statement

Cash flow are reported using the indirect method, whereby net profit before tax is adjusted for the effect of transaction of a non cash nature, any deferral or accrual of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

(e) Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(f) Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of Furniture and Fixtures, in whose case the life of the assets has been assessed as five years taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Leasehold land is amortised over the duration of the lease.

Assets individually costing Rs. 5,000 or less are fully depreciated in the year of purchase.

(g) Revenue Recognition

(i) Sale of goods

Revenue from the sale of goods is recognised in the Statement of Profit and Loss when the significant risks and rewards of ownership have been transferred to the buyer. Revenue includes consideration received or receivable and excise duty and net of discounts and other sales related taxes.



T S Alloys Limited
Notes to the Financial Statements

Significant Accounting Policies

(ii) Conversion Income

Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred.

(iii) Dividend and Interest income

Dividend income is recognised when the company's right to receive dividend is established. Interest income is recognised on time proportion basis based on the amount outstanding and the rate applicable.

(h) Tangible Assets

All tangible assets are valued at cost less depreciation/amortisation and impairment losses. The cost of an asset includes the purchase cost of materials, including import duties and non refundable taxes, and any directly attributable costs of bringing an asset to the location and condition of its intended use.

(i) Relining Expenses

Expenses incurred on relining of furnaces are capitalised and included in the cost of Plant and Machinery and is depreciated over its expected useful life of seven years. All other relining expenses are recognised as an expense in the Statement of Profit and Loss in the year in which they are incurred. The written down value of the asset consisting of lining/relining expenditure embedded in the cost of the furnace is written off in the year of fresh relining.

(j) Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest, if any.

(k) Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and non refundable taxes, and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

(l) Foreign Currency Transactions

Foreign currency transactions are recorded on initial recognition in the reporting currency i.e. Indian rupees, using the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities in currencies other than the reporting currency and foreign exchange contracts remaining unsettled are remeasured at the rates of exchange prevailing at the balance sheet date. Exchange difference arising on the settlement of monetary items, and on the remeasurement of monetary items, are included in the Statement of Profit and Loss.

(m) Investments

Long term investments are carried at cost less provision for permanent diminution, if any in value of such investments. Current investments are valued at lower of cost or fair value.

(n) Employee benefits

(i) Short term benefits

Short term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

(ii) Post employment benefits

Defined contribution plans

Defined contribution plans are those plans where the Company pays fixed contributions to a separate entity. Contributions are paid in return for services rendered by the employees during the year. The Company has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay employee benefits. The contributions are expensed as they are incurred in line with the treatment of wages and salaries.

Defined Benefit Plans

The Company provides gratuity benefits to its employees. Gratuity liabilities are funded through a separate trust with its funds managed by Life Insurance Corporation of India. The present value of these defined benefit obligations are ascertained by an independent actuarial valuation as per the requirement of Accounting Standards 15 - Employee Benefits. The liability recognised in the balance sheet is the present value of the defined benefit obligations on the balance sheet date less the fair value of the plan assets (for funded plans), together with adjustments for unrecognised past service costs. All actuarial gains and losses are recognised in the Statement of Profit and Loss in full in the year in which they occur.

Other long term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. Liabilities for Compensated absences are not funded. The present value of these obligations are ascertained by an independent actuarial valuation. All actuarial gains and losses are wholly recognised in the statement of profit and loss in the year in which they occur.



T S Alloys Limited
Notes to the Financial Statements

Significant Accounting Policies

(o) Borrowing costs

Borrowing costs that are attributable to the acquisition, construction of qualifying assets are capitalised as part of the cost of such assets till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the profit and loss account in the period in which they are incurred.

(p) Leases

Leases where the lessor effectively retains substantially all the risk and benefits of ownership of the leased asset, are classified as operating leases. Operating lease payment is recognized as an expense in the statement of profit and loss on the straight-line basis over the lease term.

Amounts due under finance leases are recorded as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant period rate of return on the Company's net investments standing in respect of the leases.

(q) Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations.

(r) Taxes on Income

Current Taxes

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax.

Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred taxes

Deferred tax assets and liabilities are recognized by computing the tax effect on timing differences which arise during the year and reverse in the subsequent periods. Deferred tax assets against unabsorbed depreciation and carry forward losses under the Income Tax Act, 1961 are recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realized. Deferred tax assets against other timing differences are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

(s) Impairment

The carrying amount of assets is reviewed at each balance sheet date, if there is any indication of impairment based on the internal/ external factors. An impairment loss is recognized wherever the carrying amount of assets exceeds its recoverable amount. The recoverable amount is the greater of assets net selling price and value in use.

(t) Provision, contingent liabilities and contingent assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.



T S Alloys Limited
Notes to the Financial Statements

₹. in Lacs

03 Share Capital

	As at March 31, 2016	As at March 31, 2015
Authorised:		
70,000,000 Equity Shares of ₹. 10 each	7,000.00	6,500.00
(As at March 31, 2015: 65,000,000 Equity Shares of ₹. 10 each)		
	7,000.00	6,500.00
Issued, Subscribed and Fully Paid up:		
65,707,544 Equity Shares of ₹. 10 each	6,570.76	5,947.45
(As at March 31, 2015: 59,474,477 Equity Shares of ₹. 10 each)		
Total Share Capital	6,570.76	5,947.45

(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31 March, 2016		As at 31 March, 2015	
	Number of shares	₹ in lacs	Number of shares	₹ in lacs
Equity shares with voting rights				
Opening Balance	5,94,74,477	5,947.45	4,95,34,284	4,953.43
Issued during the year	62,33,067	623.31	99,40,193	994.02
Closing Balance	6,57,07,544	6,570.76	5,94,74,477	5,947.45

(b) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	% age	No. of Shares	% age
Equity shares with voting rights				
Tata Steel Limited	6,57,07,544	100.00%	5,94,74,477	100.00%

(c) Rights, preferences and and restrictions attached to shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each equity shares are entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after the deduction on the preferential amounts.



T S Alloys Limited
Notes to the Financial Statements

₹. In Lacs

04 Reserves and surplus

	As at March 31, 2016	As at March 31, 2015
Surplus balances in the Statement of Profit and Loss		
Balance at the beginning of the year	4,512.88	5,528.02
Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax amounting to ₹) (Refer Note 9)	-	(12.54)
Profit/(Loss) for the year	124.07	(1,002.60)
Balance at the end of the year	4,636.95	4,512.88



T S Alloys Limited
Notes to the Financial Statements

05 Borrowings

₹. in Lacs

	As at March 31, 2016		As at March 31, 2015	
	Long term	Short term	Long term	Short term
Secured borrowings				
(a) Repayable on demand				
Cash credits from banks	-	407.33	-	363.61
Total Secured borrowings	-	407.33	-	363.61
Total Borrowings	-	407.33	-	363.61
Current maturities of long-term loan	-	-	166.67	-
Total Borrowings including current maturities of long term loan	-	407.33	166.67	363.61



T S Alloys Limited
Notes to the Financial Statements

₹. In Lacs

06 Provisions

	As at March 31, 2016		As at March 31, 2015	
	Long term	Short term	Long term	Short term
(a) Provision for employee benefits				
(1) Other long-term employee benefits				
- Compensated absences [Refer Note 31]	15.42	0.09	10.50	0.09
(b) Provision for loss due to fire		128.49		
Total Provisions	15.42	128.58	10.50	0.09



T S Alloys Limited
Notes to the Financial Statements

₹. In Lacs

07 Trade payables

	As at March 31, 2016	As at March 31, 2015
i) Total outstanding dues of micro enterprises and small enterprises	-	-
ii) Total outstanding dues of creditor other than micro enterprises and small enterprises		
(a) Creditors for supplies and services	832.93	1,125.62
(b) Creditors for accrued wages and salaries	117.77	158.50
Total Trade payables	950.70	1,284.12

Note:

There are no amount outstanding in relation to Micro, Small or Medium enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006, as at the end of the year based on the information available with the Company.

08 Other current liabilities

₹. in Lacs

	As at March 31, 2016	As at March 31, 2015
(a) Current maturities of long term loan	-	166.67
(b) Interest accrued but not due on borrowings	-	1.56
(c) Interest accrued and due on borrowings	55.83	55.83
(d) Advances received from customers	5.14	30.20
(e) Creditors for capital liabilities	70.70	114.80
(f) Other payables		
(1) Employee recoveries and employer contributions	5.81	3.33
(2) Statutory dues (Excise duty , service tax, TDS etc.)	4.49	3.34
(3) Other credit balances	0.26	2.15
Total Other current liabilities	142.22	377.88



₹. in Lacs

	As at March 31, 2016							As at March 31, 2015								
	Freehold land	Leasehold land (including roads)	Buildings	Plant and machinery	Furniture and fixtures	Vehicles	Office equipment	Total tangible assets	Freehold land	Leasehold land (including roads)	Buildings	Plant and machinery	Furniture and fixtures	Vehicles	Office equipment	Total tangible assets
Gross block as at 01.04.2015	11.81	647.48	1,913.20	8,133.71	51.69	18.08	127.96	10,903.93	11.81	677.12	1,903.94	8,057.50	51.69	18.08	127.86	10,848.00
Additions during the year	-	-	2.15	139.74	-	-	6.27	148.16	-	-	9.26	76.90	-	-	0.65	86.81
Assets disposed / written off during the year	-	-	-	(21.03)	-	-	(1.57)	(22.60)	-	(29.64)	-	(0.69)	-	-	(0.55)	(30.88)
Gross block as at 31.03.2016	11.81	647.48	1,915.35	8,252.42	51.69	18.08	132.66	11,029.49	11.81	647.48	1,913.20	8,133.71	51.69	18.08	127.96	10,903.93
Impairment as at 01.04.2015	-	-	-	-	-	-	-	-	-	60.20	319.17	2,493.45	17.20	3.62	49.02	2,942.66
Charge for the year	-	-	-	-	-	-	-	-	-	7.19	77.19	527.99	14.98	2.71	24.58	654.64
Reversal on assets disposed / written off during the year	-	-	-	47.96	-	-	-	-	-	-	4.03	-	0.91	-	14.04	18.98
Impairment as at 01.04.2016	-	-	-	-	-	-	-	-	-	(2.64)	-	(0.06)	-	-	(0.54)	(3.24)
Accumulated depreciation as at 01.04.2015	-	64.77	400.39	3,021.38	33.10	6.33	87.08	3,613.04	11.81	64.75	400.39	3,021.38	33.09	6.33	87.10	3,613.04
Charge for the year	-	7.20	77.35	646.54	9.48	2.31	19.16	661.04	-	616.92	1,584.77	5,564.05	34.49	14.46	78.84	7,905.34
Depreciation on assets disposed / written off during the year	-	-	-	(9.13)	-	-	(1.57)	(10.70)	-	616.92	1,584.77	5,564.05	34.49	14.46	78.84	7,905.34
Accumulated depreciation as at 31.03.2016	-	71.97	477.74	3,657.79	42.58	8.64	104.67	4,263.38	11.81	582.71	1,512.81	5,112.33	18.59	11.75	40.88	7,290.89
Net book value as at 01.04.2015	11.81	582.71	1,512.81	5,112.33	18.59	11.75	40.88	7,290.89	11.81	575.51	1,437.61	4,646.67	9.11	9.44	27.99	6,718.15
Net book value as at 31.03.2016	11.81	575.51	1,437.61	4,646.67	9.11	9.44	27.99	6,718.15	11.81	582.73	1,512.81	5,112.33	18.60	11.75	40.86	7,290.89

Note

(1) All the assets are owned by the Company except for those specifically identified as leased asset.

(2) During the year the Company has completed its componentisation through technical evaluation and considering the same have identified certain components having useful life shorter than the main assets and accordingly depreciation for the period impacted by Rs. 13.87 lacs on account of such componentisation.

(3) The Company had revised the estimated useful lives of all its assets as specified under Part C of schedule II of Companies Act, 2013 except for furniture and fixtures for which useful life have been considered as 5 years. Pursuant to revision of useful life of the assets, carrying value of fixed assets whose useful life has been exhausted as at beginning of the previous year has been adjusted with Surplus in Statement of Profit and Loss amounting to ₹ 12.54 lacs (net of deferred tax of ₹ 6.44 lacs).



T S Alloys Limited
Notes to the Financial Statements

₹. in Lacs

10 Non-current Investments

	<u>As at March 31, 2016</u>	<u>As at March 31, 2015</u>
Long-term Trade Investments at cost		
Equity shares in joint ventures (unquoted)		
27,107,473 (As at March 31, 2015: 20,874,406) equity shares of ₹ 10 each fully paid up in Bhubaneswar Power Private Limited	2,710.75	2,087.44
Total Non-current investment	<u>2,710.75</u>	<u>2,087.44</u>

Notes:

Bhubaneswar Power Private Limited (BPPL), is a Joint Venture between the Company, Tata Steel Limited and Jasper Industries Private Limited.

Out of the above shares, 16,264,484 (As at March 31, 2015: 54,27,346) equity shares of ₹. 10/- each has been pledged with the Power Finance Corporation and Rural Electrification Corporation Ltd. for availing Rupee Term Loan by the Bhubaneswar Power Private Limited, the joint venture company.



T S Alloys Limited
Notes to the Financial Statements

₹. in Lacs

11 Loans and advances

	As at March 31, 2016			As at March 31, 2015		
	Long term	Short term	Total	Long term	Short term	Total
Loans and advances						
(a) Capital advances	56.13	-	56.13	56.13	-	56.13
(b) Security deposits	1,636.50	1.28	1,637.78	1,636.50	1.28	1,637.78
(c) Advance with public bodies	13.19	51.77	64.96	13.19	43.56	56.75
(d) Other loans and advances						
(1) Retirement benefit assets						
Retiring gratuity [Refer Note 31]	22.37	-	22.37	13.06	-	13.06
(2) Advance taxes (Net of provision of ₹ 198.78 lacs) (As at March 31, 2015 ₹ 198.78 lacs))	711.83	-	711.83	540.60	-	540.60
(3) MAT credit entitlement	21.31	-	21.31	21.31	-	21.31
(4) Other advances and prepayments	-	44.62	44.62	-	27.01	27.01
Loans and advances	2,461.33	97.67	2,559.00	2,280.79	71.85	2,352.64

Less: Provision for bad and doubtful loans and advances

Other advances and prepayments	-	0.41	0.41	-	2.08	2.08
Advances with public bodies	-	-	-	-	-	-
Total Loans and advances	2,461.33	97.26	2,558.59	2,280.79	69.77	2,350.56

Classification of loans and advances

Secured, considered good	-	-	-	-	-	-
Unsecured, considered good	2,461.33	97.26	2,558.59	2,280.79	69.77	2,350.56
Doubtful	-	0.41	0.41	-	2.08	2.08
Gross Loans and advances	2,461.33	97.67	2,559.00	2,280.79	71.85	2,352.64



T S Alloys Limited
Notes to the Financial Statements

₹. in Lacs

12 Other non-current assets

	As at March 31, 2016	As at March 31, 2015
Interest accrued on deposits	26.90	26.90
Total Gross other non-current assets	26.90	26.90
Less: Provision for bad and doubtful interest on deposits	26.90	26.90
Total Net other non-current assets	-	-



T S Alloys Limited
Notes to the Financial Statements

₹. in Lacs

13 Inventories

	As at March 31, 2016	As at March 31, 2015
(a) Raw materials	239.42	223.31
(b) Work-in-progress	28.15	22.51
(c) Stores and spares	711.12	741.13
Total Inventories	978.69	986.95



T S Alloys Limited
Notes to the Financial Statements

₹. in Lacs

14 Trade receivables

	As at March 31, 2016	As at March 31, 2015
Trade receivables		
(a) More than six months from the date they become due for payment	-	-
(b) Others	587.62	537.39
Total Trade Receivables	587.62	537.39

Classification of current trade receivables

Secured, considered good	-	-
Unsecured, considered good	587.62	537.39
Doubtful	-	-
Total current trade receivables	587.62	537.39

15 Other current assets

₹. in Lacs

	As at March 31, 2016	As at March 31, 2015
Interest accrued on deposits, loans and advances	143.22	142.84
Total Other current assets	143.22	142.84



T S Alloys Limited
Notes to the Financial Statements

₹. in Lacs

16 Cash and cash equivalents

	As at March 31, 2016	As at March 31, 2015
(a) Cash in hand	0.03	0.02
(b) Balances with banks		
(i) In current account	5.47	11.27
(ii) In deposit accounts [#]	-	0.12
Total cash and cash equivalents	5.50	11.41

Deposits having original maturity of less than three months



T S Alloys Limited
Notes to the Financial Statements

17 Revenue from operations

₹. In Lacs

	As at March 31, 2016	As at March 31, 2015
(a) Services rendered		
Conversion Income	12,238.53	6,376.51
(b) Other operating Income		
Sale of slags and scraps	42.96	8.51
Total Revenue from operations	12,281.49	6,385.02

18 Other Income

₹. In Lacs

	As at March 31, 2016	As at March 31, 2015
(a) Interest from:		
(i) Deposits with utilities	142.06	142.65
(ii) Term deposits	0.01	14.09
(iii) Income tax refund	12.38	-
(b) Provisions / Liabilities no longer required written back	-	49.33
(c) Net gain on foreign currency transactions	1.13	1.13
(d) Net Profit on sale of fixed assets	-	0.70
(e) Other miscellaneous income	0.24	-
Total Other Income	155.82	207.90



T S Alloys Limited
Notes to the Financial Statements

19 Raw material consumed

₹. In Lacs

	As at March 31, 2016	As at March 31, 2015
Opening stock	223.31	301.86
Add: Purchase	1,103.34	566.95
Less: Closing stock	(239.42)	(223.31)
Total Raw material consumed	1,087.23	645.50

Material consumed comprises:

Chrome ore and coke		72.12
Furnace oil	66.38	40.89
Lime	226.95	96.42
Molasses	304.55	181.32
Carbon Paste	297.98	173.92
Quartz	162.68	76.36
Others	28.69	4.47
Total	1,087.23	645.50

20 Changes in stock of work-in-progress

₹. In Lacs

	As at March 31, 2016	As at March 31, 2015
Stock at the beginning of the year		
Work in progress	22.51	27.57
Stock at the end of the year		
Work in progress	28.16	22.51
Net (Increase) / decrease in stock of work in progress	(5.64)	5.06



T S Alloys Limited
Notes to the Financial Statements

21 Employee benefits expense

₹. in Lacs

	As at March 31, 2016	As at March 31, 2015
(a) Salaries and wages, including bonus	526.15	445.75
(b) Contribution to provident and other funds [Refer Note 31]	61.31	30.90
(c) Staff welfare expenses	8.93	16.20
Total Employee benefits expense	596.39	492.85



T S Alloys Limited
Notes to the Financial Statements

22 Finance costs

₹. in Lacs

	As at March 31, 2016	As at March 31, 2015
(a) Interest expense		
(a) Interest on borrowings		
- On term loans	5.24	57.92
- On cash credits	81.67	13.79
(b) Interest on others	0.03	0.24
Total Finance costs	86.94	71.95



T S Alloys Limited
Notes to the Financial Statements

23 Other expenses

₹. in Lacs

	As at March 31, 2016	As at March 31, 2015
(a) Repairs to buildings	37.98	6.39
(b) Repairs to machinery	176.71	101.12
(c) Purchase of power	8,300.81	5,005.70
(d) Rent	0.45	4.35
(e) Rates and taxes	23.63	11.28
(f) Insurance charges	6.94	6.50
(g) Stores and spares consumed	467.41	168.05
(h) Jigging, breaking and sizing expenses	283.82	133.65
(i) Other expenses		
(1) Auditors remuneration and out-of-pocket expenses		
(i) As auditors - statutory audit#	6.00	5.00
(ii) For other services #	0.86	-
(iii) Auditors out-of-pocket expenses	0.24	-
(2) Legal and other professional costs	19.02	25.36
(3) Advertisement, promotion & selling expenses	0.26	-
(4) Travelling and conveyance expenses	21.62	46.65
(5) Net loss on sale of tangible assets	11.87	-
(6) Security charges	64.40	69.64
(7) Provision for loss due to fire	128.49	-
(8) Provision for impairment of tangible assets	47.96	-
(9) Corporate Social Responsibility Expenses [Refer Note 35]	22.69	-
(10) Other general expenses	354.04	171.63
Total Other expenses	9,975.20	5,755.32

Amount is exclusive of Service tax



T S Alloys Limited
Notes to the Financial Statements

24 Contingent liabilities

	₹. In Lacs	
	As at March 31, 2016	As at March 31, 2015
Contingent liabilities not provided for		
(a) Excise duty	290.23	269.28
(b) Sales tax	20.96	20.96
(c) Water cess	76.78	49.69
(d) Income tax	324.07	

25 Estimated amounts of contracts remaining to be executed on capital account and not provided for : ₹ 43 Lacs (As at March 31, 2015: ₹ 46 Lacs) net of advances of NIL (As at March 31, 2015: NIL)

26 Value of imports (C.I.F)

	₹. In Lacs	
	Year ended March 31, 2016	Year ended March 31, 2015
(a) Raw Materials	279.13	260.00
	279.13	260.00

27 Consumption of imported and indigenous materials

	Year ended March 31, 2016		Year ended March 31, 2015	
	%age	₹. in Lacs	%age	₹. in Lacs
(a) Raw materials consumed				
- Indigenous	75.86%	824.81	49.62%	320.31
- Imported	24.14%	262.42	50.38%	325.19
	100.00%	1,087.23	100.00%	645.50
(b) Stores and spares consumed				
- Indigenous	100.00%	467.41	100.00%	168.08
- Imported				
	100.00%	467.41	100.00%	168.08

28 Earnings per share

	Year ended March 31, 2016	Year ended March 31, 2015
Profit attributable to ordinary shareholders (₹ In lacs)	124.07	(1,002.60)
Weighted average number of ordinary equity shares for basic and diluted EPS	83,030,773	55,645,480
Nominal value per equity share (₹)	10.00	10.00
Basic and diluted earnings per share (₹)	0.20	(1.80)

29 Related party transaction

(a) List of Related Parties and Relationship

Name of the Related Party	Relationship
(i) Tata Steel Limited	Holding Company
(ii) Tata Pigments Limited	Fellow Subsidiary
(iii) Bhubaneswar Power Private Limited	Joint Venture Company
(iv) Mr. Sandeep Kumar Tanwar, Managing Director	Key Managerial Person
(v) Mr. Prasant Kumar Mallick, Ex - Managing Director	Key Managerial Person



(b) Related party transactions

Name of the related party	Nature of transactions	Year ended	Year ended
		March 31, 2016	March 31, 2016
		₹. in Lacs	₹. in Lacs
Tata Steel Limited	Conversion income	12,238.64	6,831.21
	Other reimbursement	2,143.72	396.79
	Purchase of goods	6.56	-
	Receiving of service	14.64	-
	Finance received (Equity)	623.30	994.01
Bhubaneswar Power Private Limited	Reimbursement of expense	71.42	84.13
	Sale of land	-	28.33
	Finance provided (Equity)	623.31	994.01
Tata Pigments Limited	Purchase of goods	1.80	-
Key Management Personnel	Remuneration:		
	Mr. Sandeep Kumar Tanwar	62.60	44.20
	Mr. Prasant Kumar Mallick	-	12.35
Name of the related party	Nature of balances	As at March 31, 2016	As at March 31, 2016
		₹. in Lacs	₹. in Lacs
Tata Steel Limited	Amount receivable	587.65	537.39
	Amount payable	68.07	55.83
Tata Pigments Limited	Amount payable	0.47	-
Bhubaneswar Power Private Limited	Amount receivable	0.66	8.17

30 Deferred tax liabilities (net)

₹. in Lacs

	Deferred tax liability/(Asset) as at April 01, 2015	Current year Charge / (Credit)	Deferred tax liability/(Asset) as at March 31, 2016
Deferred tax liabilities			
(i) Difference between book and tax depreciation	1,202.06	(44.81)	1,157.25
(ii) Provision for gratuity	4.43	3.31	7.74
	<u>1,206.49</u>	<u>(41.50)</u>	<u>1,164.99</u>
Deferred tax assets			
(i) Provision for doubtful debt and advances	(9.85)	(0.18)	(10.03)
(ii) Provision for compensated absences	(3.60)	(1.77)	(5.37)
(iii) Others	-	(44.47)	(44.47)
	<u>(13.45)</u>	<u>(46.42)</u>	<u>(59.87)</u>
Deferred tax liabilities (net)	<u>1,193.04</u>	<u>(87.92)</u>	<u>1,105.12</u>

31 Employee benefits

- (a) The Company provides Provident Fund benefit to all employees. Under these schemes fixed contributions are paid to Employee Provident Fund Organisation. The Company has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay employee benefits.

The Company has made the following contributions which are recognised as expense in the statement of profit and loss for the year in which the services are rendered by employees.

	Year ended March 31, 2016	Year ended March 31, 2016
		₹. in Lacs
(i) Contribution to provident fund	41.94	19.77
(ii) Contribution to ESIC	5.62	7.08
	<u>47.56</u>	<u>26.85</u>

- (b) The Company operates post retirement defined benefit plans and other long term employee benefits as follows:

- A. Post retirement defined benefit plans**
Post retirement gratuity [Funded]
- B. Other long term employee benefits plans**
Compensated absences [Unfunded]



(c) Details of the gratuity and compensated absences benefit are as follows

Description	2015-16		2014-15	
	Gratuity	Compensated Absences	Gratuity	Compensated Absences
	Amount (₹. In lacs)	Amount (₹. In lacs)	Amount (₹. In lacs)	Amount (₹. In lacs)
1. Reconciliation of opening and closing balances of obligation				
a. Obligation as at beginning of the year	35.79	10.59	13.38	7.41
b. Current service cost	4.65	2.29	3.83	1.97
c. Interest cost	2.79	0.79	1.23	0.59
d. Actuarial (gain)/loss	11.14	2.70	1.89	2.58
e. Acquisition from group companies	-	-	15.46	-
f. Benefits paid	-	(0.86)	-	(1.96)
g. Obligation as at the end of the year	54.37	16.51	35.79	10.59
2. Change in fair value of plan assets				
a. Fair value of plan assets as at the beginning of the year	48.85	-	26.62	-
b. Expected return on plan assets	4.83	-	2.90	-
c. Actuarial gain/(loss)	-	-	-	-
d. Contributions/refunds made by/to the company	23.06	0.86	3.87	1.97
e. Benefits paid	-	(0.86)	-	(1.97)
f. Acquisition from group companies	-	-	15.46	-
g. Fair value of plan assets as at the end of the year	76.74	-	48.85	-
3. Reconciliation of fair value of plan assets and obligations				
a. Fair value of plan assets as at the end of the year	76.74	-	48.85	-
b. Present value of obligation as at the end of the year	54.37	15.51	35.79	10.59
c. Amount recognised in the balance sheet assets/ (liabilities) ¹	22.37	(15.51)	13.06	(10.59)
4. Expenses recognised during the year				
a. Current service cost	4.65	2.29	3.83	1.96
b. Interest cost	2.79	0.79	1.23	0.59
c. Expected return on plan assets	(4.83)	-	(2.90)	-
d. Actuarial (gains)/loss	11.14	2.70	1.89	2.58
f. Expenses recognised during the year ²	13.75	5.78	4.05	5.13
5. Investment details				
a. Others (Funds with Life Insurance Corporation of India)	100%	NA	100%	NA
6. Assumptions				
a. Discount rate (per annum)	7.75%	7.75%	7.80%	7.80%
b. Estimated rate of return on plan assets (per annum)	8.00%	-	8.00%	-
c. Rate of escalation in salary ³	5.00%	5.00%	5.00%	5.00%

1 In case of Gratuity the amount is recognised under "Retirement benefit assets" in Note 11(d)(i) whereas for Compensated absences the same is recognised under "Provisions for employee benefits" in Note 6(a).

2 Expenses relating to Gratuity are included in Contribution to Provident and Other Funds [Note 21 (b)] whereas for compensated absences the same is included in Salaries and Wages including Bonus [Note 21(a)].

3 The estimates of future salary increases take into account inflation, seniority, promotion and other relevant factors.

7. Net asset/(liability) recognized in balance sheet (including experience adjustment impact):						₹ In Lacs
Gratuity						
1. Present value of defined benefit obligation	2015-16	2014-15	2013-14	2012-13	2011-12	
	(54.37)	(35.79)	(13.38)	(13.96)	(9.03)	
2. Fair value of plan assets	76.74	48.85	26.62	24.23	18.79	
3. Status [surplus/(deficit)]	22.37	13.06	13.24	10.27	9.76	
4. Experience adjustment of Plan Liabilities [Gain / (Loss)]	(10.77)	4.39	(9.00)	0.38	0.46	
5. Experience adjustment of plan assets [Gain / (Loss)]	-	-	-	0.28	0.27	
Compensated absences						
1. Present value of defined benefit obligation	2015-16	2014-15	2013-14	2012-13	2011-12	
	(15.51)	(10.59)	(7.41)	(9.52)	(7.32)	
2. Fair value of plan assets	-	-	-	-	-	
3. Status [surplus/(deficit)]	(15.51)	(10.59)	(7.41)	(9.52)	(7.32)	
4. Experience adjustment of plan liabilities [Gain / (Loss)]	(2.59)	(0.51)	(1.22)	0.07	(1.39)	

32 The proportionate share in the Assets, Liabilities, Income and Expenditure of the Joint Venture Company, Bhubaneswar Power Private Ltd is given below:

Country of Incorporation	Percentage of Holding	Assets	Liabilities	Contingent Liabilities	Capital Commitment	Income	Expenditure
As at March 31, 2016						Year ended March 31, 2016	
₹ in Lacs						₹ in Lacs	
India	11.77%	11,915.73	9,257.33	222.79	211.86	-	22.64
As at March 31, 2015						Year ended March 31, 2015	
₹ in Lacs						₹ in Lacs	
India	11.77%	9,533.35	7,475.45	33.07	736.99	-	21.74



33 The Company primarily acts as a conversion agent to Tata Steel Limited for conversion of Ferro Chrome from chrome ore supplied by Tata Steel Limited and hence conversion of High Carbon Ferro Chrome is the only reportable segment in accordance with Accounting Standard 17 - Segment Reporting. Further, as the Company's products / services are sold primarily in India there is no reportable secondary segment i.e. Geographical Segment.

34 During the current year the Company's operations were adversely effected due to fire inside the plant on January 5, 2016, as result of which the plant was shut down upto March 08, 2016. As a consequence of such fire one of the transformer, civil and other structure of the furnaces have been damaged for which the Company has lodged a insurance claim which is yet to be finalised. Pending finalisation of the insurance claim the management has estimated a loss of ₹ 176.45 lacs which has been recognised in the Statement of Profit and Loss as an "Impairment Loss" of ₹ 47.96 lacs and as "Loss due to fire" of ₹ 128.49 lacs.

35 Expenditure on Corporate Social Responsibility

- (a) Gross amount required to be spent by the Company during the year March 31, 2016 : ₹ 7.66 lacs
 (b) Amount spent during the year ended March 31, 2016

Sl No.	Particulars	Paid (A) (₹ lacs)	Yet to be Paid (B) (₹ lacs)	Total (A) + (B) (₹ lacs)
(i)	Construction / acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	6.01	16.68	22.69
	Total	6.01	16.68	22.69

- (c) Details of related party transactions
 - Contribution during the year 31 March 2016 : Nil
 - Payable as at 31 March 2016 : Nil


36 Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current period classification / disclosure.

For and on behalf of the Board of Directors


 Sandeep Kumar Tanwar
 Managing Director


 Manikant Naik
 Director


 M Srinivas
 Chief Financial Officer


 P.K. Biswal
 Company Secretary

Kolkata, April 18, 2016



