TATA METALIKS

TATA

CONSOLIDATION

ANNUAL REPORT | 2015-16

IN HARMONY WITH
HUMANITY

26th ANNUAL GENERAL MEETING

Date : 29 June, 2016

Time : 3.00 p.m.

Venue : Kalamandir, Sangit Kalamandir Trust, 48, Shakespeare Sarani, Kolkata - 700 017

Important information : *As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to bring their copies to the meeting.*

CORPORATE INFORMATION

BOARD OF DIRECTORS
(As on 31 March, 2016)

Mr. Koushik Chatterjee -Chairman
Mr. Sanjiv Paul – Managing Director
Mr. Krishnava Dutt
Dr. Pingali Venugopal
Mr. Ashok Kumar Basu
Ms. Samita Shah

MANAGEMENT
(As on 31 March, 2016)

Mr. Sanjiv Paul	Managing Director
Mr. Subhra Sengupta	Chief Financial Officer
Mr. Sankar Bhattacharya	Chief Corporate Governance & Company Secretary
Mr. Debasish Mishra	Vice President (Operations)
Dr. Ratna Sinha	Chief HRM & Ethics Counsellor
Mr. Rajesh Mishra	Executive Vice President

CIN No.	L27310WB1990PLC050000
REGISTERED OFFICE	Tata Centre, 10th Floor 43, J. L. Nehru Road Kolkata - 700 071 Tel : +91 6613 4200, Fax : +91 2288 4372 Website : www.tatametaliks.com
BANKERS	• State Bank of India • IDBI Bank • HDFC Bank • Bank of Baroda • Axis Bank • RBL Bank • DBS Bank • Indusind Bank • Central Bank • ICICI Bank • Kotak Mahindra Bank • RBS Bank
AUDITORS	M/s Deloitte Haskins & Sells Chartered Accountants Kolkata.
REGISTRARS & SHARE TRANSFER AGENT	M/s R & D Infotech Pvt. Ltd. 7A, Beltala Road Kolkata - 700 026

COMMITTEES OF BOARD

(As on 31 March, 2016)

Audit Committee

Mr. Krishnava Dutt - Chairman
Dr. Pingali Venugopal - Member
Mr. Ashok Kumar Basu - Member
Ms. Samita Shah - Member

Nomination & Remuneration Committee

Dr. Pingali Venugopal - Chairman
Mr. Koushik Chatterjee - Member
Mr. Krishnava Dutt - Member

Stakeholders' Relationship Committee

Mr. Ashok Kumar Basu - Chairman
Mr. Sanjiv Paul - Member
Dr. Pingali Venugopal - Member

Corporate Social Responsibility Committee

Dr. Pingali Venugopal - Chairman
Mr. Sanjiv Paul - Member
Ms. Samita Shah - Member

INVESTORS SERVICE CENTRE

Tata Metaliks Limited Tata Centre, 10th Floor 43, J. L. Nehru Road Kolkata - 700 071 Phone : + 91 33 6613 4200 Fax : +91 33 2288 4372 Email : investors@tatametaliks.co.in	Registrar & Share Transfer Agent M/s R & D Infotech Pvt. Ltd. 7A, Beltala Road Kolkata - 700 026 Phone : +91 33 2419 2641 Fax : +91 33 2419 2642 Email : rd.infotech@vsnl.net

GREEN INITIATIVE

28 April, 2016

Dear Shareholder,

The Ministry of Corporate Affairs has taken a “Green Initiative” in Corporate allowing paperless compliances by Companies through electronic mode and has issued various circulars stating that Companies can now send notices and documents, including Annual Report, to shareholders through electronic mode to their registered e-mail IDs.

Your Company proposes to send all future communications / documents including Notice of Annual General Meeting and Annual Report to the shareholders at their IDs as registered with the Depository Participants (DPs)/Company/Registrars & Share Transfer Agent.

Members who are holding Equity Shares in demat mode are requested to register their e-mail IDs with their Depository Participants immediately, if already not registered.

Members who are holding Equity Shares in physical form should send a scanned copy of their letter requesting for registering / changing their existing e-mail IDs, bearing the signature of the sole / first shareholder on *rdinfotech@yahoo.com*. Members are also requested to convert their physical holding into demat.

OR

Such Members holding Equity shares in physical form can also write to the Registrar and Share Transfer Agent of the Company at following address and inform their e-mail IDs quoting their folio numbers. The letter should be signed by the sole/first holder as per the specimen signature recorded with the Registrar and Share Transfer Agent.

M/s R & D Infotech Pvt. Ltd.
7A, Beltala Road, Kolkata - 700 026
Phone : +91-33-24192641
Telefax : +91-33-24192642
E-mail : rd.infotech@vsnl.net / tml@rdinfotech.in
Web : www.rdinfoech.org

We seek your support to enable the Company to not only reduce paper consumption but also related costs. As a shareholder, this is your opportunity to support this initiative of the Government and contribute towards a Greener Environment.

Please note that as a Member of the Company, you will be entitled to get a copy free of cost upon receipt of a requisition from you.

The Annual Report of your Company for Financial Year 2015-16 alongwith all future communication / documents would also be made available on the Company’s website : *www.tatametaliks.com*

Thanking you,

Yours sincerely
For **Tata Metaliks Limited**

Sankar Bhattacharya
Chief Corporate Governance & Company Secretary

CHAIRMAN'S STATEMENT

Dear Shareholders,

The macro trends in the business environment during the year 2015 witnessed deceleration in key emerging and developing economies, strengthening of US Dollar, continued weakening of oil and other commodity prices, sluggish growth in global trade and spells of financial volatility. Growth in the global economy slowed down further to 3.1% in 2015 from 3.3% in 2014 due to slowdown in manufacturing activity in Asia's top two economies, China and India.Since China's steel production is almost 50% of global production, the slowdown in the Chinese economy in 2015 led to 2.8% contraction in global steel consumption and consequent significant reduction in global steel prices.

Similarly, pig iron industry was adversely impacted by the global slowdown leading to 60% drop in export and oversupply in domestic market. Lower demand of castings from OEMs and substitution of foundry grade pig iron with cheaper steel grade pig iron led to price pressure on Company's primary product, foundry grade pig iron. The Company also faced the challenge of sourcing iron ore at competitive costs during first half of the year as supplies were irregular due to regulatory issues.

Despite challenging external environment, decline in commodity prices, record level of imports and marginal growth in steel consumption at 4.5% which was much lower than the estimated GDP growth rate of 7.6% in India, I am happy to report that your Company delivered a robust performance in 2015-16. The Company continued to focus on consolidation, after turnaround in 2013-14, driving operational and commercial excellence program across the Company, improving operating parameters and reducing costs and enhancing customer-centricity.

Pig iron production and sales, including molten metal for ductile iron pipe production, crossed 4 lakh tonnes in the year for third time in succession. Ductile iron pipe business of the Company's subsidiary, Tata Metaliks DI Pipes Limited, enhanced Company's performance further with 20% increase in production and sales along with significant operational improvement. On a consolidated basis, your Company delivered its best ever performance with a net profit of ₹ 123 crores, which was a 13% growth in the profit after tax compared to the previous year. The Board of the Company considered the above results and have proposed a dividend of ₹ 2/- per equity share for the year under review. This marks the resumption of dividend after a gap of 7 years. Considering the leverage position of the company and the uncertain market environment, it will be the endeavor of the Company to continue to focus on cash flow management and managing the capital structure prudently going forward.

While the outlook for DI Pipes business is promising as Government of India has announced new projects and investments in the water and sewage infrastructure sectors including development of smart cities over the next decade, the pig iron business is expected to face volatile business environment with pressure on margins in the near term. Therefore, as part of the long term strategy, the company has been focusing on the value added portfolio of ductile iron pipes and is currently expanding its capacity of DI pipes in Kharagpur. Further, for long-term sustainability and asset reliability, the Company is investing in modernising its blast furnace no. 1 and taking up other efficiency-related projects to produce hot metal at competitive costs.

The Company's recent decision to withdraw the existing scheme of amalgamation between your Company and its wholly owned subsidiary, Tata Metaliks DI Pipes Limited with Tata Steel Limited is based on careful consideration of various factors including inordinate delay in obtaining requisite regulatory and statutory approvals along with significant dilution in intended synergies that were envisaged in April 2013. The Company has always received significant financial, managerial and operational support from its parent and acknowledges the same. While the three way merger has been withdrawn, it is important to merge the wholly owned subsidiary with itself and therefore the Board has decided to file a fresh scheme for amalgamation of its wholly owned subsidiary, Tata Metaliks DI Pipes Limited with itself. The merger will enable an integrated supply chain with enhanced synergies through operational and cost efficiencies, simplified corporate structure and supply chain integration.

Finally, I would like to thank each one of our shareholders for the continued support and confidence in the Company and the management. I also express my sincere gratitude to our customers and other stakeholders for the strong relationship built on trust. I am thankful also to the unions for maintaining cordial industrial relations, and the employees, the management team and my colleagues on the Board of Directors for their significant contribution to the Company over the last year.

Koushik Chatterjee
Chairman

17 May, 2016

Consolidation

Business Scenario:

The year 2015-16 was no different from the preceding year as the slowdown in the global economy continued in most of the regions. Although, there was marginal improvement in GDP growth rate in India from 7.3% in 2014-15 to 7.6% in 2015-16, the iron and steel industry in India and world over showed no signs of any improvement. Pig iron export from India dropped 60% during the year leading to surplus availability in the domestic market. On the demand side, the foundry industry, except some segments of the automobile sector, remained subdued due to low construction activities and delay in implementation of projects on ground. As a result, due to this demand supply imbalance, there was pressure on pig iron prices which continued to fall for the first three quarters of the year.

Tata Metaliks Limited (TML), however, through improvements in operational efficiencies, consolidated its production and sale of pig iron and ductile iron (DI) pipes even during this challenging business scenario. Pig iron production (including molten metal for DI pipe production) crossed 4.25 lakh tonnes and DI pipe plant achieved its best ever production. However, substantial reduction in net realization of pig iron led to 40% decrease in net profit of TML on stand-alone basis to ₹ 50.61 crores in 2015-16 from ₹ 83.66 crores in 2014-15.

The performance of TML's wholly owned subsidiary, Tata Metaliks DI Pipes Limited (TMDIPL) was significantly better in terms of production and sales. With 20% increase in production and sales, and significant reduction in cost, TMDIPL achieved its best ever net profit of ₹ 72.18 crores as against ₹ 25.48 crores achieved in 2014-15. Therefore, on a consolidated basis, during 2015-16, TML delivered its best ever performance with a net profit of ₹ 122.79 crores, significantly higher than the net profit of ₹ 109.14 crores achieved a year ago.

Raw Materials

Iron ore availability scenario during the first half of 2015-16 was challenging as operations at some mines in Orissa and Jharkhand were suspended due to regulatory issues. For overcoming the supply constraints from Tata Steel, TML proactively procured iron ore from market at competitive prices. Availability of iron ore, however, improved from Q3 onwards and price also started to soften after resumption of operations at the mines.

International coke price dropped 32% during the year from USD 173/t CFR in Apr'15 to USD 118/t CFR in Mar'16. Domestic coke manufacturers in eastern part of the country also lowered their prices by about 23%.

By a judicious mix of procurement of coke from overseas and domestic sources, TML maintained low inventory throughout the year and optimized foreign currency exposure during this challenging external business environment. TML sourced major fluxes with better quality from overseas suppliers to make operations more cost effective. Procurement cost was managed efficiently by reducing batch quantity in procurement cycle and by taking proactive procurement action in fast changing market scenario.

Low phos iron ore, which is critical for DI pipe production and also for some customised grades of pig iron, was not available from Tata Steel during the first half of the year. Therefore, during this period, low phos magnetite iron ore was procured from the market to produce low phos hot metal.

Operations

TML continued to focus on productivity of sinter plant and blast furnaces in order to supply consistent and good quality of hot metal required for DI pipe production and for pig iron customers. Initiatives to improve availability, feed rate and productivity of sinter plant continued during the year, which ultimately reduced the cost of production of hot metal. Sinter plant productivity increased further during the year from 1.48 t/m^2/day to 1.68 t/m^2/day and availability improved from 90% to 94%. Consistent availability of high quality sinter and emphasis on daily management at blast furnace increased the hot metal production from 4.08 lakh tonnes to 4.33 lakh tonnes, and reduced coke rate from 678 kg/thm to 667 kg/thm as compared to the previous year.

DI pipe business continued to show improvement in operational and cost-related parameters. Production of DI pipes increased 20% from 109,883 tonnes in 2014-15 to 133,210 tonnes in 2015-16. Other cost-related parameters like yield, power consumption, etc. also improved during the year which reduced the conversion cost significantly.

Performance at Marketplace

During this challenging external business environment in 2015-16, TML continued to focus on its customer-centric approach at the marketplace by differentiating itself from its competitors through supply of high quality foundry and customised grades of pig iron, consistent in chemistry, which could meet customers' specific end-use requirements. TML's focus was on sales in relatively stable consumer-based markets as compared to trader-based markets which are characterised by higher price volatility. TML also produced basic grade pig iron during some months of the year in order to leverage the strengths of proximate and credit-free market of eastern India. TML's pig iron and molten metal sales was over 4.23 lakhs tonnes. Sale of TMDIPL's "Tata Ductura" brand of DI pipes, which is one the leading domestic DI pipe brands in terms of quality, increased further during the year by 20% as compared to the previous year.

TML is committed to its "Customer Promise" through 3-Ds (Develop deep insight, Deliver outstanding products and services, Delight customers at all touch points) to enhance its customer-centricity which is essential for long-term sustainability.

Financials

Turnover of TML on standalone basis for the year was ₹1038.37 crores as against ₹1229.85 crores in the previous year. TML made a standalone profit after tax of ₹ 50.61 crores as against ₹ 83.66 crores in the previous year. On a consolidated basis (including TMDIPL), the profit after tax was ₹ 122.79 crores in the current year as against ₹109.14 crores in the previous year.

TMDIPL achieved a sales turnover of ₹ 644.82 crores during the year as against ₹ 604.68 crores in the previous year. TMDIPL's net profit after tax increased to ₹ 72.18 crores for the year from ₹ 25.48 crores in the previous year.

Safety

TML is moving forward on its time-bound safety excellence journey with focus on improving the behavioral safety of the entire workforce including the employees of the service providers. Safety observations at site, on-the-spot counselling for following safe working practices and training of the entire workforce is in progress. TML's slogan on safety is "Your safe return to your family". Loss Time Injury Frequency Rate (LTIFR) in TML increased marginally from 0.31 in 2014-15 to 0.58 in 2015-16 but LTIFR in TMDIPL in 2015-16 was zero.

Sustainability and Environment Management

TML has a sustainability vision of becoming a leader in its industry by providing tangible value to all its stakeholders while ensuring responsible environmental and social stewardship. Environmental, Social and Governance issues besides the Financial sustainability are being addressed with a definite roadmap. Areas addressed are reduction in energy consumption, water conservation and management, waste management, occupational health and safety, reduction in carbon emission, community development and human rights issues, regulatory compliance, ethical business practice and promotion of diversity and equal opportunity. TML's focus on environmental management and pollution control for creating better work environment and compliance of all statutory norms includes upkeep and maintenance of electrostatic precipitators and bag filters, recycling of wastes at sinter plant, waste water treatment and recirculation, rain water harvesting (ground water consumption reduced from 2.08 m^3/thm to 1.98 m^3/thm in 2015-16), reduction of dust generation from the internal roads by installation of water sprinklers and concreting the roads, and maintaining adequate green belt. Different energy conservation initiatives to reduce electrical loads, diesel consumption and operating practices helped to reduce production cost, fossil fuel consumption and greenhouse gas emission from 2.15 tCO_2eq/thm to 2.07 tCO_2eq/thm during the year.

Corporate Social Responsibility and Affirmative Action

TML's CSR & AA initiatives are deployed through Sadbhavna Trust which has representatives from all categories of employees. A management committee has been formed, comprising of senior officers led by MD, to drive the Company's CSR & AA initiatives. Financial resources are contributed by the Company as well as all employees contribute voluntarily towards the corpus of this Trust through their salary. During 2015-16, TML spent ₹ 1.12 crores on CSR and AA activities.

The Company has been fulfilling its vision of "Reaching Tomorrow First" by committing itself even before the statute made CSR a mandatory requirement in 2014 by implementing various CSR initiatives around its plant located in No. 4 Kalaikunda Gram Panchayat of Paschim Medinipur district of West Bengal having 57 villages, out of which 36 villages with 54% SC/ST population are located within a radius of 5 km from the plant. Nearly 10,000 inhabitants of these 36 villages form the "Core Beneficiaries" of the various CSR & AA interventions planned and executed by the Company.

The Company's focused CSR & AA interventions are directed towards EDUCATION, i.e. create a pedigree of educated youth in the years to follow through increasing access as well as quality of education, and also simultaneously on EMPLOYBILITY, i.e. imparting marketable skills to the available educated youth.

In addition to the above, employees of TML also participate in various volunteering activities throughout the year as per an annual volunteering calendar.

Future Outlook

The projects of coke ovens and power plant of TML and DI pipe expansion project of TMDIPL are under implementation and would be completed in Q1 2016-17. This will reduce the cost of production of hot metal and increase the production capacity of DI pipes. Along with the above internal improvements, TML aims to serve its customers in the market by differentiating itself from the competitors through the brand promises of its products "Tata eFee" and "Tata Ductura" in pig iron and DI pipe segments.

With new Govt. schemes, viz; "AMRUT" etc. for investments in water and sanitation infrastructure, and development of several smart cities across the country, the demand for ductile iron pipes is expected to be robust in the coming years.

On the pig iron business front, over-supply and lower demand is expected to continue for a while which may put pig iron margins under pressure. However, in the long-term, casting industry is expected to do well as the "Make in India" programme of the government picks with growth in engineering, automobile, construction, sanitation and pipe sectors.

NOTICE

The 26th Annual General Meeting (**"AGM"**) of Tata Metaliks Limited will be held on Wednesday, the 29 June, 2016 at "**Kala Mandir**", Sangit Kala Mandir Trust, 48, Shakespeare Sarani, Kolkata - 700 017 at 3.00 p.m. to transact following business :-

Ordinary Business

1. To receive, consider and adopt the :-

   a) Audited Standalone Financial Statements of the Company for the Financial Year ended 31 March, 2016 and the Reports of the Board of Directors and the Auditors thereon; and

   b) Audited Consolidated Financial Statements of the Company for the Financial Year ended 31 March, 2016 and the Report of the Auditors thereon.

2. To declare dividend of ₹ 2/- per Equity Share of ₹ 10/- each for Financial Year 2015-16.

3. To appoint a Director in place of Mr. Koushik Chatterjee (DIN - 00004989), who retires by rotation and is eligible for re-appointment.

4. Ratification of Appointment of Auditors

   To pass the following resolution as an Ordinary Resolution:-

   "RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, *if any*, of the Companies Act, 2013 (**"Act"**) and the Rules framed thereunder, as amended from time to time, the Company does hereby ratify the appointment of Messrs Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No. 117366W/W -100018), as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting (**"AGM"**) till the conclusion of the 27th AGM of the Company to be held in the year 2017 to examine and audit the accounts of the Company for the Financial Year 2016 - 17 at such remuneration plus service tax, out-of-pocket expenses etc., as may be mutually agreed to between the Board of Directors and the Auditors."

Special Business

5. Re-appointment of Mr. Sanjiv Paul as Managing Director

   To pass the following resolution as an Ordinary Resolution:-

   "RESOLVED that pursuant to the provisions of Sections 196, 197 and other applicable provisions, *if any*, of the Companies Act, 2013, (**"Act"**), as amended or re-enacted from time to time, read with Schedule V to the Act, the Company does hereby approve the re-appointment and terms of remuneration of Mr. Sanjiv Paul (DIN - 00086974) as the Managing Director of the Company for a period of 3 (three) years with effect from 1 April, 2016 upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting, (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Sanjiv Paul.

   RESOLVED FURTHER that the Board or a Committee thereof be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

6. Commission to Non-Executive Directors of the Company

   To pass the following resolution as an Ordinary Resolution :-

   "RESOLVED THAT pursuant to the provisions of Section 197 and other applicable provisions, *if any*, of the Companies Act, 2013 (**"Act"**) and the Rules framed thereunder, as amended from time to time, a sum not exceeding 1% of the net profits of the Company per annum, calculated in accordance with the provisions of Section 198 of the Act, be paid

NOTICE *(Contd.)*

and distributed amongst the Directors of the Company or some or any of them (other than the Managing Director) in such amounts or proportions and in such manner and in all respects as may be decided by the Board of Directors and such payments shall be made with respect to the profits of the Company for each year, for a period of 5 (five) years, commencing from 1 April, 2015."

7. Ratification of Cost Auditors' remuneration

To pass the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, *if any*, of the Companies Act, 2013 (**"Act"**) and the Rules framed thereunder, as amended from time to time, the Company does hereby ratify the remuneration of ₹ 1.50 lacs (Rupees one lakh fifty thousand only) plus out-of pocket expenses payable to Messrs Shome & Banerjee, Cost Accountants, who have been appointed by the Board of Directors as the Cost Auditors of the Company, to conduct the audit of cost records of the Company as may be ordered by the Central Government under the Act and the Rules framed thereunder, for the year ending 31 March, 2017."

NOTES :

a) The relative Explanatory Statement pursuant to the provisions of Section 102 of the Act in respect of businesses mentioned under item nos. 5 to 7 above is annexed hereto. The relevant details of Directors seeking appointments/ re-appointment under item no. 3 and 5 above, as required under Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 **("Listing Regulations")** are also annexed;

b) A Member entitled to attend and vote at the AGM is also entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. The Proxy, in order to be effective, must be deposited at the registered office of the company, duly completed in all respect, at least 48 hours before the meeting. Members are requested to note that a person can act as a proxy on behalf of Members not exceeding 50 (fifty) and holding in the aggregate of not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder;

c) The Register of Members and Share Transfer Books of the Company will be closed from Thursday, 23 June, 2016 to Wednesday, 29 June, 2016 (both days inclusive);

d) Shareholders desiring any information as regards the Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready at the meeting;

e) As per provisions of the Act, facility for making nominations is available to the Members in respect of shares held by them. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agents by Members holding shares in physical form. Members holding shares in electronic form may obtain nomination forms from their respective Depository Participants (**"DP"**);

f) In accordance with the Act read with the relevant Rules, the Annual Reports are sent by electronic mode to those Members whose shareholdings are in dematerialized form and whose email IDs are registered with the DP for communication purposes. To support the "**Green Initiative**", the Members who have not yet registered their e-mail IDs are requested to register their respective email IDs with R&D Infotech Pvt. Ltd., 1st Floor, 7A, Beltala Road, Kolkata - 700 026, the Registrar and Share Transfer Agents of the Company.

Voting through electronic means

I. Pursuant to the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the Listing Regulations, the Company is pleased to provide to its

NOTICE *(Contd.)*

Members the facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-voting facilities. The facility of casting the votes by Members using an electronic voting system from a place other than the venue of the AGM **("remote e-voting")** will be provided by National Securities Depository Limited **("NSDL")**.

II. a. The facility for voting shall be made available at the AGM and Members attending meeting but have not cast their respectives votes by remote e-voting shall be able to exercise their right of voting at the meeting. Members who have cast their vote by remote e-voting prior to AGM may attend the meeting but shall not be entitled to cast their vote again.

b. The Chairman shall at the end of discussion at the AGM on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

III. The remote e-voting period commences on 26 June, 2016 (9.00 a.m.) and ends on 28 June, 2016 (5.00 p.m.). During this period, Members holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 22 June, 2016, may cast their respective votes by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast, the said Member shall not be allowed to change it subsequently.

IV. The process and manner for remote e-voting are as under:

A. For Members receiving information electronically

In case a Member receives an email from NSDL [for Members whose email IDs are registered with the Company/ DPs]:-

(i) Please open and read the email received from NSDL and open attached PDF file with your Client ID or Folio No. as default password. The said PDF file contains your "User ID" and "Password" for remote e-voting. Please note that the password is an initial password.

(ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com

(iii) Click on Shareholder - Login

(iv) Put user ID and password as initial password noted in step (i) above. Click Login.

(v) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. In case, you have earlier logged in at www.evoting.nsdl.com for exercising your vote relating to any other Company and you have already changed your password, please use the changed password.

(vi) On successful login, Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles

(vii) Select "EVEN" (E Voting Event Number) of Tata Metaliks Limited which is 103991. Now you are ready for e-voting as Cast Vote page opens.

(viii) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted. Upon confirmation, the message "Vote cast successfully" will be displayed. Once you have voted on the resolution, you will not be allowed to modify your vote.

(ix) You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding NSDL e-voting system in future.

NOTICE *(Contd.)*

B. The instructions for e-voting for Members other than in (A) above:

In case a Member receives physical copy of the Notice of AGM (for the Members whose e-mail IDs are not registered with the Company/DPs):

(i) Initial "User ID" and "Password" are provided with the Notice. Please follow all steps from Sl. No. (ii) to (ix) above to cast vote.

V. In case of any query, you may refer the Frequently Asked Questions **("FAQs")** for Members and remote e-voting user manual for Members available at the downloading section of *www.evoting.nsdl.com* or call on toll free no.: 1800-222-990.

VI. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who is/are authorized to vote, to the e-mail ID - *tml.scrutineer@gmail.com* with a copy marked to *evoting@nsdl.co.in*

VII. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as on cut-off date i.e. 22 June, 2016 may obtain the login ID and password by sending a request at *evoting@nsdl.co.in* or *investors@rdinfotech.in*. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on *www.evoting.nsdl.com* or contact NSDL at the following toll free no.: 1800-222-990.

VIII. A person, whose name is recorded in the Register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. 22 June, 2016 shall only be entitled to avail the facility of remote e-voting or voting at the AGM, as may be decided by the Company.

IX. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. 22 June, 2016.

X The Company has appointed Mr. P. V. Subramanian (C.P No. : 2077 & ACS : 4585), Practicing Company Secretary, as the Scrutinizer for conducting the entire process (including remote e-voting) in a fair and transparent manner.

XI. The Scrutinizer shall, after conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 3 (three) days of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall counter sign the same and declare the result of the voting forthwith.

XII. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company *www.tatametaliks.com* and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges where the shares of the Company are listed.

Registered Office:
Tata Centre, 10th Floor
43, J. L. Nehru Road
Kolkata - 700 071
Mumbai - 28 April, 2016

By Order of the Board of Directors

Sankar Bhattacharya
Chief Corporate Governance &
Company Secretary

NOTICE *(Contd.)*

Explanatory Statement

[Pursuant to Section 102 of the Companies Act, 2013 (**“Act”**)]

As required under Section 102 of the Act, the following explanatory statement sets out all material facts relating to businesses mentioned under item nos. 5 to 7 of the accompanying Notice dated 28 April, 2016.

Item No. 5

Re-appointment of Mr. Sanjiv Paul as Managing Director

Mr. Sanjiv Paul was appointed as the Managing Director of the Company for a period of 3 (three) years w.e.f. 1 April, 2013. The said term expired on 31 March, 2016. The Board of Directors, based on recommendation of the Nomination and Remuneration Committee (**“NRC”**) at its meeting held on 30 March, 2016 re-appointed Mr. Sanjiv Paul as the Managing Director of the Company for a further period of 3 (three) years w.e.f. 1 April, 2016. The appointment and payment of remuneration of Mr. Paul shall be guided by the provisions of the Act.

The re-appointment of Mr. Paul will be in accordance with following terms and conditions:-

Salary:

The Salary of Mr. Paul shall be ₹ 3,97,200/- (Rupees Three Lakhs Ninety Seven Thousand Two Hundred only) per month in the scale of ₹ 50,000/- to ₹ 5,00,000/- per month, with authority to the NRC and / or Board thereof to fix his salary within the scale from time to time (with proportionate increase in the value of the benefits linked to salary).

Performance Linked Bonus:

In addition to salary, perquisites and allowances, performance linked remuneration would be paid, not exceeding twice the annual salary paid to Mr. Paul, as may be determined by the NRC and / or Board thereof, even if the total remuneration, including Performance Linked Bonus, payable to Mr. Paul may exceed the limits specified under Schedule V of the Act.

Perquisites & Allowances:

In addition to the Salary and Performance Linked Bonus payable, Mr. Paul shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance, together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings and repairs, medical reimbursement, leave travel concession for himself, and his family, club fees, medical insurance and such other perquisites and allowance in accordance with the rules of the Company or as may be agreed to by the NRC and / or Board thereof and Mr. Paul. Such perquisites and allowances shall be restricted to an overall limit of 125% of the annual salary of the Managing Director.

Provided that –

I. For the purpose of calculating the above ceiling, perquisites shall be evaluated as per the Income-Tax Rules, wherever applicable. In absence of any such Rules, perquisites shall be evaluated at actual cost;

II. Provision for use of Company’s car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling; and

III. Company’s contribution to Provident Fund and Superannuation Fund or Annuity Fund, to the extent these either singly or together are not taxable under the Income-tax Act, Gratuity payable as per the rules of the Company and encashment of leave at the end of the tenure, shall not be included in the computation of the said ceiling.

The aforesaid appointment and remuneration payable is subject to the approval of the Members at the ensuing AGM.

The draft agreement, to be entered into between the Company and Mr. Paul is available for inspection by the Members at the Registered Office of the Company, between the hours of 10:00 a.m. and 12:00 noon, on any working day.

The Resolution at Item No. 5 is commended for approval by the Members.

NOTICE *(Contd.)*

None of the Directors and Key Managerial Personnel, except Mr. Sanjiv Paul, Managing Director of the Company or his relatives is concerned or interested in the Resolution mentioned at item no. 5 of the Notice.

Item No. 6

Section 197 of the Companies Act, 2013 permits payment of remuneration to Non-Executive Directors of a Company by way of Commission, if the Company authorizes such payment by way of a resolution of Members.

The Members of the Company at the 18th Annual General Meeting held on 16 July, 2008 approved the remuneration payable to Non-Executive Directors of the Company by way of commission not exceeding 1% of net profits of the Company for each year for a period of 5 (five) years commencing from 1 April, 2008 and ending with 31 March, 2013.

Pursuant to the provisions of Section 309 (7) of the erstwhile Companies Act, 1956 such approvals obtained from shareholders were valid only for a period of 5 (five) years i.e. till 31 March, 2013. Since the validity of the earlier resolution passed by the shareholders already expired, approval is sought from Shareholders for this resolution for a further period of 5 (five) years commencing from 1 April, 2015.

Considering the rich experience and expertise brought to the Board by the Non-Executive Directors, it is proposed that, remuneration not exceeding 1% of net profits of the Company calculated in accordance with the provisions of the Act, be continued to be paid and distributed amongst the Non-Executive Directors of the Company in accordance with the recommendations of the Nomination and Remuneration Committee (**"NRC"**) of the Board and approval by the Board of Directors of the Company, for a further period of 5 (five) years commencing from 1 April 2015. Such payment will be in addition to the sitting fees for attending Board/Committee meetings.

Details of commission and sitting fees paid to Non-Executive Directors during the Financial Year 2015-16 is provided in the Corporate Governance Report.

None of the Directors, Key Managerial Personnel or their respective relatives, except all of the Non-Executive Directors of the Company to whom the resolution relates to is concerned or interested in the Resolution mentioned at item no. 6 of the Notice.

The Board recommends the resolution set forth in item no. 6 for the approval of the Members.

Item No. 7

The Company is required under Section 148 of the Act to have the audit of its cost records conducted by a Cost Accountant in Practice. The Board of Directors of the Company has on the recommendation of the Audit Committee, approved the appointment and remuneration of Messrs Shome & Banerjee, the Cost Auditors of the Company to conduct audit of cost records of the Company for products covered under the Companies (Cost Records and Audit) Rules, 2014 for the Financial Year ending 31 March, 2017, at a remuneration of ₹ 1.50 Lacs plus reimbursement of out-of-pocket expenses.

In accordance with the provisions of Section 148 of the Act read with Companies (Cost Records and Audit) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors has to be ratified by the Members of the Company.

Accordingly, the consent of the Members is sought for passing an Ordinary Resolution as set out at item no. 7 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending 31 March, 2017.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the resolution mentioned at item no. 7 of the Notice.

The Board recommends the resolution set forth in item no. 7 for approval of the Members.

Registered Office:
Tata Centre, 10th Floor
43, J. L. Nehru Road
Kolkata - 700 071
Mumbai, 28 April, 2016

By Order of the Board of Directors

Sankar Bhattacharya
Chief Corporate Governance &
Company Secretary

NOTICE *(Contd.)*

Details of Directors seeking appointment/re-appointment at the AGM

Pursuance to Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

Name of Directors	**Mr. Koushik Chatterjee**	**Mr. Sanjiv Paul**
DIN	00004989	00086974
Date of Birth	3 September, 1968	16 March, 1963
Expertise in specific functional areas	Corporate Finance	Metallurgical Engineer
Qualifications	B.Com (Hons.), FCA	B. Tech
Directorships held in other public companies (excluding foreign companies)	Tata Steel Limited Tata Steel Odisha Limited The Tinplate Co. of India Limited Tata Steel Special Economic Zone Limited	Tata Metaliks DI Pipes Limited
Membership/ Chairmanship of Committees of other public companies (includes only Audit Committees (AC) and Stakeholders Relationship Committee (SRC)	Tata Steel Limited ➢ Stakeholders' Relationship Committee	NIL
Shareholding in the Company	NIL	NIL

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present their 26th Annual Report of the Company along with the Statement of Accounts for the financial year ended 31 March, 2016.

Financial Results ₹ in Crore

Particulars	Stand-alone		Consolidated	
	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2016	Year ended 31.03.2015
Gross Income from Sales & other operations	**1038.37**	1229.85	**1389.81**	1529.38
Profit / (Loss) before interest, depreciation and taxes	**111.52**	151.60	**219.54**	204.56
Less : Interest	**32.96**	32.20	**37.80**	41.31
Profit / (Loss) before depreciation and taxes	**78.56**	119.40	**181.74**	163.25
Less : Depreciation	**13.58**	12.56	**32.97**	30.93
Profit / (Loss) before taxes	**64.98**	106.84	**148.77**	132.32
Less : Provision for taxes including deferred taxes	**14.37**	23.18	**25.98**	23.18
Profit / (Loss) after taxes	**50.61**	83.66	**122.79**	109.14
Profit / (Loss) and credit balance brought forward	**(19.99)**	(103.01)	**(121.23)**	(228.43)
Depreciation on transition of Schedule II of the Companies Act, 2013	**(0.88)**	(0.64)	**(0.88)**	(1.94)

DIRECTORS' REPORT (Contd.)

₹ in Crore

Particulars	Stand-alone		Consolidated	
	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2016	Year ended 31.03.2015
Amount available for appropriation	**29.74**	(19.99)	**0.68**	(121.23)
Appropriation:				
Proposed Dividend		-		-
a) Preference	**8.50**		**8.50**	
b) Equity	**5.06**		**5.06**	
Tax on Dividend	**2.76**	-	**2.76**	-
General Reserve	**-**	-	**-**	-
Balance carried forward	**13.42**	(19.99)	**(15.64)**	(121.23)

Performance

During the year under review, your Company has achieved its highest ever production of hot metal of 433,437 tonnes with all round improvement in performance including various operating parameters such as production, sales, consumption norms, yield and costs.

Sales performance was also satisfactory as all pig iron produced was sold despite depressed market conditions. However, the Company witnessed a steep drop of 16% in foundry grade sales price during first three quarters of the year. There was an improvement of 8% in prices in the last quarter of the year due to general increase in steel prices as a result of imposition of minimum import price by Government of India. Despite fall in pig iron prices, your Company sustained its performance due to lower costs of major raw materials i.e. iron ore, coke etc. and significant improvement in the DI Pipe business.

On standalone basis, the Company has made a Profit after Tax **("PAT")** of ₹ 50.61 crores, which is 39% lower as compared to PAT of ₹ 83.66 crores of last year mainly due to lower realization on account of pig iron prices. On a consolidated basis, the Company delivered its best ever performance with PAT at ₹ 122.79 crores which is 12.5% higher compared to ₹109.14 crores of last year mainly due to significant improvement in the overall performance of the Company's subsidiary, Tata Metaliks DI Pipes Limited **("TMDIPL")**. TMDIPL has recorded a 183% growth in the PAT at ₹ 72.18 crores compared to the previous year and a 20% increase in production of finished ductile iron pipes at 133,210 tonnes.

Dividend

The Board recommended a dividend of ₹ 2/- per Ordinary Equity Share on 2,52,88,000 Ordinary Equity Shares of ₹ 10 each for the year ended 31 March, 2016. This marks the resumption of dividend after a gap of 7 years.

The Board has also recommended a dividend of ₹ 8.50/- per Non Cumulative Redeemable Preference Shares of ₹ 100 each for the year ended 31 March, 2016.

The dividend on Ordinary Equity Shares is subject to the approval of the shareholders at the Annual General Meeting **("AGM")** scheduled to be held on 29 June, 2016. The total dividend pay-out works out to ₹ 16.32 crores of the net profit for the standalone results.

The Register of Members and Share Transfer Books will remain closed from 23 June, 2016 to 29 June, 2016 (both days inclusive) for the purpose of payment of dividend for the Financial Year ended 31 March, 2016 and the AGM.

Change in Share Capital

There has been no change in the capital structure of the Company during the year under review.

DIRECTORS' REPORT (Contd.)

Deposits

During the year under review, the Company has not accepted any deposits under the Companies Act, 2013 (**"Act"**).

Change in nature of Business

During the year under review, there has been no change in the nature of business of the Company.

Consolidation of Projects

Your Company is in the process of improving its operational costs and efficiencies through the following strategic projects which are under implementation:-

- Coke Oven Project on BOOT basis having a capacity of 10,000 tonnes/month of BF grade coke. This project is likely to be commissioned during Q1 of FY 2016-17;
- 10 MW Power Plant utilizing the exhaust flue gases from Coke Ovens which is likely to be commissioned during Q1 of FY 2016-17;
- Relining and upgrading of MBF#1 (from 225 $m^3$to 305 m^3), which is likely to be commissioned during Q3 of FY 2016-17.

Customer Focus

Tata Group's focus on "Customer Promise" through 3-Ds (**Develop** deep insight, **Deliver** outstanding products and services, **Delight** customers at all touch points) has also been practiced in your Company to enhance its customer-centricity. Key initiatives which were taken during the year in DI pipe business were (i) improvement in delivery compliance of smaller diameter pipes for customers and (ii) production of high value zinc-aluminum coated Tata **Ductura** pipes for global customers. Besides these, for both the products, pig iron and DI pipes, the Company delivered high quality products consistently to the customers. Company's customer-centric approach was validated by the customers through customer satisfaction studies by external agency, in which it received high rating especially on customer relationship management. The Company with the help of Research & Development team of Tata Steel is in the process of developing improved product offerings for DI pipe customers.

Industry Outlook

The year 2015-16 has been one of the most challenging periods in recent times since the financial crisis of 2008 in terms of global slowdown, oversupply of steel products from China, and oversupply and lower demand of pig iron due to weak industrial activities in India. For the second consecutive year, pig iron exports from India dropped by 60% year on year, which resulted in state owned integrated steel manufacturers dumping pig iron in the domestic market leading to fall in price of pig iron. However, with some protective measures announced by the government, the iron and steel prices showed some improvement during the last quarter of 2015-16.

Moving forward in 2016-17, although no immediate improvement in pig iron demand is foreseen, government's supporting measures in terms of minimum import price, safeguard duty and firming up of raw material prices may lead to an increase in iron and steel market prices. However, since raw material prices are expected to increase marginally, pressure on margins in iron and steel business is likely to continue.Casting industry is expected to get a boost when "Make in India" program of the government picks up with growth in engineering, automobile, construction, sanitation and pipe sectors. Further, government's increased expenditure on providing drinking water and sanitation to the entire population and development of several smart cities across the country would keep the DI pipe demand robust for the next few years.

Meetings

Four Board Meetings were held during the year under review. For details of the meetings, please refer to the Corporate Governance Report, which forms part of this report.

DIRECTORS' REPORT (Contd.)

Directors

Mr. Koushik Chatterjee retires by rotation at the forthcoming AGM and is eligible for re-appointment.

On the recommendation of Nomination & Remuneration Committee, the Board of Directors of the Company on 30 March, 2016 has re-appointed Mr. Sanjiv Paul, as the Managing Director of the Company for a further period of 3 (three) years w.e.f. 1 April, 2016 subject to the approval of the members at the following AGM.

Declaration by Independent Directors

In compliance with section 149(7) of the Act, all Independent Directors have given declaration that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dr. Pingali Venugopal, Mr. Krishnava Dutt and Mr. Ashok Basu, Independent Directors are already familiar with the nature and industry, business plan and other aspects of the Company since they have been directors of the Company for a long time. However, the familiarization program of Independent Directors with the company in respect of their roles, duties and responsibilities and related matters are being uploaded on to the Company's website at the link *www.tatametaliks.com/investors/shareholderinformation.aspx*

Directors' Responsibility Statement

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors and the reviews performed by the Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2015-16.

Accordingly, pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that:-

a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) The Directors had prepared the annual accounts on a going concern basis;

e) The Directors had laid down proper Internal Financial Controls (**"IFC"**) and such IFC are adequate and were operating effectively;

f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Directors oppointment and remuneration policy

The Company's Policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which forms part of this Report.

Board Evaluation

In line with the requirement of Regulation 25(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a meeting of the Independent Directors of the Company was held on 10 February, 2016, wherein the performance of the non-independent directors including Chairman was evaluated.

The Board, based on the recommendation of the Nomination and Remuneration Committee ("**NRC**"), evaluated the effectiveness of its functioning and that of the Committees and of individual directors by seeking their inputs on various aspects of Board/Committee Governance.

The aspects covered in the evaluation included the contribution to and monitoring of corporate governance practices, participation in the long-term strategic planning and fulfillment of Directors' obligations and fiduciary responsibilities, including but not limited to active participation at the Board and Committee meetings.

Key Managerial Personnel

Following officials are appointed as the Key Managerial Personnel **("KMP")** of the Company:-

- Mr. Sanjiv Paul, Managing Director;
- Mr. Subhra Sengupta, Chief Financial Officer; and
- Mr. Sankar Bhattacharya, Chief-Corporate Governance & Company Secretary

Remuneration and other details of the KMP are mentioned in the extract of the Annual Return which forms part of this report.

Internal Financial Control

Your Company has adequate internal control system in place, commensurate with the size, scale and complexity of the operations. The Company has already carried out an audit on internal financial control by third party. The Statutory Auditor has also commented on the internal financial control on financial reporting in their report.

Audit Committee

The Audit Committee comprises of 4 (four) Members of which 3 (three) are independent including Chairman. All recommendations made by the Audit Committee were accepted by the Board during FY 2015-16.

Corporate Social Responsibility

Our philosophy does not rest on philanthropy alone but dovetails the community need with the organizational involvement, adding value in all initiatives with the Community.

Social Context

The Company has been fulfilling its vision of **"Reaching Tomorrow First"** by committing itself even before the law made CSR a mandatory requirement in 2014, by implementing various CSR initiatives around its plant. The plant is located in No. 4 Kalaikunda Gram Panchayat of Paschim Medinipur district of West Bengal having 57 villages, of which 36 villages with 54 % SC/ST population are located within a radius of 5 km from the plant. Nearly 10,000 inhabitants of these 36 villages form the "Core Beneficiaries" of the various CSR & Affirmative Action (**"AA"**) interventions planned and executed by the Company.

In order to understand the needs of the community, a Need Assessment Survey was carried out during August 2014 articulating the needs and expectations of the community and provided the inputs required to formulate the Company's CSR & AA strategy. Based on the prevailing social and business challenges, your Company has focused its energy and resources on the following broad interventions:-

a) Education
b) Employability
c) Employment
d) Entrepreneurship
e) Essential Amenities

DIRECTORS' REPORT (Contd.)

Priority Interventions

The Company's focused CSR & AA interventions are directed towards EDUCATION, i.e. create a pedigree of educated youth in the years to follow through increasing access as well as quality of education and also simultaneously on EMPLOYBILITY, i.e. imparting marketable skills to the available educated youth.

Education

We believe in the truism that education is the ultimate leveler to change people's life and this "E" is being given the deepest engagement and importance it deserves.Our precise intervention has been:-

a) To encourage primary school education by providing stationery items;

b) Scholarship to meritorious students;

c) Improve infrastructure of primary schools at Amba, Maheshpur and Kendupal;

d) Improve quality of education for high school students through extra coaching class at Gokulpur High School;

Employability

To develop a pedigree of skilled manpower for the nation, there have been a basket of interventions in the area of marketable skills/ training to local youth. It is directed towards the educated youth from AA community from the surrounding villages. This is to arm them with requisite skills to increase their employability quotient locally as well as nationally, thereby enabling a sustainable livelihood for them and includes the following initiatives:-

a) Sponsoring Two Year ITI Course in Fitter & Electrical trades;

b) In-plant One Year "On – the – Job" Training to ITI / Diploma / B.Sc. qualified youths;

c) Sponsoring Two Year Mid Wifery Nursing Course for matriculate girls;

d) Sponsoring "Loader cum Excavator Operator" Training in partnership with Tata-Hitachi;

e) Sponsoring "Project SABLA", a Government project (Rajiv Gandhi Scheme for Empowerment of Adolescent Girls) being CII coordinated program for providing short – term skill training;

f) Setting up of Skill Development Centre –Your Company is committed towards establishing a Skill Development Centre in FY'17 for imparting marketable skills to local youth of the community to enable them earn a sustainable livelihood, either through employment or as entrepreneurs.

Entrepreneurship

The spirit of positive discrimination towards developing entrepreneurs from AA community in Company's value chain is adopted. In addition to vendor development, the Company has also initiated a pilot project wherein a group of farmers are being nurtured and supported technically and financially to take up multi-cropping and cultivation of cash crop (capsicum) to enable them increase their household income. More projects on promoting agriculture have been planned based on the outcome of this pilot project.

Essential Amenities

Due to the rural background of the community in which we are operating, most of villages lack basic infrastructure amenities like potable drinking water, roads, drainage system, toilet facilities etc. Three drinking water projects have been implemented on "Community – Corporate" partnership model wherein one time infrastructure including a deep boring along with a network of water pipeline with overhead tanks is being provided by the Company. After completion,the same have been handed over to respective village committees who then operate and maintain the facility. Every household contributes towards the cost of operating and maintaining the drinking water projects.

DIRECTORS' REPORT (Contd.)

The Company has been recognized for the "Water Project" at the Tata Group level as one of the Good Practices in 2015 - 16.

In addition, drainage system and toilet blocks are being provided in villages in a phased manner. Starting FY'17, Plain Cement Concrete roads will also be provided in villages in a phased manner to improve basic infrastructure in surrounding villages.

Health

In addition to above, various health related initiatives are organized e.g. blood donation camps conducting health check–up camps with distribution of free medicines for women & children, organizing various types of health awareness camps on alcoholism, hygiene etc. in various villages throughout the year.

Environment

A number of initiatives have been promoted on the environment front, like industrial water treatment, waste water recirculation system in sinter pant, installing sprinklers on dusty areas including roads and spreading greenery to name a few.

Assisting Community during Natural Calamity

More than 200 persons from surrounding villages were affected due to cyclone Komen which had hit Paschim Medinipur during the period Jul/Aug 2015 rendering several of them homeless due to incessant rainfall. 200 nos. of polythene sheets were provided to affected families immediately which enabled them to rebuild their damaged homes.

CSR & AA plays a significant role amongst the employees across all levels of the Company through a Tata Group wide initiative called 'Tata Engage', wherein individual employees are encouraged to volunteer for CSR. Your Company has been awarded at the Tata Group level with"**Highest Participation Award**" in 2015 – 16. Specifically, CSR is a channel for bringing more of the whole self to work, an alignment with the values of the organization, and/or being able to contribute to a higher purpose. In other words, CSR & AA are seamlessly embedded in the organization.

The disclosure required under Schedule – VII of the Companies Act, 2013 is given in Annexure – A, which forms part of this report.

The average net profit of the Company for last 3 (three) years was ₹ 53.58 crores and 2% of the same is i.e. ₹ 1.07 crores. The Company has spent ₹ 1.12 croreson CSR in 2015-16 which is more than the requirement as the Act.

Corporate Governance

Pursuant to Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on Corporate Governance along with reports on Management Discussion & Analysis and Certificate from a Practicing Company Secretary regarding compliance of conditions of Corporate Governance are made part of this Report.

Subsidiary

Your Company has one wholly owned subsidiary, TMDIPL. There is no associate and joint venture Company as defined under the Act.There has been no material change in the nature of business of TMDIPL during the year under review.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing salient features of the financial statements of TMDIPL in Form AOC-1 in Annexure – "B" is attached to the financial statements of the Company.

Pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of TMDIPL are available on the website of the Company.

DIRECTORS' REPORT (Contd.)

Extract of Annual Return

The details forming part of the extract of the Annual Return in Form MGT - 9 in Annexure "C"as per provisions of the Act and rules framed thereunder is annexed to this Report.

Particulars of loans, guarantees or investments

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

Related Party Transactions

All related party transactions (**"RPT"**) entered into during FY 2015-16 were on arm's length basis and also in the ordinary course of business. No material RPT was made by the Company with Promoters, Directors, KMP or other designated persons during FY 2015-16, except those reported.

All RPT was placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee was obtained on a yearly basis for the transactions which were foreseen and were repetitive in nature. The transactions entered into pursuant to the omnibus approval so granted were audited and a statement giving details of all RPTs was placed before the Audit Committee for its monitoring on quarterly basis. The statement was supported by a Certificate duly signed by the Managing Director and the Chief Financial Officer. The policy on RPT as approved by the Board is uploaded on the Company's website at the link *www.tatametaliks.com/corporate/policies.aspx*.

In view of the above, the disclosure required under the Act in form AOC-2 is not applicable for the FY 2015-16.

None of the Directors or KMP has any pecuniary relationships or transactions vis-à-vis the Company during FY 2015-16.

Significant material orders passed by Regulators/ Courts

There were no significant material orders passed by the Regulators/ Courts/ Tribunals impacting the going concern status and Company's operations in future.

There were also no material changes and commitments after the closure of the year till the date of this report, which affect the financial position of the Company.

Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo

Details of energy conservation, technology absorption and foreign exchange earnings and outgo are annexed to this report in Annexure "D".

Particulars of Employees

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this Report in Annexure –"E".In terms of the provisions of Section 197(12) of the Act read with sub-rules (2) and (3) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of employees drawing remuneration in excess of the limits set out in the said Rules are provided in the Report.

However, having regard to the provisions of the first proviso to Section 136(1) of the Act, the details are excluded in the report sent to members. The required information is available for inspection at the registered office and the same shall be furnished on request.

Statutory Auditors

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, Messrs. Deloitte Haskins & Sells, Chartered Accountants, were appointed as the statutory auditors of the Company at the 24th AGM held in the year 2014 and will hold office till the conclusion of the 27th AGM to be held in the year 2017, subject to ratification of their appointment at every AGM.

Cost Auditors

M/s. Shome & Banerjee, Cost Accountants were appointed as the Cost Auditors of the Company for the financial year 2016-17.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed Mr. P V Subramanian, Practicing Company Secretary to undertake the Secretarial Audit of the Company for the year ended 31 March, 2016. The Secretarial Audit Report is annexed in Annexure –"F" herewith and forms part of this report.

Auditors' qualification

There are no qualifications in the reports of the Statutory Auditors, Cost Auditors and Secretarial Auditors.

Risk Management

The Company has a framework in line with Tata Steel's risk management process of identifying, prioritizing and mitigating risks which may impact attainment of short and long term business goals of the Company. The risk management framework is interwoven with strategic planning, deployment and capital project evaluation process of the Company. The process aims to analyze the internal and external environment and manage economic, financial, market, operational, compliance and sustainability risks and capitalizes opportunities for business success.

The Company has already identified the key risks areas which may affect the business goals and periodically revisits the relevance of the identified risks and progress of the mitigation plans undertaken. In order to strengthen the governance framework, the Board has constituted a Risk Management Committee consisting of Directors and KMP which monitors and evaluates the effectiveness of risk management framework of the Company and strengthens it.

Prevention of Sexual Harassment at Workplace

The Company has in place a Policy in line with the requirements of The Sexual Harassment of Women at the Work place (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee ("ICC") is in place to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees etc.,) are covered under this Policy.

The following is a summary of sexual harassment complaints received and disposed of during the year 2015-16:-

- No. of complaints received – NIL
- No. of complaints disposed of – NIL

Vigil Mechanism

The Company has adopted Vigil Mechanism policy that provides a formal mechanism for all Directors, employees and vendors of the Company to approach the Ethics Counselor/Chairman of the Audit Committee and make protective disclosures about the unethical behavior, actual or suspected fraud or violation of the Tata Code of Conduct (**"TCoC"**).

The Vigil Mechanism comprises of whistle blower policy for directors, employees and vendors.

Amalgamation

The Company is considering the withdrawal of Scheme of amalgamation from Hon'ble High Court, Calcutta due to various factors including inordinate delay in obtaining requisite regulatory and statutory approvals along with significant dilution

DIRECTORS' REPORT (Contd.)

in intended synergies that were envisaged in April 2013. A Committee of Directors has been constituted to consider and approve the proposal of withdrawal of Scheme from Calcutta High Court.

Acknowledgement

The Board takes this opportunity to sincerely thank all its stakeholders i.e. shareholders, customers, suppliers, contractors,bankers, employees, government agencies, local authorities and the immediate society for their un-stinted support and cooperation during the year.

On behalf of the Board of Directors

Place : Mumbai
Date : 28 April, 2016

Koushik Chatterjee
Chairman

***Cautionary Statement**: Statement in the Directors' Report and Management Discussion & Analysis Report describing the Company's expectations may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may vary materially from those expressed in the statement. Important factors that could influence the Company's operation include global and domestic demand and supply conditions affecting selling prices, new capacity additions, availability of critical materials and their costs, changes in government policies and tax laws, economic development of the country and such other factors which are material to the business of the Company.*

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

ANNEXURE - A

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

<table>
<tr><td>1</td><td>A brief outline of the Company's CSR policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs</td><td>Pursuant to Section 135 of the Act read with Companies (Corporate Social Responsibility) Rules, 2014, the Board of Directors of the Company has adopted the CSR Policy. This Policy lays down the thrust areas of CSR initiatives that include projects benefitting the under-privileged community and under-developed areas around the plant of the Company located at Kharagpur, West Bengal.

Based on the prevailing social and business challenges, your company has focused its energy and resources on the following broad interventions:-
a) Education;
b) Employability;
c) Employment;
d) Entrepreneurship; and
e) Essential Amenities.

The details of the CSR Policy enumerating the activities / programs proposed to be undertaken by the Company can be viewed at http://www.tatametaliks.com/corporate/pdf/tata-metaliks-csr-policy.pdf</td></tr>
<tr><td>2</td><td>The composition of the CSR Committee</td><td>The composition of the CSR Committee is as follows :

Dr.Pingali Venugopal - Chairman
Mr. Sanjiv Paul
Ms. Samita Shah</td></tr>
<tr><td>3</td><td>Average net profit of the company for last three financial years</td><td>The average net profits during the preceding 3 (three) financial years of the Company are as follows:-
(₹ Crs)<table><tr><th>Particulars</th><th>2012-13</th><th>2013-14</th><th>2014-15</th></tr><tr><td>Net Profit u/s 198</td><td>1.15</td><td>52.76</td><td>106.84</td></tr></table>Average Net Profit for last 3 (three) years - 53.58 Crores</td></tr>
<tr><td>4</td><td>Prescribed CSR Expenditure (two percent of the amount as in item 3 above)</td><td>2% of average Net Profit - ₹ 1.07 Crores</td></tr>
<tr><td>5</td><td>Details of CSR spent during the financial year :</td><td></td></tr>
<tr><td></td><td>a) Total amount to be spent for the financial year</td><td>₹ 1.07 crores</td></tr>
<tr><td></td><td>b) Amount unspent, if any</td><td>N.A.</td></tr>
<tr><td></td><td>c) Manner in which the amount spent during the financial year is detailed below :</td><td>As per Annexure attached</td></tr>
</table>

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

6	In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.	N.A
7	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the company.	The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and the CSR Policy adopted by the Company.

Sanjiv Paul Managing Director	Dr. Pingali Venugopal Chairman - CSR Committee

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

	2	3	4	5	6	7	8
Sl.	**CSR Project or activity identified**	**Sector in which the project is covered**	**Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken**	**Amount outlay (budget) project of programs wise (₹ in lakhs)**	**Amount spent on the projects or programs sub-heads (1) Direct expenditure on projects or programs (2overheads (₹ in lakhs)**	**Cumulative expenditure up to the reporting period (₹ in lakhs)**	**Amount spent directly or through implementing agency***
1	Piped drinking water supply in villages.	Drinking Water	Village – Maheshpur, Raipara & Kunjochak. District – Paschim Medinipur	25.00	26.67	26.67	Sadbhavna Trust
2	Improve employability of local youth post ITI / Diploma / B.Sc by "One year On the Job" training. (Sadhbhavna Trainee)	Employability	TML & TMDIPL Plant District – Paschim Medinipur	5.60	5.79	32.46	Sadbhavna Trust
3	Improve employbility of matric pass youth from BPL category by giving contribution for 2 Year ITI Course.	Employability	ITC, Pratapchandra, Gopivallabhpur. District – Paschim Medinipur	4.55	4.89	37.35	Sadbhavna Trust
4	Improve employability of matric pass tribal girls through One year Mid Wife Nursing Course.	Employability	Chitaranjan Institute of Health. District – Paschim Medinipur	1.00	0.76	38.11	Sadbhavna Trust
5	Promote "Project Sabla"	Employability	Ramatullah Society District – 24 Parganas	2.00	2.00	40.11	Sadbhavna Trust
6	Provide "Loader cum Operator Training" for Heavy Earth Moving Machines	Employability	Tata Hitachi Construction Machinery Co. Ltd. District – PaschimMedinipur	1.27	1.17	41.28	Sadbhavna Trust
7	Encourage Primary Education by providing stationery items to students.	Education	Kunjochowk, Maheshpur, Kenduapal, Latibpur, Amba & Ashapur District – Paschim Medinipur	1.50	1.34	42.62	Sadbhavna Trust
8	Scholarship for meritorious students of Std. IX – XII.	Education	Gokulpur Bidhanchandra VidhyaMandir. District – PaschimMedinipur	2.08	2.08	44.70	Sadbhavna Trust

Sl.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project of programs wise (₹ in lakhs)	Amount spent on the projects or programs sub-heads (1) Direct expenditure on projects or programs (2) overheads (₹ in lakhs)	Cumulative expenditure up to the reporting period (₹ in lakhs)	Amount spent directly or through implementing agency*
9	Improve infrastructure of Primary School – repairing of class rooms, construction of toilet block & provide drinking water	Education	Primary Schools at village Amba, Maheshpur & Kenduapal District – Paschim Medinipur	37.00	41.72	86.42	Sadbhavna Trust
10	Improve quality of education for high school students through EXTRA COACHING CLASSES.	Education	GokulpurBidhanchandraVidhya Mandir. District – PaschimMedinipur	1.82	1.82	88.24	Sadbhavna Trust
11	Improve sanitation of village by providing drainage system.	Rural Infrastructure	Village – Raipara District – PaschimMedinipur	4.50	4.66	92.90	Sadbhavna Trust
12	Repairing of village community hall	Rural Infrastructure	Village - Raipara District – PaschimMedinipur	0.50	0.46	93.36	Sadbhavna Trust
13	Construction of toilet block for villages	Rural Infrastructure / Sanitation	Village – Raipara&Kunjochak District – PaschimMedinipur	8.00	7.03	100.39	Sadbhavna Trust
14	Promote Agriculture through encouraging cash crop cultivation	Promote agriculture / income generation	Village - Tetulia District – PaschimMedinipur	1.00	0.63	101.02	Sadbhavna Trust
15	Health Camps / Blood Donation Camps / Health Awareness Camps etc.	Health	Primary Schools at village – Amba, Maheshpur, Kunjochak, Ashapur, Raipara District – PaschimMedinipur&& Loreto School, Sealdah District – Kolkata	2.40	1.82	102.84	Sadbhavna Trust
16	Promote sports activity	Promote Sports	Kharagpur District – PaschimMedinipur	0.50	0.46	103.30	Sadbhavna Trust
17	Assisting community during natural disaster	Disaster Relief (Cyclone Komen)	Villages of No. 4 Kalaikunda Gram Panchayat, District – PaschimMedinipur		2.30	105.60	Sadbhavna Trust
18	Employee Volunteerism	Village and School	Villages of No. 4 Kalaikunda Gram Panchayat, District – PaschimMedinipur		0.31	105.91	Sadbhavna Trust

Notes :

1. The Company has contributed ₹ 107.17 Lacs to corpus of Sadbhavna Trust for CSR activity as per General Circular No. 21/2014 of MCA dated 18 June, 2014.
2. The above activities are undertaken by the company through Registered Trust SADBHAVNA from balance available as on 1 April, 2015 and out of contribution towards corpus.

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

ANNEXURE - B

AOC-1

[Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of Subsidiaries / Associate Companies / Joint Ventures

Part "A" – Subsidiaries

(Amount in ₹ Crores)

Sl	Name of the Subsidiary	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Share Capital	Reserves & Surplus	Total assets	Total liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
1	Tata Metaliks DI Pipes Limited	INR	221.40	(116.64)	444.18	339.43	–	644.82	83.79	11.61	72.18	Nil	100%

Notes : (1) There is no other subsidiary which is yet to commence operation.

(2) There is no subsidiary which has been liquidated or sold during the year.`

Part "B" – Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 relating to Associate Companies and Joint Ventures

The Company has no associate and joint venture companies

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

ANNEXURE - C

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31 March, 2016

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

(i)	**CIN**	L27310WB1990PLC050000
(ii)	**Registration Date**	10-10-1990
(iii)	**Name of the Company**	Tata Metaliks Limited
(iv)	**Category/Sub-Category of the Company**	Public Limited Company
(v)	**Address of the Registered Office and contact details**	Tata Centre, 10th Floor 43, J. L. Nehru Road, Kolkata - 700 071 Phone : +91-033-66134200
(vi)	**Whether listed company**	Listed
(vii)	**Name, Address and Contact details of Registrars and Transfer Agent, if any**	M/s R & D Infotech Pvt. Ltd. 7A, Beltala Road Kolkata - 700026. Phone : +91-033-24192642

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10% or more of the total turnover of the Company shall be stated)

Sl. No.	Name and Description of main Product/ Services	NIC Code of the Product/Service	% to Total Turnover of the Company
1.	Manufacturing and selling of pig iron	72011000 – Foundry Grade Pig Iron 72031000 – Scrap Pig Iron 26180000 – Granulated Slag	100%, as the Company has sole segment of business operation

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SL. No.	Name and Address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	Tata Steel Limited Bombay House, 24, Homi Mody Street Fort, Mumbai - 400 001	L27310WB1990PLC050000	Holding Company	50.09%	2 (46)
2.	Tata Metaliks DI Pipes Limited Tata Centre, 10th Floor 43, J. L. Nehru Road Kolkata - 700 071	U27101WB2007PLC119673	Wholly owned Subsidiary	100%	2(87)

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A) Category-wise Share Holding

	Category of Shareholders	No. of Shares held at the beginning of the year [As on 1 April, 2015]				No. of Shares held at the end of the year [As on 31 March, 2016]				% Change during the Year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
1.	Indian									
	a) Individual/ HUF									
	b) Central Govt									
	c) State Govt(s)									
	d) Bodies Corp.	12667590	0	12667590	50.09%	12667590	0	12667590	50.09%	0
	e) Banks/FI									
	f) Any other									
	Total shareholding of Promoter (A)	12667590	0	12667590	50.09%	12667590	0	12667590	50.09%	0.00%
B.	Public Shareholding									
1.	Institutions									
	a) Mutual Funds	0	500	500	0.00%	0	500	500	0.00%	0.00%
	b) Banks/FI	700	100	800	0.00%	20035	100	20135	0.08%	0.08%
	c) Central Govt	0	0	0	0.00%	0	0	0	0.00%	0.00%
	d) State Govt(s)	250000	0	250000	0.99%	250000	0	250000	0.99%	0.00%
	e) Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
	f) Insurance Companies	591451	0	591451	2.34%	591451	0	591451	2.34%	0.00%
	g) FIIs	13262	500	13762	0.05%	0	500	500	0.00%	-0.05%
	h) Foreign Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00	0.00%
	i) Others (specify)	0	0	0	0.00%	0	0	0	0.00	0.00%
	Sub-total (B)(1)	855413	1100	856513	3.39%	861486	1100	862586	3.41%	0.02%
2.	Non-Institutions									
	a) Bodies Corp.									
	i) Indian	1367060	9000	1376060	5.44%	993246	8900	1002146	3.96%	-1.48%
	ii) Overseas	0	0	0	0.00%	0	0	0	0.00%	0.00%
	b) Individuals									
	i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	6764369	1741692	8506061	33.64%	7000081	1636962	8637043	34.15%	0.52%
	ii) Individual share-holders holding nominal share capital in excess of Rs. 1 lakh	1585741	0	1585741	6.27%	1694809	0	1694809	6.70%	0.43%

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1 April, 2015]				No. of Shares held at the end of the year [As on 31 March, 2016]				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (Specify)									
i) Non Resident Indians	179052	100	179152	0.71%	171098	100	171198	0.68%	-0.03%
ii) Overseas Corporate Bodies	0	0	0	0.00%	0	0	0	0.00%	0.00%
iii) Foreign Nationals	0	0	0	0.00%	0	0	0	0.00%	0.00%
iv) Clearing Members	115383	0	115383	0.46%	251128	0	251128	0.99%	0.54%
v) Trusts	1500	0	1500	0.01%	1500	0	1500	0.01%	0.00%
vi) Foreign Bodies – D R	0	0	0	0.00%		0	0	0.00%	0.00%
Sub Total (B)(2)	**10013105**	**1750792**	**11763897**	**46.52%**	**10111862**	**1645962**	**11757824**	**46.50%**	**-0.02%**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**10868518**	**1751892**	**12620410**	**49.91%**	**10973348**	**1647062**	**12620410**	**49.91%**	**0.00%**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00%	0	0	0	0.00%	0.00%
Grand Total (A+B+C)	**23536108**	**1751892**	**25288000**	**100.00%**	**23640938**	**1647062**	**25288000**	**100.00%**	**0.00%**

B) Shareholding of Promoter-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year [As on 1 April, 2015]			Shareholding at the end of the year [As on 31 March, 2016]			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Tata Steel Limited	12667590	50.09	0.00	12667590	50.09	0.00	Nil

C) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	At the beginning of the year	12667590	50.09	12667590	50.09
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	–	–	–	–
	At the end of the year	12667590	50.09	12667590	50.09

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

D) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year i.e. 01.04.2015		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	**General Insurance Corporation of India**	**326451**	**1.29**	**326451**	**1.29**
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):					
	At the end of the year		**326451**	**1.29**	**326451**	**1.29**
2	At the beginning of the year	**Anil Bansilal Lodha**	**0**	**0.00**	**275384**	**1.09**
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	04.09.2015 - Buy	33913	0.13	33913	0.13
		11.09.2015 - Buy	6804	0.03	40717	0.16
		25.09.2015 - Buy	11487	0.05	52204	0.21
		09.10.2015 - Sell	(1718)	(0.01)	50486	0.20
		30.10.2015 - Buy	7500	0.03	57986	0.23
		20.11.2015 - Buy	22525	0.09	80511	0.32
		27.11.2015 - Buy	15155	0.06	95666	0.38
		04.12.2015 - Buy	10000	0.04	105666	0.42
		18.12.2015 - Buy	11205	0.04	116871	0.46
		25.12.2015 - Buy	13935	0.06	130806	0.52
		31.12.2015 - Buy	19400	0.08	150206	0.59
		15.01.2016 - Buy	19972	0.08	170178	0.67
		22.01.2016 - Buy	22200	0.09	192378	0.76
		29.01.2016 - Buy	27459	0.11	219837	0.87
		12.02.2016 - Buy	3914	0.02	223751	0.88
		19.02.2016 - Buy	28583	0.11	252334	1.00
		04.03.2016 - Buy	6250	0.02	258584	1.02
		18.03.2016 - Buy	16800	0.07	275384	1.09
	At the end of the year				**275384**	**1.09**
3	At the beginning of the year	**The Oriental Insurance Company Limited**	**265000**	**1.05**	**265000**	**1.05**
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):					

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

	At the end of the year				**265000**	**1.05**
4	At the beginning of the year	**West Bengal Industrial Development Corporation Ltd.**	**250000**	**0.99**	**250000**	**0.99**
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):					
	At the end of the year				250000	0.99
5	At the beginning of the year	**Nita Singh**	0	0.00	126700	0.50
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	15.05.2015 - Buy	126700	0.50	126700	0.50
	At the end of the year				**126700**	**0.50**
6	At the beginning of the year	**ABL Infrastructure Pvt Ltd.**			**116830**	**0.46**
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	04.09.2015 - Buy			15691	0.06
		18.09.2015 - Buy	6215	0.02	21906	0.09
		09.10.2015 - Sell	(2290)	(0.01)	19616	0.08
		30.10.2015 - Buy	11775	0.05	31391	0.12
		06.11.2015 - Buy	4245	0.02	35636	0.14
		27.11.2015 - Buy	8164	0.03	43800	0.17
		04.12.2015 - Buy	15779	0.06	59579	0.24
		18.12.2015 - Buy	625	0.00	60204	0.24
		31.12.2015 - Buy	5809	0.02	66013	0.26
		15.01.2016 - Buy	6028	0.02	72041	0.28
		29.01.2016 - Buy	7949	0.03	79990	0.32
		12.02.2016 - Buy	9000	0.04	88990	0.35
		28.02.2016 - Buy	15149	0.06	104139	0.41
		04.03.2016 - Buy	12225	0.05	116364	0.46
		11.03.2016 - Buy	466	0.00	116830	0.46
	At the end of the year				**116830**	**0.46**

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

7	At the beginning of the year	**Bhavesh Dhireshbhai Shah**	**116139**	**0.46**	**116139**	**0.46**
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):					
	At the end of the year				**116139**	**0.46**
8	At the beginning of the year	**Ravi Mahalingam**	**0**	**0.00**	**94000**	**0.37**
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	25.12.2015 - Buy	79090	0.31	79090	0.31
		31.12.2015 - Buy	14410	0.06	93500	0.37
		15.01.2016 - Buy	500	0.00	94000	0.37
	At the end of the year				**94000**	**0.37**
9	At the beginning of the year	**Anil Bansilal Lodha**	**0**	**0.00**	**75883**	**0.30**
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	04.09.2015 - Buy	19597	0.08	19597	0.08
		16.10.2015 - Buy	1208	0.00	20805	0.08
		23.10.2015 - Buy	320	0.00	21125	0.08
		27.11.2015 - Buy	8500	0.03	29625	0.12
		04.12.2015 - Buy	200	0.00	29825	0.12
		25.12.2015 - Buy	5058	0.02	34883	0.14
		19.02.2016 - Buy	16191	0.06	51074	0.20
		26.02.2016 - Buy	8335	0.03	59409	0.23
		11.03.2016 - Buy	16474	0.07	75883	0.30
	At the end of the year				**75883**	**0.30**
10	At the beginning of the year	**Uma Devi Budhia**	**72500**	**0.29**	**72500**	**0.29**
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):					
	At the end of the year				**72500**	**0.29**

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

E) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	At the beginning of the year	Nil	**Nil**	Nil	**Nil**
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
	At the end of the year	Nil	**Nil**	Nil	**Nil**

Note : None of the Directors and Key Managerial Personnel holds any shares in the Company.

IV. INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ in Crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	68.13	123.69	22.00	213.82
ii) Interest due but not paid				
iii) Interest accrued but not due	0.65	0.08	3.18	3.91
Total (i+ii+iii)	**68.78**	**123.77**	**25.18**	**217.73**
Change in Indebtedness during the financial year				
• Addition	20.00	97.72		117.72
• Reduction	(21.87)	(39.65)		(61.52)
Net Change	(1.87)	58.07		56.20
Indebtedness at the end of the financial year				
i) Principal Amount	66.52	181.50	22.00	270.02
ii) Interest due but not paid				-
iii) Interest accrued but not due	0.39	0.34	3.18	3.91
Total (i+ii+iii)	**66.91**	**181.84**	**25.18**	**273.93**

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in Crores)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. Sanjiv Paul	WTD	Manager	
1	Gross salary	–	–	–	–
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.43	–	–	0.43
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.41	–	–	0.41
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	–	–	–	–

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. Sanjiv Paul	WTD	Manager	
2	Stock Option	–	–	–	–
3	Sweat Equity	–	–	–	–
4	Commission	–	–	–	–
	- as % of profit	–	–	–	–
	- others, specify…	–	–	–	–
5	Others, please specify – Performance Bonus*	0.80	–	–	0.80
	Retirement Benefit	0.12			0.12
	Total (A)	1.76	–	–	1.76
	Ceiling as per the Act	3.32	–	–	3.32

** The bonus has been recommended by the NRC on 28 April, 2016 pending approval of the shareholders in the ensuing Annual General Meeting to be held on 29 June, 2016.*

B. Remuneration to other Directors **₹ in Crores**

Sl. No.	Particulars of Remuneration				Total Amount
	Independent Directors	**Mr. Ashok Basu**	**Dr. Pingali Venugopal**	**Mr. Krishnava Dutt**	
1	Fee for attending board committee meetings	0.02	0.03	0.02	0.07
	Commission	0.09	0.13	0.10	0.32
	Others, please specify	–	–	–	–
	Total (1)	0.11	0.16	0.12	0.39
2	**Other Non-Executive Directors**	**Ms. Samita Shah**			
	Fee for attending board committee meetings	0.02	–	–	0.02
	Commission	0.08			0.08
	Others, please specify	–	–	–	–
	Total (2)	0.10	–	–	0.10
	Total (B)=(1+2)	0.21	0.16	0.12	0.49
	Total Managerial Remuneration	–	–	–	–
	Overall Ceiling as per the Act	–	–	–	

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

₹ in Crores

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
	Gross salary	**Mr Sankar Bhattacharya**	**Mr Subhra Sengupta**	
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.07	0.15	0.22
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.07	0.14	0.21
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–	–	–
2	Stock Option	–	–	–
3	Sweat Equity	–	–	–
4	Commission			
	- as % of profit	–	–	–
	others, specify…	–	–	–
5	Others, please specify - Performance Bonus	0.05	0.13	0.18
	- Retirement Benefits	0.02	0.04	0.06
	Total	0.21	0.46	0.67
	Remuneration	–	–	–
	Overall Ceiling as per the Act	–	–	–

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

ANNEXURE - D

(A) Conservation of energy

Conservation of Energy		
Category	**Action Taken**	**Impact / Result**
Reduction in Coke consumption	• All transfer chutes were provided with polyurethane fiber for sight loading which reduced coke breakage	Coke rate reduction by 11 kg/thm
	• Improve burden distribution model in BF	
	• Optimization of slag volume in BF operation	
	• Improvement in sinter plant productivity	
Reduction in electrical energy	MBF blowers modification by energy installing energy efficient impellers	Reduction in power consumption of 150 kW;
	Transfer of sinter plant compressor load from grid to captive power plant	Savings of ₹ 0.28 Crores/ year approx.
	Installation of high LED high mast tower at pig iron & raw material stock yard.	Power reduction of 6.4 kW, savings of ₹ 4 lakhs/yr.
	Installation of VVF drives in sinter plant	Power reduction of 62 kW, savings of ₹ 37 Lakhs/yr.
	Installation of VVF drives to captive power plant	Power reduction of 35 kW, savings of ₹20 Lakhs/yr.
	Replacement of conventional lights with LED lights	Power reduction 52 kW, savings of ₹ 23 lakhs/ yr
Use of alternate source of energy	Planned for 100 kW solar power plant	₹100 lakhs approx./ yr
Investment on energy conservation	Installation of energy efficient equipment. & LED lights in place of conventional lights.	₹ 65 lakhs/ yr

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

(B) Technology Absorption

1. Efforts made towards technology absorption	Iron making and sinter making technologies are already absorbed and the Company continuously works on improving the same.
2. The benefits derived like product improvement, cost reduction, product development or import substitution	Indigenisation of spares of imported equipments at MBF and sinter plant resulting in cost and procurement cycle time reduction. Improvement in the quality of quick lime, optimizing the burden in sinter plant thus improving the sinter quality. In house coke plant under construction to substitute imported coke.
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished : a) Technology imported b) Year of import c) Has technology been fully absorbed?	No technology imported
4. The expenditure incurred on research and development	Nil

(C) Foreign exchange earnings and Outgo-

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows are mentioned below :

Particulars	₹ in Crore
Expenditure	
Interest	0.83
Foreign travel	0.18
Others	0.03
Total expenditure	1.04
Total earnings	Nil

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

ANNEXURE - E

Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

1) Ratio of the remuneration of each Director/KMP to the median remuneration of all employees of the Company for the financial year:

Median remuneration of all employees of the Company for financial year 2015-16.	₹ 5,44,149/-
The percentage increase in median remuneration of employees in the Financial Year	7%
The number of permanent employees on rolls of Company as on 31 March, 2016	366

Name of Directors	Ratio of remuneration to median remuneration of all employees	% increase in remuneration in the Financial Year 2015-16
Non- Executive Directors		
Mr. Koushik Chatterjee	-	–
Ms. Samita Shah *	0.40	N.A.
Independent Directors		
Mr. Krishnava Dutt	0.37	18%
Mr. Ashok Basu	0.40	16%
Dr. Pingali Venugopal	0.48	136%
Executive Director		
Mr. Sanjiv Paul	32.32	13%

** Ms. Samita Shah joined the Board w.e.f. 24 March, 2015. Hence, corresponding figure of previous year is not available.*

Notes:

a) Sitting fees for attending Board and Committee meeting increased from ₹ 10,000 to ₹ 20,000 w.e.f. 1 April, 2015.

b) The ratio of remuneration to median remuneration is based on remuneration paid during the period from 1 April, 2015 to 31 March, 2016.

c) Commission to Non-Executive Directors recommended by Nomination and Remuneration Committee on 28 April, 2016. Pending approval of the shareholder in the ensuing Annual General Meeting to be held on 29 June, 2016. Hence, not considered for computation of above ratios.

2) **Relationship between average increase remuneration and company performance :**

The average increase in remuneration during Financial Year 2016 was 7% as compared with previous financial year. Net revenues of the Company during the financial year of ₹1038.37 Crores was lower to that of the previous year at ₹1229.85 crore. The total employee cost for the Financial Year ended 31 March, 2016 was ₹ 40.02 crore against ₹ 35.31 crore for the Financial Year ended 31 March, 2015, indicating an overall increase of 13.34%. The total employee cost as a percentage of net revenues was 3.85% (last year 2.88%). Average increase in remuneration is guided by factors like economic growth, inflation, normal salary revisions, external competitiveness and talent retention. Whilst the Company has a strong focus on cost, employee cost being one of the key areas for cost monitoring and control, the results of any structural initiatives needs to be measured over a long-term horizon and cannot be strictly compared with annual performance indicators.

3) **Comparison of the remuneration of the KMP against the performance of the Company :**

Particulars	₹ (Crore)
Aggregate remuneration of KMP in Financial Year 2015-16	2.43
Revenue	1,038.37
Remuneration of KMPs (as % of revenue)	0.23%
Profit before Tax (PBT)	64.98
Remuneration of KMPs (as % of PBT)	3.74%

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

4) Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Sl.	Description	₹ (Crores)
1	**Market Cap variation**	
	Mcap at 31 March 2016	250.45
	Mcap at 31 March 2015	309.39
	Variation in Mcap in FY 2016(%)	-19.05%
2	**Price-to-Earnings Ratio**	
	- PE as at 31 March, 2016 (Mkt Price / EPS)	6.07
	- PE as at 31 March, 2015 (Mkt Price / EPS)	3.61
	Variation in PE in FY 2016 (%)	68.14%
3	**% Increase / Decrease from last Public Offer**	
	- IPO price per share (July, 1993)	10.00
	- Market price as at 31 March, 2016	97.00
	% increase from last IPO	97

The closing market price of shares of the Company as at 31 March, 2016 was ₹ 97.00 (BSE and NSE)

5) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;**

Average percentage increase in Salary of the Company's employees was 7%. The total managerial remuneration for the Financial Year 2015-16 was ₹ 175.87 lakhs as against ₹ 155.96 lakhs during the previous year. The average percentage increase in remuneration to Mr. Sanjiv Paul, Managing Director during financial year 2015-16 was 13% as compared to the previous financial year.

6) **Comparison of each remuneration of the KMP against the performance of the Company :**

Sl.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Sanjiv Paul	Mr. Subhra Sengupta	Mr. Sankar Bhattacharya
1	Remuneration in FY 16 (₹ Lakhs)	175.87	45.90	20.86
2	Revenue (₹ lakhs)	103837.36	103837.36	103837.36
3	Remuneration as % of Revenue	0.17%	0.04%	0.02%
4	Profit before Tax (PBT) (₹ Lakhs)	6497.83	6497.83	6497.83
5	Remuneration (as % of PBT)	2.71%	0.71%	0.32%

7) **The key parameters for any variable component of remuneration availed by the Directors :**

Remuneration to MD involves balance between fixed and variable pay reflecting short and long-term performance objective appropriate to the working of the Company, its goals, for attracting and retaining the best talent. Remuneration to NEDs involves sitting fees for attending meetings of the Board/Committees. Commission paid to NEDs of the Company is ₹ 40,00,000.

8) **The ratio of the remuneration of the highest paid director to that of the employees who are not Directors but receive remuneration in excess of the highest paid director during the year:**

Not applicable as no employee receives remuneration in excess of the highest paid Director, i.e. MD.

9) **Remuneration is as per the remuneration policy of the Company.**

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

ANNEXURE - F

Form No. MR - 3

SECRETARIAL AUDIT REPORT

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

For the financial year ended 31st March, 2016.

To,
The Members,
Tata Metaliks Limited.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Tata Metaliks Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis of evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that, in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:-

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

   (i) The Companies Act, 2013 ('the Act') and the Rules made thereunder;

   (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

   (iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed thereunder;

   (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; and

   (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

      (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

      (b) The Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015 upto 14 May, 2015.

      (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (w.e.f. 15 May, 2015);

      (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

      (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; and

      (f) The Securities and Exchange of India (Depositories and Participants) Regulations, 1996.

2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were ***not applicable*** to the Company during the financial year under report:-

   (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

(b) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

3. Other laws applicable to the Company as per the representations made by the Company.

4. I have also examined compliance with the applicable clauses of the following:-

   (i) Secretarial Standards with respect to board and general meetings issued by the Institute of Company Secretaries of India; &

   (ii) The Listing Agreements entered into by the Company with the Stock Exchanges.

5. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

6. I further report that:

   (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act;

   (ii) Adequate notice is given to all directors to schedule the Board Meetings; agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting; and

   (iii) Decisions at the Board Meetings, as represented by the management, were taken unanimously.

7. I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

8. I further report that, to the best of my understanding, the Company, during the year under report, had not undertaken any event / action having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc. referred to above.

9. This report is to be read with my letter of even date which is annexed as **Appendix - I** and forms an integral part of this report.

Place : Kolkata
Date : 28 April, 2016
CP. No.: 2077

P V Subramanian
Company Secretary in Whole-time Practice
ACS No.: 4585

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

Appendix - I

(To the Secretarial Audit Report to the Members of Tata Metaliks Limited for the financial year ended 31st March, 2016)

To,
The Members,
Tata Metaliks Limited.

My Secretarial Audit Report for the financial year ended 31 March, 2016 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts reflected on secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Account of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

P V SUBRAMANIAN
Company Secretary in Whole-time Practice
ACS No. : 4585
CoP. No. : 2077

Place : Kolkata
Date : 28 April, 2016

Management Discussion and Analysis Report

A. Industry Structure and Developments

Considering the global economic slowdown, Indian economy appears to be the bright spot growing at 7.5% in 2015-16 as against 7.3% in 2014-15. Services sector in India remained the most vibrant sector in terms of contribution to national and state incomes, trade flows, FDI inflows, and employment. Industrial sector also performed satisfactorily although commodity prices remained low due to weakness in economic activity and global trade especially in China's economy. Manufacturing and construction sectors, the key consuming sectors, had a mixed performance with lot of planned investments, but suffered from lack of implementation on the ground.

Indian iron and steel industry had a challenging time in 2015-16 with oversupply in China and lower demand of pig iron due to weak industrial activity in India. For the second consecutive year, pig iron exports from India dropped by 60% year-on-year which resulted in oversupply in the domestic market. Further, Short Range Outlook of World Steel Association for 2016 forecasts that global steel demand will further decrease by 0.8% to 1,488 million tonnes in 2016 which may pose challenges to the pig iron industry. However, in calendar year 2017, it is forecasted that world steel demand will return to growth of 0.4%.

The government's efforts for quick reforms may result in investments in infrastructure and construction sectors and economic activities will pick up. Manufacturing sector including the casting industry is poised to grow with government's "Make in India" initiatives. Ductile Iron (DI) pipe demand will continue to have a robust growth with the Government's on-going and proposed investments in water and sanitation schemes, especially in new states like Telangana, as well as development of 100 smart cities in the country.

B. Pig Iron, Coke and Iron Ore Price Scenario

I. Pig Iron Price

Pig iron is an intermediate product with low value addition over raw materials. Its demand drivers are performance of the user industries like castings, pipe and steel making. Its price is sensitive to pig iron demand – supply scenario and also to availability and price of scrap. Since steel prices continued to fall throughout the year, pig iron prices also dropped in tandem. Further, due to fall in export of 60% in 2015-16, state owned integrated steel manufacturers dumped their pig iron in the domestic market resulting in further fall in price of pig iron, with a 20% drop in the first three quarters. In the last quarter of 2015-16, with some protective measures announced by the government, pig iron and other steel products saw some improvement in price.

The Company, however, rationalised its sales and judiciously chose sales volume in different markets to keep the price realisation at an optimum level. Despite these adverse market conditions, the Company could maintain significant price premium on its product in its key market of eastern India due to its consistency in quality, delivery and other value propositions.

II. Coke Price

Coke also continued its downtrend till Feb’16 when it dropped to a level of USD 118/t CFR from USD 173/t CFR during the beginning of the year. Domestic coke price, however, did not fall at the same rate and therefore, the Company’s raw material procurement team sourced coke from both domestic as well as imported sources to optimise its overall cost base. The year 2016-17 however, is likely to see higher coke cost due to increase in global coke price, increase in clean energy cess and possible imposition of anti-dumping duty on imported coke from China.

III. Iron Ore Price

Due to improved availability of iron ore with opening up of the mines, the Company sourced over 90% of its iron ore requirement for the year from Tata Steel’s mines at Joda, Noamundi and Khondbond. Domestic iron ore prices remained more or less stable during the year 2015-16 and at relatively softer levels which helped the Company to partially absorb the steep fall in pig iron market prices. International iron ore fines (62% Fe grade) price moved in the range of USD 50 - 60/t CFR China during the year except in January 2016 when it dropped almost to USD 41/t CFR China for a short period.

C. Financial Performance

The Company’s production of pig iron (including molten metal for DI pipe production) was 425,834 tonnes in 2015-16 registering an increase of 6% as against 400,949 tonnes in the previous year. Sale of pig iron and molten metal in 2015-16 was commensurate with production at 423,299 tonnes, an increase of 5% as compared to 402,770 tonnes in 2014-15. Company’s turnover in 2015-16 was ₹ 1,038.37 crores, declining by 16% as compared to ₹ 1,229.85 crores in the previous year. On standalone basis, the Company’s bottom line in terms of net profit after tax of ₹ 50.61 crores was lower by 39.5% as compared to ₹ 83.66 crores in 2014-15, as the entire drop in finished goods price could not be compensated by corresponding fall in raw material cost.

Offtake of molten metal by the Company’s wholly owned subsidiary, Tata Metaliks DI Pipes Limited (TMDIPL) showed significant increase of 21% in 2015-16 to 131,391 tonnes from 108,374 tonnes in the previous year. Production of DI pipes also increased 21% to 133,210 tonnes during the year from 109,883 tonnes in the previous year. TMDIPL achieved a sale of ₹ 644.82 crores in 2015-16, a 7% increase over 2014-15. Consequently, TMDIPL recorded a jump of 183% in net profit after tax to ₹ 72.18 crores from ₹ 25.48 crores the previous year.

On a consolidated basis, during 2015-16, the Company delivered its best ever performance for second year in succession with a net profit of ₹ 122.79 crores, an increase of 12.5% as compared to a profit of ₹ 109.14 crores achieved a year ago.

D. Opportunities

Foundry industry in India is poised to grow because of “Make in India” initiative of the government, as the industry is a significant contributor to engineering and manufacturing activities with almost all equipment or machinery having some casting in it.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

Moreover, according to the Society of Indian Automotive Manufacturers (SIAM), Indian automotive sector is a USD 74 billion industry and by 2026, the industry is expected to achieve a turnover of USD 300 billion, growing at a CAGR of approx. 15%. Based on the overview provided by SIAM, Automotive Mission Plan 2016-26 envisions developing India as one of the top three automotive manufacturing hubs in the world. If the plan is implemented, casting industry and consequently the foundry grade pig iron industry will have immense growth opportunities in the coming years.

Coupled with the projected growth in the automobile sector, robust export demand of sanitary castings from the US and Middle East, strong demand from the pipes and fittings industry and with increased production of steel from the secondary sector, the pig iron (foundry grade, ductile grade and steel grade) demand is also expected to grow in tandem.

During the year 2015-16, the Company judiciously chose the market and customer segments which helped to optimise the overall price realisation. During 2016-17, the Company's focus on increasing sale to direct customers with higher customised grades sale and enhanced focus on proximate and credit-free market of eastern India are being planned to increase value which can be realised from the pig iron market.

DI pipe production in India has been growing at a CAGR of 12% during the last five years and it is expected that the growth rate may exceed this in future due to the fact that Government of India has earmarked ₹ 50,000 crore to develop 100 smart cities across the country, over and above the already committed large investments in water and sanitation infrastructure schemes. DI pipe domestic market size has increased from 1.1 mtpa in 2014-15 to 1.3 mtpa in 2015-16, an increase of 18%. TMDIPL's DI pipe volume has grown at a faster rate of 30% during the last year which has taken its market share to 10%. Further expansion of capacity to 200,000 tpa in 2016-17 will increase the DI pipe market share to 12%.

E. Threats

In the short-term, the slowdown in the global iron and steel market which started in 2014-15 and continued in 2015-16 may extend in 2016-17 as well. With a 60% drop in pig iron exports in 2015-16 and the likelihood of continued global slowdown in 2016-17, there may be challenging times ahead for the domestic pig iron industry due to temporary oversupply. Further, indications of international coal and coke prices firming up in the near future along with the likelihood of imposition of anti-dumping duty on Chinese coke may put pressure on margins for pig iron manufacturers. However, the coke oven plant, which is scheduled for commissioning in the first quarter of 2016-17, which will partially insulate the Company when the coke prices rise in future.

As far as DI pipe business is concerned, due to its high potential, there is a likelihood of capacity addition by the competition (the number of manufacturers has increased during 2015-16) which may affect the price realisations, if the demand does not grow as projected. Further, continuation of anti-dumping duty on Indian DI pipes in European Union (EU) will limit to some extent the potential export market size.

F. Outlook

Production of hot metal in 2016-17 is projected to be almost at the same level as the previous year, despite the shutdown required for proposed rebuilding of one of the blast furnaces. As it is forecasted that the over-supply and lower demand of pig iron is expected to continue in 2016-17, the Company's plan to is to produce more value-added product, DI pipes. This will result in lower sale of pig iron but increased sale of DI pipes which will be more value creating for the shareholders.

In the long-term, demand for foundry grade pig iron is expected to improve on account of government's focus on "Make in India" and forecasted growth in automobile and auto components industry.

Production of DI pipes in 2016-17 will be significantly higher as a result of capacity enhancement project which is expected to be commissioned in the first quarter of the year. TMDIPL's current order book is healthy which will support sale of enhanced production of DI pipes.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

G. Risk and Concerns

The Company has an Enterprise Risk Management (ERM) process aligned with the robust risk management process of Tata Steel. The Company's ERM process involves periodic identification of risks likely to affect the business adversely, rating the risks on their impact and likelihood, preparation of risk heat map, implementation of risk mitigation plans by the risk owners and continuous monitoring of the mitigation plans by the senior leadership team. The Company has identified risks in the areas of sales, supply chain, finance, regulatory, operations, projects and industrial relations for both the businesses of pig iron and DI pipes and accordingly developed mitigation strategies and plans in these areas to reduce or eliminate the likelihood of such risks being playing out.

Continued slowdown in the global market for steel grade pig iron may impact the domestic foundry grade pig iron industry. Further, the increase in demand for iron castings may be visible only if there is growth in automobile sector and the investments proposed by the government materialises in terms of projects on ground. Rising coal and coke prices along with possibility of anti-dumping duty on Chinese coke may put pressure on the pig iron manufacturers for passing on the cost to consumers. The Company continuously evaluates its marketing and sales strategy and alters its sales plan in terms of products to be manufactured and markets to be served and keeps itself current with the changing environment. The Company also evaluates the coke sourcing strategy and keeps it flexible in terms of switching from domestic coke to imported coke or vice versa as the situation may demand.

For DI pipes, the Company has addressed the concern of not being able to adequately meet the increasing market demand by adding two more casting machines and another finishing line.

The Company's foreign currency exposure is on account of import of coke/ coking coal/ capital equipment. Appropriate forward cover is taken to mitigate the risks as per foreign exchange policy of the Company.

H. Internal Control Systems and their Adequacy

The Company's internal control policies are in line with its size and nature of operations and they provide assurance that all assets are safeguarded, transactions are authorised, recorded and reported properly following all applicable statutes, General Accepted Accounting Principles, Tata Code of Conduct and corporate policies.

The Company has an Audit Committee, majority of whose members including the Chairman are independent directors in order to maintain objectivity. Audit charter is the guiding document in this connection. Systems Assurance Department of the Company conducts audit in various functional areas as per audit plan approved by the Audit Committee. Audit planning and executions are oriented towards assessing the state of internal controls, making them stronger and addressing the risks in the functional areas of the Company. Systems Assurance Department reports to the Audit Committee its findings and observations, and rating of internal controls status for each area reviewed based on Tata Steel's guidelines. Audit Committee meets at regular intervals to review audit issues and follow up on implementation of corrective actions.

Besides the above, the Company has also met the Internal Financial Control requirements as per Companies Act, 2013 where policies and procedures have been adopted by the Company 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.

Audit Committee also seeks views of the statutory auditors on the adequacy of internal control systems in the Company. In compliance with Section 143(3)(i) of the Act, the Statutory Auditors have issued an unmodified report on the Internal Financial Controls over Financial Reporting which forms a part of the Independent Auditors' Report also forming part of this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

I. Human Resources and Industrial Relations

The Company is working on enhancing its competencies to take care of current and future business. Its employee strength as on March 31, 2016 was 366. Human Resource and Industrial Relations departments have developed systems and policies on recruitment, performance management, learning and development, and employee engagement.

The Workers union of the Company has maintained healthy and cordial industrial relations, and has been an equal partner in implementing Company's policies and achieving stretched operational targets, year on year.

J. Corporate Social Responsibility, Affirmative Action and Tata Code of Conduct

The Company works for sustainable development by achieving excellence in its key functional areas including safety, business operations, process management, business results, climate change, carbon footprint reduction, energy and water management, community development, customer promise and engagement, governance and compliance, human capital, and innovation. The Company contributes to the development of its community near the plant at Kharagpur directly as well as through employee volunteerism as a part of its Corporate Social Responsibility in the areas of education, training, health care and self-employment. The Company also supports the under-privileged through its structured Affirmative Action programme covering employees and vendors in the areas of five E's – Education, Employability, Employment, Entrepreneurship and Essential Amenities. The Company and its employees adhere to the Tata Code of Conduct in all their transactions.

K. Statutory Compliance

The Managing Director makes periodic declarations regarding the compliance with provisions of various statutes after obtaining confirmation from respective process owners.

The Company Secretary, being the Compliance Officer, ensures compliance with the relevant provisions of the Companies Act and SEBI regulations.

L. Cautionary Statement

Statements made in this report describing the Company's objectives, projections, estimates, expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

Report on Corporate Governance

Company's Philosophy on Code of Governance

Corporate Governance is creation and enhancing long-term sustainable value for the stakeholders through ethically driven business process. At Tata Metaliks, it is imperative that our Company affairs are managed in a fair and transparent manner. We, at Tata Metaliks, ensure that we evolve and follow the corporate governance guidelines and best practices. We consider it our inherent responsibility to disclose timely and accurate information regarding our financials and performance as well as the leadership and governance of the Company.

The Board has adopted the Tata Group Guidelines on Board effectiveness to help fulfilling its corporate governance responsibility towards stakeholders. These guidelines ensure that the Board will have the necessary authority and processes in place to review and evaluate the Company's operations. These guidelines also allow the Board to make decisions that are independent of the Management.

1. Board of Directors

Composition and category of Directors

The Board as a main functionary is primary responsible to ensure value creation for its stakeholders. The Board of Directors and its Committees through their leadership and guidance ensures the highest standards of corporate governance.

There are 6 (Six) Directors on Board as on 31 March, 2016. The Chairman is a Non-Executive Director and there is an appropriate combination of Independent and non-Independent Directors on Board.

REPORT ON CORPORATE GOVERNANCE (Contd.)

Composition of Board and Directorships held as on 31 March, 2016

Name of the Director	Category	Attendance at last AGM	No. of Directorships held in other public companies as on 31 March, 2016	No. of Committee positions held in other public companies as on 31 March, 2016
Mr. Koushik Chatterjee	Chairperson Non-Independent & Non-Executive	Yes	4	3
Mr. Sanjiv Paul	Managing Director Non-Independent & Executive	Yes	1	2
Ms. Samita Shah	Non-Independent & Non-Executive	Yes	4	2
Mr. Krishnava Dutt	Independent Director	No	7	8
Mr. Ashok Kumar Basu	Independent Director	No	8	14
Dr. Pingali Venugopal	Independent Director	Yes	2	2

Note :

1) None of the Directors have any inter-se relation among themselves and with any employees of the Company;

2) None of the non-executive directors hold any shares and/or convertible instruments in the Company;

3) Independent Directors had already been on the Board for a long time. Accordingly, they are already familiar with the nature and industry, business plan and other aspects of the Company. However, the familiarization program of Independent Directors with the company in respect of their roles, duties, responsibilities & related matters are uploaded on Company's website at link *http://www.tatametaliks.com/investors/shareholderinformation.aspx*

As required under Regulation 26(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 **("Listing Regulations")** the Chairmanship and Memberships in Audit Committee and Stakeholders' Relationship Committee are only considered. Other directorships do not include directorships held in private limited companies. The Company is in compliance with the composition of Board of Directors in terms of the Listing Regulations.

The Board consists of 6 (six) Members, 1 (one) of whom is an Executive Director, 2 (two) of them are Non-Executive Directors including a Woman Director and 3 (three) of them are Independent Directors. All Independent Directors have confirmed that they have met the criteria as mentioned under Section 149(7) of the Companies Act, 2013 **("Act")**.The terms and conditions of appointment of the Independent Directors are disclosed on the Company's website and can be accessed at *http://www.tatametaliks.com/investors/shareholder-information.aspx*. During the year, the Independent Directors have met on 10 February, 2016 without the presence of Non-Independent Directors and Members of the Management to evaluate the performance of Non-Independent Directors and the Board of Directors as a whole as required under regulation 25(3) of the Listing Regulations.

Board Meetings

During the year under review, there were 4 (four) Board Meetings held on 29 April, 2015, 22 July, 2015, 15 October, 2015 and 18 January, 2016 respectively. Dates of Board Meetings are generally decided in advance. The information as required under regulation 17(7) of the Listing Regulations is made available to the Board. The Board periodically reviews compliance reports of all laws applicable to the Company. The Board meets at least once in a quarter to review the quarterly results.

REPORT ON CORPORATE GOVERNANCE (Contd.)

Additional meetings are held, as and when it is necessary. Committees of the Board usually meet the day before the formal Board Meeting or whenever the need arises.

Attendance of Directors for the year ended 31 March, 2016

Name of the Directors	Position	No. of Meetings attended
Mr. Koushik Chatterjee	Chairperson	4
Mr. Sanjiv Paul	Managing Director	4
Mr. Krishnava Dutt	Independent Director	3
Mr. Ashok Kumar Basu	Independent Director	4
Dr. Pingali Venugopal	Independent Director	4
Ms. Samita Shah	Non-Executive Director	4

Board Committees

The Board has constituted various Committees with specific terms of reference / scope to focus effectively on the issues and ensure expedient resolution of diverse matters. The minutes of various Committee meetings are placed before the Board for discussions, review, noting etc. The recommendations of the Committees are placed before the Board for necessary approval.

The Board has constituted following Committees:-

i) Audit Committee;

ii) Nomination & Remuneration Committee;

iii) Stakeholders' Relationship Committee;

iv) Corporate Social Responsibility Committee; and

v) Risk Management Committee

Each Committee has appropriate combination of Independent and Non-Independent Directors. The Company Secretary acts as Secretary to all Committees.

Audit Committee

The Company has complied with the requirements of Regulation 18 of the Listing Regulations with regard to the composition of the Audit Committee. All Members of the Committee are financially literate and have relevant finance and / or audit exposure. The Committee is entrusted with the responsibility to supervise the Company's internal control and financial reporting process. Audit Committee meetings are attended by the Chief Financial Officer and Chief - Systems Assurance & Risk Management. The Statutory Auditors are invited in meeting as and when required, for interacting with the Members of the Committee regarding the accounts of the Company. The Managing Director and other senior functional executives are also invited as and when required to provide necessary inputs to the Committee.

The terms of reference of Audit Committee are as under:

1) To review and recommend the quarterly financial statements of the company;

2) To review reports of the Internal Auditors quarterly;

REPORT ON CORPORATE GOVERNANCE (Contd.)

3) To review weaknesses in internal controls reported by Internal as well as the Statutory Auditors.

Audit Committee has powers prescribed under Regulation 18(3) of the Listing Regulations and the scope of activities of the Audit Committee is prescribed in Part C of Schedule II of this Regulation. Audit Committee also mandatorily reviews the information prescribed under Part C of Schedule III.

During the year, the Audit Committee has met 5 (five) times on following dates:-

1) 23 April, 2015;
2) 16 July, 2015;
3) 15 October, 2015;
4) 15 January, 2016; and
5) 21 March, 2016.

The composition of the Committee and the attendance details of the Members are given below:

Name of the Member	Category	Number of meetings attended
Mr. Krishnava Dutt	Chairperson - Independent	4
Mr. Ashok Kumar Basu	Member - Independent	5
Dr. Pingali Venugopal	Member - Independent	5
Ms. Samita Shah	Member - Non Independent	5

Nomination & Remuneration Committee

In terms of Section 178 of the Act and Regulation 19 of the Listing Regulations, the Board has constituted the Nomination & Remuneration Committee **("NRC")** to oversee the Company's nomination process for the senior management and to decide their salary, perquisites and commission / performance linked remuneration etc., to be paid to them and other employees within the broad frame-work of the Group Policy, merit and Company's performance.

The Committee also co-ordinates and oversees the annual self-evaluation of the performance of the Board, Committees and of individual Directors.

Following are the terms of reference of this Committee of the Company:

1) Recommending annual increment etc. payable to the Managing Director within the salary scale, approved by shareholders;
2) Determining performance linked bonus payable to the Managing Director within the limits approved by shareholders; and
3) Recommending annual increment etc., payable to the Key Managerial Personnel of the Company.

During the year, this Committee has met twice on following dates:-

1) 29 April, 2015; and
2) 30 March, 2016

REPORT ON CORPORATE GOVERNANCE (Contd.)

The composition of this Committee and the details of meetings attended by Members are given below:-

Name of the Members	Category	Number of meetings attended
Dr. Pingali Venugopal	Chairperson - Independent	2
Mr. Koushik Chatterjee	Member - Non-Independent	2
Mr. Krishnava Dutt	Member - Independent	2

Nomination & Remuneration Policy

The Nomination and Remuneration Committee had recommended the Nomination and Remuneration Policy of the Company to the Board of Directors which was adopted at the Board meeting held on 30 March, 2015. The said policy may be referred to at the Company's website at the weblink *htpp://www.tatametaliks.com/corporate/ptf/TML-NRC-policy.pdf*.

Details of sitting fees and commission paid to Non-Executive Directors during 2015-16 are as follows:-

Non-Executive Directors

Name of Directors	Status	Sitting Fees (₹)	Commission (₹)	Total (₹)
Mr. Ashok Kumar Basu	Independent Director	2,20,000/-	8,46,154	10,66,154
Dr. Pingali Venugopal	Independent Director	2,60,000/-	13,07,692	15,67,692
Mr. Krishnava Dutt	Independent Director	2,00,000/-	10,00,000	12,00,000
Ms. Samita Shah	Director	2,20,000/-	8,46,154	10,66,154
Total		9,00,000/-	40,00,000	49,00,000

Executive Director

Name	Salary (₹)	Perquisites & Allowances (₹)	Contribution to Provident, Superannuation & Gratuity Fund (₹)	Performance Linked Bonus for FY. 2015-16 (₹)
Mr. Sanjiv Paul (MD)	43,22,400	40,97,610	11,67,048	80,00,000

Note : Performance linked bonus to Managing Director and Commission to Non-Executive Directors have been recomended by the Nomination and Remuneration Committee on 28 April, 2016, pending approval of the shareholder in the ensuing AGM to be held on 29 June, 2016.

Evaluation

The Board evaluated the effectiveness of its functioning and that of the Committees and of individual directors by seeking their inputs on various aspects of Board / Committee Governance.

The aspects covered in the evaluation included the contribution to and monitoring of corporate governance practices, participation in the long-term strategic planning and the fulfillment of Directors' obligations and fiduciary responsibilities, including but not limited to, active participation at the Board and Committee meetings.

The Board considered and discussed the inputs received from the Directors.

Further, the Independent Directors at their meeting reviewed the performance of Board, Chairman of the Board, Executive and Non-Executive Directors of the Board.

Stakeholders' Relationship Committee

In terms of Section 178 (5) of the Act, read with Regulation 20 of the Listing Regulations the Board has constituted Stakeholders' Relationship Committee **("SRC")**. As per the Listing Regulations, the Committee shall specifically look into

REPORT ON CORPORATE GOVERNANCE (Contd.)

the mechanism of redressal of grievances of shareholders, debenture holders and other security holders of the listed entity including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

The Committee has met once during the year on 10 February, 2016

The composition of this Committee is given below:

Name of the Member	Category	Number of meetings attended
Mr. Ashok Basu	Chairperson, Independent	1
Mr. Sanjiv Paul	Non-Independent	1
Dr. Pingali Venugopal	Independent	1

Details of Shareholders' Complaints received, resolved & pending during FY. 2015-16

Particulars	Nos.
Complaints pending as on 1 April, 2015	1
Complaints received during the year ended 31 March, 2016	44
Complaints disposed of during the year ended 31 March, 2016	45
Complaints pending as on 31 March, 2016	0

Name, designation & address of Compliance Officer:-

Mr. Sankar Bhattacharya
Chief Corporate Governance & Company Secretary
Tata Centre, 10th Floor
43, J L Nehru Road
Kolkata – 700 071
Phone – 033 66134200
Fax – 033 22884372
Email- investors@tatametaliks.co.in

Corporate Social Responsibility Committee

In terms of the requirement of Section 135(1) of the Companies Act, 2013, the Board has constituted Corporate Social Responsibility **("CSR")** Committee comprising of 3 (three) Directors of which 2 (two) are non-executives. The Chairman of the Committee is an Independent Director.

The terms of reference and scope of work is same as prescribed in Section 135 of the Act and the Rules framed thereunder.

The Committee has met once during the year on 10 February, 2016.

The composition of this Committee is as under:-

Name of the Member	Category	No. of meetings attended
Dr. Pingali Venugopal	Chairperson - Independent	1
Mr. Sanjiv Paul	Non-Independent	1
Ms. Samita Shah	Non-Independent	1

REPORT ON CORPORATE GOVERNANCE (Contd.)

Risk Management Committee

In line with the requirement prescribed in erstwhile Clause 49(VI)(C) of the listing agreement and Regulation 23 of the Listing Regulations, the Board has constituted a Risk Management Committee comprising of 3 (three) Members.

The terms of reference and scope of work is line with the requirements prescribed in the erstwhile listing agreement and the listing regulations.

The Committee has met once in the year on 14 September 2015.

The composition of this Committee is as under:-

Name of the Member	Category	No. of meetings attended
Mr. Sanjiv Paul	Non-Independent Managing Director	1
Ms. Samita Shah	Non-Independent Director	1
Mr. Subhra Sengupta	KMP, Chief Financial Officer	1

General Body Meetings

a) Location and time where last three Annual General Meetings were held:-

FY	Details of Location	Date & Time
2012-13	Kala Mandir, 48 Shakespeare Sarani, Kolkata - 700017	25 September, 2013 at 12.00 noon
2013-14	Rotary Sadan, Rotary Children Welfare Trust, Kolkata - 700020	10 September, 2014 at 3.00 p.m.
2014-15	Kala Mandir, 48 Shakespeare Sarani, Kolkata - 700017	24 September, 2015 at 2.00 p.m.

No Extra-Ordinary General Meeting of Shareholders was held during the year.

b) Special Resolutions passed in previous three Annual General Meetings:-

Shareholders' Meeting	Special Business requiring Special Resolution
23rd AGM 25 September, 2013	Appointment of Mr. Sanjiv Paul as the Managing Director
24th AGM 10 September, 2014	a) Increase in borrowing limits; b) Creation of Charges on movable and immovable properties of the Company, both present and future, in respect of borrowings
25th AGM 24 September, 2015	Approval of Related Party Transactions

c) Special Resolutions passed last year through Postal Ballot – NIL

Means of Communications etc.,

In compliance with the requirements of Regulation 47 of the Listing Regulations, the quarterly/half yearly and annual results of the Company are published in Business Standard (all editions) & Ajkaal and also displayed on the website of the Company *www.tatametaliks.com* shortly after its submission to the Stock Exchanges.

Company displays the official news release in Tata World half yearly and annually after the financial results are approved by the Board. No presentations were made to the institutional investors or to the analysts.

REPORT ON CORPORATE GOVERNANCE (Contd.)

General Shareholder information

i) AGM Details:-

Day	Wednesday
Date	29 June, 2016
Time	3.00 p.m.
Venue	Kalamandir, 48, Shakespeare Sarani, Kolkata - 700 017

ii) Financial Calendar:-

Financial Year 2016-2017	
Year ending	31 March
AGM	September

iii) Date of Book Closure

Book Closure Date	Thursday, 23 June, 2016 to Wednesday 29 June, 2016 (both days inclusive)

iv) Dividend Payment Date:-

Dividend Payment Date	6 July, 2016

v) Listings:-

Stock Exchange	Stock code
National Stock Exchange of India Ltd.	TATAMETALI
BSE Limited	Share – 513434

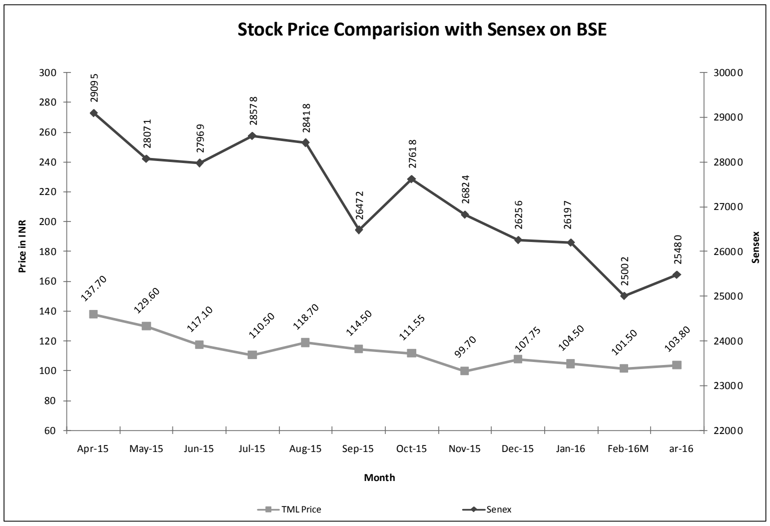
vi) Market Price Data:-

Market Price Data: Monthly High and Low during each month in last financial year:-

Month	BSE		NSE	
	High (in ₹)	Low (in ₹)	High (in ₹)	Low (in ₹)
April ‘15	137.70	107.00	137.40	111.00
May ‘15	129.60	112.90	129.65	111.35
June ‘15	117.10	92.60	117.45	89.00
July ‘15	110.50	98.20	119.90	98.75
Aug. ‘15	118.70	87.00	119.00	87.10
Sept. ‘15	114.50	91.00	114.50	91.10
Oct. ‘15	111.55	98.00	111.40	98.10
Nov. ‘15	99.70	91.10	99.70	91.00
Dec. ‘15	107.75	94.55	107.90	93.80
Jan. ‘16	104.50	86.80	104.30	86.70
Feb. ‘16	101.50	78.00	101.60	77.60
Mar. ‘16	103.80	87.15	103.60	86.30

REPORT ON CORPORATE GOVERNANCE (Contd.)

vii) Performance in comparison with BSE Sensex- April, 2015 to March, 2016



viii) Registrar & Transfer Agent

For share related matters, Members are requested to correspond with the Company's Registrar and Transfer Agent – M/s R & D Infotech Pvt. Ltd. quoting their Folio No. / DP ID & Client ID at the following address:-

R & D Infotech Pvt. Ltd.
1st Floor, 7A, Beltala Road
Kolkata – 700 026.
Phone: +91-33-24192641
Telefax : +91-33-24192642
E-mail : *rd.infotech@vsnl.net*
tml@rdinfotech.in; rdinfotech@yahoo.com

Shareholders holding shares in electronic form should address their correspondence, except those relating to dividend, to their respective Depository Participants.

ix) Share Transfer System

Share Transfer in physical form can be lodged with R&D Infotech Pvt. Ltd. at the above mentioned address. The transfers are normally processed within 10 working days from the date of receipt, provided the documents are complete in all respects. Company Secretary is empowered to approve transfers.

x) Distribution of Shareholding as on 31 March, 2016

No of ordinary shares held	No of Shareholders	%	No of Shares	%
1 – 500	46875	94.48	5429157	21.47
501 – 1000	1587	3.20	1290720	5.10
1001 – 10000	1081	2.18	2786695	11.02
10001 – 50000	58	0.12	1180468	4.67
50001 and above	15	0.03	14600960	57.74
Total	**49616**	**100.00**	**25288000**	**100.00**

REPORT ON CORPORATE GOVERNANCE (Contd.)

Categories of Shareholding as on 31 March, 2016

No of ordinary shares held	No of Shareholders	%	No of Shares	%
Promoters Holdings	1	0.00	12667590	50.09
UTI/Mutual Funds/ Banks	7	0.01	20635	0.08
Insurance Companies	2	0.00	591451	2.34
FIs (Trust)	3	0.01	1500	0.01
Corporate Bodies	690	1.39	1253274	4.96
Resident Individuals	48515	97.78	10331852	40.86
State Government - WBIDC	1	0.00	250000	0.99
FIIs / NRIs / OCBs	397	0.80	171698	0.68
Total:	**49616**	**100.00**	**25288000**	**100.00**

Top 10 Shareholders List (As on 31 March, 2016)

Name of Shareholders	No. of Shares held	% of Share Capital
Tata Steel Limited	12667590	50.09
General Insurance Corporation of India	326451	1.29
Anil Bansilal Lodha	275384	1.09
The Oriental Insurance Company Limited	265000	1.05
WBIDC Ltd.	250000	0.99
Nita Singh	126700	0.50
ABL Infrastructure Pvt. Ltd.	116830	0.46
Bhavesh Dhireshbhai Shah	116139	0.46
Ravi Mahalingam	94000	0.37
Anil Bansilal Lodha	75883	0.30

xi) Dematerialization of shares and liquidity

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the Depositories in India – National Securities Depository Limited (**"NSDL"**) and Central Depository Services (India) Limited (**"CDSL"**). Company's ISIN No. is INE056C01010.

As on 31 March, 2016, a total of 23,640,938 shares of the Company, which forms 93.49% of the total shares are dematerialized.

xii) Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments and conversion date and likely impact on equity

Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments	**None**
Conversion date and likely impact on equity	N.A.

xiii) Location of the Plant :

Village Gokulpur, P.O.Samraipur
Kharagpur, Dist. Midnapur, West Bengal - 721301
Phone : +91-3222-233325, 233877, 233290
Telefax : +91-3222-233316
Email : *tml@tatametaliks.co.in*

REPORT ON CORPORATE GOVERNANCE (Contd.)

xiv) Address for correspondence

Tata Metaliks Limited
Tata Centre, 10th Floor
43, J L Nehru Road
Kolkata – 700 071
Phone: +91-33-66134200,
Fax : +91-33-2288 4372
Email: *investors@tatametaliks.co.in*

Disclosures

i) All material transactions entered into with related parties as defined under Regulation 23 of the Listing Regulations during the financial year were in the ordinary course of business. These have been approved by the Audit Committee. The duly adopted RPT Policy is available on the Company's website at the following link : *http://www.tatametaliks.com/corporate/policies.aspx*

ii) There were no instances of non-compliance and no penalties, strictures were imposed by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets, during the last three years;

iii) The Company has formulated a Whistle Blower Policy and affirms that no personnel has been denied access to the Audit Committee. The said policy is also available on the website of the Company. Link - *http://www.tatametaliks.com/corporate/business-ethics.aspx*;

iv) The Company has complied with the mandatory requirements as prescribed in Part C of Schedule V of the Listing Regulations;

v) The relevant disclosures on the remuneration of Directors have been included under "Remuneration Policy" in this report;

vi) **Reconciliation of share capital audit:**

A qualified practicing Company Secretary carried out the share capital audit to reconcile the total admitted equity share capital with "NSDL" and "CDSL" and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

vii) **Code of Conduct**

The Members of the Board and senior management personnel have affirmed the compliance with the Code applicable to them during the year ended 31 March, 2016. The Annual Report of the Company contains a Certificate by the Managing Director in terms of the Regulation 17(5) of the Listing Regulations based on the compliance declarations received from Independent Directors, Non-Executive Directors and Senior Management Personnel.

viii) **Non-Mandatory requirements**

The Company has fulfilled the following non-mandatory requirements as prescribed in Part E of Schedule II of the Listing Regulations entered into with the Stock Exchanges:-

a) The statutory financial statements of the Company are unqualified;

b) Mr. Koushik Chatterjee is the Chairman and Mr. Sanjiv Paul is the Managing Director of the Company. The Company has complied with the requirement of having separate persons to the post of Chairman and Managing Director.

REPORT ON CORPORATE GOVERNANCE (Contd.)

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE CODE OF CONDUCT UNDER REGULATION 17(5) SEBI (LISITNG OBLIGATIONS AND DISCLOSURE REQUIREMENTS), REGULATIONS, 2015

This is to confirm that the Company has adopted Tata Code of Coduct **("TCoC")** for its employees including the Managing Director and Whole-time Directors. In addition, the Company has adopted the TCoC for Non-Executive Directors. Both these Codes are posted on the Company's website *www.tatametaliks.com*.

I confirm that the Company has in respect of the financial year ended 31 March, 2016, received from the senior management team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Members of the Management one level below the Managing Director as on 31 March, 2016.

For Tata Metaliks Limited

Mumbai
28 April, 2016

Sanjiv Paul
Managing Director

REPORT ON CORPORATE GOVERNANCE (Contd.)

CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members of
Tata Metaliks Limited.

I have examined the compliance of conditions of Corporate Governance by Tata Metaliks Limited ("the Company") for the year ended on 31 March 2016, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [collectively referred to as "SEBI Listing Regulations, 2015"]/Clause 49 of the Listing Agreements of the Company with stock exchanges in India (as applicable).

The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company. My examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI Listing Regulations, 2015 / Listing Agreements, to the extent applicable to the Company during the year under report.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Kolkata
Date : 28 April, 2016

P V SUBRAMANIAN
Company Secretary in Whole-time Practice
ACS No.: 4585
CoP.No.: 2077

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
TATA METALIKS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **TATA METALIKS 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 Standalone 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 standalone 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 standalone 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 standalone 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.

INDEPENDENT AUDITOR'S REPORT (Contd.)

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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 standalone 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

INDEPENDENT AUDITOR’S REPORT (Contd.)

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, 28 April, 2016

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) 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 **TATA METALIKS LIMITED** ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone 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

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

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, 28 April, 2016

ANNEXURE B TO THE INDEPENDENT AUDITOR'S 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 / lease deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for loans are held in the name of the Company based on the confirmations directly received by us from lenders. 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 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.

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

(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 involved (₹ in lacs)	Amount unpaid (₹ in lacs)
The Income Tax Act, 1961	Income Tax	High Court – Calcutta	1993-94, 1999-00, 2001-02 to 2003-04	953.16	953.16
		Tribunal	2009-10	120.70	120.70
		Commissioner (Appeal)	1997-98, 2002-03, 2007-08 to 2008-09, 2010-11 to 2011-12	881.75	791.21
Central Excise and Service Tax Act	Excise/ Service Tax	Tribunal	2002-03 to 2011-12	8,821.69	8,811.44
		Commissioner (Appeal)	2000-01 to 2009-10	91.44	91.44
		Commissioner	2005-06 to 2011-12	4,350.06	4,350.06
		Additional Commissioner	2003-04 to 2010-11 & 2012-13 to 2015-16	240.36	240.36
		Joint Commissioner	2010-11	35.81	35.81
		Assistant Commissioner	2010-11 to 2014-15	82.01	82.01
Central Sales Tax Act 1956	Sales Tax	WB Commercial Tax Appellate & Revision Board	2006-07	94.49	94.49
		Sr Joint Commissioner (Appeal)	2011-12	4.97	4.97
Entry Tax	Entry Tax	High Court – Calcutta	2012-13	322.77	322.77

(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 banks. 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) and money raised by way of term loans have been applied by the Company during the year for the purposes for which they were raised.

(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.

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

(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
(Firm's Registration No. 302009E)

Abhijit Bandyopadhyay
Partner
(Membership No. 054785)

Kolkata, 28 April, 2016

BALANCE SHEET as at 31 March 2016

(₹ in lacs)

	Notes	As at 31.03.2016	As at 31.03.2015
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	3	**12,528.80**	12,528.80
(b) Reserves and surplus	4	**9,678.95**	6,337.82
		22,207.75	18,866.62
(2) Non-current liabilities			
(a) Long-term borrowings	5	**6,375.00**	9,333.33
(b) Deferred tax liabilities (net)	40	**-**	-
(c) Long-term provisions	6	**851.21**	760.43
		7,226.21	10,093.76
(3) Current liabilities			
(a) Short-term borrowings	5	**12,260.03**	5,182.05
(b) Trade payables	7	**19,708.59**	25,217.39
(i) outstanding dues of micro enterprises and small enterprises		**125.99**	38.24
(ii) outstanding dues of creditors other than micro enterprises and small enterprises		**19,582.60**	25,179.15
(c) Other current liabilities	8	**11,334.96**	9,778.79
(d) Short-term provisions	6	**3,806.76**	1,272.68
		47,110.34	41,450.91
TOTAL EQUITY AND LIABILITIES		**76,544.30**	70,411.29
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	**18,690.94**	19,971.37
(ii) Intangible assets	10	**26.36**	41.42
(iii) Capital work-in-progress		**4,300.49**	44.29
		23,017.79	20,057.08
(b) Non-current investments	11	**13,382.01**	13,382.01
(c) Long-term loans and advances	12	**5,236.89**	6,177.06
(d) Other non-current assets	13	**6.56**	18.56
		41,643.25	39,634.71
(2) Current assets			
(a) Inventories	14	**7,990.57**	7,217.43
(b) Trade receivables	15	**24,289.85**	21,510.80
(c) Cash and bank balances	16	**6.29**	228.65
(d) Short-term loans and advances	12	**2,299.34**	1,663.59
(e) Other current assets	17	**315.00**	156.11
		34,901.05	30,776.58
TOTAL ASSETS		**76,544.30**	70,411.29

See accompanying notes forming part of the standalone financial statements

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of the Board of Directors

Abhijit Bandyopadhyay
Partner
Kolkata, 28 April, 2016

Sankar Bhattacharya
Company Secretary

Subhra Sengupta
Chief Financial Officer

Koushik Chatterjee
Chairman

Sanjiv Paul
Managing Director

Mumbai, 28 April, 2016

STATEMENT OF PROFIT AND LOSS for the year ended 31 March 2016

(₹ in lacs)

			Notes	For the year ended 31.03.2016	For the year ended 31.03.2015
A	**CONTINUING OPERATIONS**				
	I	Revenue from operations (gross)	18	**1,03,834.18**	1,22,762.44
		Less: Excise duty		**10,962.28**	13,006.88
		Revenue from operations (net)		**92,871.90**	1,09,755.56
	II	Other Income	19	**89.97**	130.43
	III	**Total Revenue (I + II)**		**92,961.87**	1,09,885.99
	IV	**EXPENSES**			
	(a)	Cost of materials consumed	20	**61,653.07**	72,896.43
	(b)	Changes in stock of finished goods	21	**(818.67)**	435.08
	(c)	Employee benefits expense	22	**4,001.74**	3,531.11
	(d)	Finance costs	23	**3,296.39**	3,220.11
	(e)	Depreciation and amortisation expense	24	**1,358.10**	1,252.19
	(f)	Other expenses	25	**16,918.37**	17,630.48
		Total Expenses (IV)		**86,409.00**	98,965.40
	V	**Profit before exceptional items and tax (III - IV)**		**6,552.87**	10,920.59
	VI	Exceptional Items	26	**-**	177.10
	VII	**Profit before tax (V - VI)**		**6,552.87**	10,743.49
	VIII	Tax Expense			
		(1) Current tax		**1,390.00**	2,285.00
		(i) Current tax		**1,390.00**	2,285.00
		(ii) Current tax relating to previous years		**-**	-
		(2) Deferred tax	40	**46.70**	32.93
		Total tax expense (VIII)		**1,436.70**	2,317.93
	IX	**Profit from continuing operations (VII - VIII)**		**5,116.17**	8,425.56
B	**DISCONTINUING OPERATIONS**				
	X	Loss from discontinuing operations before tax	42	**(55.04)**	(59.91)
	XI	Tax expense of discontinuing operations	42	**-**	-
	XII	Loss from discontinuing operations (X - XI)	42	**(55.04)**	(59.91)
C	**TOTAL OPERATIONS**				
	XIII	**Profit for the year (IX + XII)**		**5061.13**	8365.65
	XIV	**Earnings per equity share:**	33		
		(1) Basic [Face value ₹ 10 each]			
		(a) Continuing operation		**16.19**	33.32
		(b) Total operations		**15.97**	33.08
		(2) Diluted [Face value ₹ 10 each]			
		(a) Continuing operation		**16.19**	33.32
		(b) Total operations		**15.97**	33.08

See accompanying notes forming part of the standalone financial statements

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of the Board of Directors

Abhijit Bandyopadhyay
Partner
Kolkata, 28 April, 2016

Sankar Bhattacharya
Company Secretary

Subhra Sengupta
Chief Financial Officer

Koushik Chatterjee
Chairman

Sanjiv Paul
Managing Director

Mumbai, 28 April, 2016

CASH FLOW STATEMENT for the year ended 31 March 2016

(₹ in lacs)

	For the year ended 31.03.2016	For the year ended 31.03.2015
A. Cash Flow from operating activities:		
Profit before tax	**6,497.83**	10,683.58
Adjustments for:		
Depreciation and amortisation expense	**1,358.35**	1,255.92
Impairment charge/ (reversal) of tangible assets	**(31.31)**	177.10
Subsidy from State Government	**(1,247.14)**	-
Provision for doubtful debts	**-**	0.70
Provision no longer required written back	**-**	(23.78)
Interest income	**(39.40)**	(86.50)
Dividend income from current investments	**(0.82)**	(2.28)
Finance costs	**3,296.39**	3,220.11
Provision for wealth tax	**-**	4.50
Gain on cancellation of forward contracts	**(36.45)**	361.67
Loss/(Profit) on sale of fixed assets (net of discarded asset written off)	**-**	3.15
Unrealised exchange gains	**26.28**	(0.87)
Realised exchange (gains) / loss	**(89.27)**	(517.93)
Operating profit before working capital changes	**9,734.46**	15,075.37
Adjustments for (increase)/decrease in operating assets		
Inventories	**(773.14)**	1,000.00
Trade receivables	**(2,779.05)**	(6,287.12)
Short-term loans and advances	**611.39**	(136.88)
Long-term loans and advances	**10.25**	(13.88)
Other non-current assets	**1.00**	(1.00)
Other current assets	**(120.57)**	90.62
Adjustments for increase/(decrease) in operating liabilities		
Trade payables	**(5,716.17)**	119.18
Other current liabilities	**510.11**	(127.27)
Short-term provision	**857.39**	524.57
Long-term provisions	**90.78**	(93.94)
Cash generated from operations	**2,426.45**	10,149.65
Direct taxes paid	**(1,350.07)**	(2,286.88)
Net cash generated / (utilised) from operating activities	**1,076.38**	7,862.77

CASH FLOW STATEMENT for the year ended 31 March 2016

(₹ in lacs)

		For the year ended 31.03.2016	For the year ended 31.03.2015
B.	**Cash flow from investing activities:**		
	Capital Expenditure on fixed assets, including capital advances	**(3,518.95)**	(2,141.31)
	Purchase of current investments	**(1,600.00)**	(3,600.00)
	Proceeds from sale of current investments	**1,600.82**	3,602.28
	Proceeds from sale of fixed assets	**-**	28.89
	Bank balances not considered as cash and cash equivalents		
	- Placed	**-**	(11.50)
	- Matured	**10.50**	-
	Interest income received	**1.08**	1.75
	Net cash used in investing activities	**(3,506.55)**	(2,119.89)
C.	**Cash flow from financing activities:**		
	Proceeds from working capital loans	**1,831.57**	-
	Repayment of working capital loans	**-**	(2,566.88)
	Proceed from bills discounting	**1,151.61**	-
	Proceeds from buyer's credit	**8,305.70**	9,397.77
	Repayment of buyer's credit	**(5,347.31)**	(15,903.48)
	Proceeds from long-term borrowings	**4,500.00**	8,000.00
	Repayment of long-term borrowings	**(5,958.33)**	(2,500.00)
	Acceptance of bill	**1,023.82**	-
	Gain on cancellation of forward contracts	**36.45**	(361.67)
	Interest and other borrowing costs paid	**(3,281.12)**	(3,259.87)
	Net cash from / (used in) financing activities	**2,262.39**	(7,194.13)
Net decrease in cash and cash equivalents		**(167.78)**	(1,451.25)
Cash and cash equivalents as at 1 April		**173.07**	1,624.32
Cash and cash equivalents as at 31 March		**5.29**	173.07

Notes:

1. Purchase of current investments are exclusive of purchases made out of dividend reinvested ₹ 0.82 lacs (Previous year ₹ 2.28 lacs)
2. The cash flow statement reflects the combined cash flows pertaining to continuing and discounting operations. Refer note no. 42 for discontinuing operations cash flows.
3. Figures in brackets represent outflows.

See accompanying notes forming part of the standalone financial statements

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of the Board of Directors

Abhijit Bandyopadhyay
Partner
Kolkata, 28 April, 2016

Sankar Bhattacharya
Company Secretary

Subhra Sengupta
Chief Financial Officer

Koushik Chatterjee
Chairman

Sanjiv Paul
Managing Director

Mumbai, 28 April, 2016

NOTES TO THE FINANCIAL STATEMENTS

1. General corporate information

Tata Metaliks Limited ("the Company") is a subsidiary of Tata Steel Limited, engaged in the manufacture of foundry grade pig iron. The Company is having its manufacturing plants at Kharagpur in the state of West Bengal.

2. Summary of significant accounting policies

2.01 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.

2.02 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.

2.03 Cash flow statement

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.04 Government grants

Government grants which are given with reference to the total investments in an undertaking and no repayment is ordinarily expected in respect thereof, the grants are treated as capital reserve which can be neither distributed as dividend nor considered as deferred income.

2.05 Tangible assets

i) Tangible assets are stated at cost less accumulated depreciation/amortisation and impairment losses, if any. The cost of an asset includes the purchase price, including net of any trade discounts and rebates, any import duties and non-refundable taxes, and any directly attributable costs on making the asset ready for its intended use. Interest on borrowings used to finance the construction of qualifying assets are capitalised as part of the cost of the asset until such time that the asset is ready for its intended use.

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

Freehold land is not depreciated. Premium paid on leasehold land and land development expenses are amortised over the primary lease period. Other fixed assets are depreciated on a straight line method as

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement. :

Category of assets	Estimated useful life
Furniture and Fixtures	5 years
Vehicles	5 years
Desktops and Laptops	4 years

iii) Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.06 Intangible assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation and impairment loss, if any. Intangible assets are amortised on a straight line basis over their estimated useful life. The cost of software is amortised on a straight line basis over an estimated useful life of five years.

2.07 Relining expenses

Expenses incurred on relining of blast furnace is capitalised and depreciated over a period of five years of average expected life. The written down value consisting of relining expenditure embedded in the cost of Blast Furnace is written off in the year of fresh lining. All other relining expenses are charged as expense in the year they are incurred.

2.08 Impairment

Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognised in the statement of profit and loss if the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of an asset’s net selling price and value in use. An impairment loss recognised on asset is reversed when the conditions warranting impairment provision no longer exists.

2.09 Investments

Long term investments are carried at cost less provision for diminution other than temporary (if any) in value of such investments. Current investments are carried at lower of cost and fair value.

2.10 Leases

The Company’s significant leasing arrangements are in respect of operating leases for premises (Office, Residence etc.). The leasing arrangements which normally have a tenure of eleven months to three years are cancellable with a reasonable notice, and are renewable by mutual consent at agreed terms. The aggregate lease rent payable is charged as rent in the statement of profit and loss. Assets primarily vehicles acquired on leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the statement of profit and loss on straight line basis over the lease term.

2.11 Inventories

i) Raw materials are valued at cost comprising purchase price, freight and handling, non refundable taxes and duties and other directly attributable costs and carried at lower of cost and net realisable value.

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

ii) Finished products are valued at lower of cost and net realisable value.

iii) 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 provisions for obsolescence, if any.

iv) Value of inventories are ascertained on the “weighted average” basis.

2.12 Cash and cash equivalents

Cash and cash equivalents comprises of cash on hand and balances in current accounts and deposit accounts with banks having original maturity of less than three months.

2.13 Revenue recognition

i) Sale of products

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, which generally coincides with the delivery of goods to customers. Revenue includes consideration received or receivable, excise duty but net of discounts and other sales related taxes.

ii) Dividend and interest income

Dividend income is recognised when the Company’s right to receive dividend is established. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

iii) Insurance claims

The Company recognises insurance claims when the recoverability of the claims is established with a reasonable certainty.

iv) Revenue subsidy from government

Subsidy linked to the incurrence of capital expenditures sanctioned by the Government under notified schemes are recognised as income on disbursement by the Government.

2.14 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, other than long-term foreign currency monetary items are included in the statement of profit and loss.

Foreign currency forward contracts, other than those entered into to hedge foreign currency risk on unexecuted firm commitments or highly probable forecast transactions are treated as foreign currency transactions and accounted accordingly as per Accounting Standard (AS) 11 - Effects of changes in foreign exchange rates. The difference between the contract rate and spot rate on the date of transaction is recognised as premium/discount and recognised over the life of the contract. Exchange differences arising on account of remeasurement and gains and losses arising on account of roll over/cancellation of foreign currency forward contracts are recognised in the statement of profit and loss.

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

2.15 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) Defined contribution plans

Defined contribution plans are those plans where the Company pays fixed contributions to funds managed by independent trusts. 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 Company provides provident fund facility to all employees and superannuation benefits to selected employees. The contributions are expensed as they are incurred in line with the treatment of wages and salaries.

iii) 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 using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. 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.

iv) 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.

2.16 Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets till such time the asset is ready for its intended use. 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 statement of profit and loss in the period in which they are incurred.

2.17 Taxes on income

i) Current tax

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.

ii) Deferred tax

Deferred tax assets and liabilities are recognised by computing the tax effect on timing differences which arise during the year and reverse in the subsequent periods. The Company is eligible for tax deductions available under section 80IA of the Income Tax Act, 1961, in respect of income attributable to captive power

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

plants being an eligible business. In view of tax deduction available to the Company under Section 80IA of the Income Tax Act, 1961, deferred tax is recognised in respect of timing differences, which originate before or during the tax holiday period but reverse before or after the tax holiday period. Deferred tax assets against unabsorbed depreciation and carried forward loss under tax laws, are recognised 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 assets can be realised. Deferred tax assets on other timing differences are recognised 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 realised.

iii) Current and deferred tax is measured based on the provisions of tax laws and tax rates enacted or substantively enacted as at the balance sheet date.

2.18 Provisions, contingent liabilities and contingent assets

i) Provision

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if the Company has a present obligation as a result of past event, a probable outflow of resources is expected to settle the obligation and the amount of the obligation can be reliably estimated.

ii) Contingent liabilities and assets

Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise, or is a present obligation that arises from past events but is not recognised because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made. Contingent liabilities are disclosed and not recognised. Contingent assets are neither recognised not disclosed.

2.19 Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity together with any dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

2.20 Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns, internal organisation and management structure and the internal performance reporting systems. The accounting policies adopted for the segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of the their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under “unallocable revenue / expenses / asset / liabilities”.

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in lacs)

		As at 31.03.2016	As at 31.03.2015
3.	**Share capital**		
	Authorised:		
	50,000,000 Equity shares of ₹ 10 each	**5,000.00**	5,000.00
	(31.03.2015: 50,000,000 Equity shares of ₹ 10 each)		
	10,000,000 8.5% Non cumulative redeemable preference shares of ₹ 100 each	**10,000.00**	10,000.00
	(31.03.2015: 10,000,000 8.5% Non cumulative redeemable preference shares of ₹ 100 each)		
		15,000.00	15,000.00
	Issued, subscribed and fully paid up :		
	25,288,000 Equity shares of ₹ 10 each	**2,528.80**	2,528.80
	(31.03.2015: 25,288,000 Equity shares of ₹ 10 each)		
	10,000,000 8.5% Non cumulative redeemable preference shares of ₹ 100 each	**10,000.00**	10,000.00
	(31.03.2015: 10,000,000 8.5% Non cumulative redeemable preference shares of ₹ 100 each)		
		12,528.80	12,528.80

		For the year ended 31.03.2016		For the year ended 31.03.2015	
		No. of Shares	Amount	No. of Shares	Amount
3.	**Share capital**				
	Reconciliation of number of shares				
	Equity shares				
	Issued, subscribed and fully paid up:				
	At beginning of the year	**2,52,88,000**	**2,528.80**	2,52,88,000	2,528.80
	Issued during the year	**-**	**-**	-	-
	At end of the year	**2,52,88,000**	**2,528.80**	2,52,88,000	2,528.80
	Preference shares				
	8.5% Non cumulative redeemable preference shares				
	Issued:				
	At beginning of the year	**1,00,00,000**	**10,000.00**	1,00,00,000	10,000.00
	Issued during the year	**-**	**-**	-	-
	At end of the year	**1,00,00,000**	**10,000.00**	1,00,00,000	10,000.00
	Subscribed and fully paid up:				
	At beginning of the year	**1,00,00,000**	**10,000.00**	1,00,00,000	10,000.00
	Issued during the year	**-**	**-**	-	-
	At end of the year	**1,00,00,000**	**10,000.00**	1,00,00,000	10,000.00

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in lacs)

3. Share capital (Contd.)

Shares held by holding company or its subsidiaries

	For the year ended 31.03.2016		For the year ended 31.03.2015	
	No. of Shares	%	No. of Shares	%
Equity shares				
Tata Steel Limited (Holding Company)	1,26,67,590	50.09%	1,26,67,590	50.09%
	1,26,67,590	50.09%	1,26,67,590	50.09%
Preference shares				
8.5% Non cumulative redeemable preference shares				
Tata Steel Limited (Holding Company)	1,00,00,000	100.00%	1,00,00,000	100.00%
Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company	-	-	-	-
Equity shares				
Tata Steel Limited (Holding Company)	1,26,67,590	50.09%	1,26,67,590	50.09%

Rights, preferences and restrictions attached to shares

i) Equity shares

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

ii) Non-cumulative redeemable preference shares

Non-cumulative redeemable preference shares having a par value of ₹ 100 carries a fixed rate of dividend of 8.5%. The dividends proposed by the Board of Directors are subject to approval of the shareholders in the ensuing Annual General meeting. The dividends are not accumulated in case it is not approved by the Annual General Meeting. The preference shares are redeemable at par value after a period for 36 months from the date of allotment which was falling due in March 2015. The Board of Directors of Tata Steel Limited at its meeting held on February 06, 2015 have approved the extention of the period of redemption by a further period of 3 years with effect from April 01, 2015. In case of liquidation the preference shareholders will have preference over the equity shareholders over the distribution of remaining assets of the Company.

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in lacs)

	As at 31.03.2016			
	Capital Reserve	General Reserve	Deficit in Statement of Profit and Loss	Total
4. Reserves and surplus				
At the beginning of the year	**125.62**	**8,211.99**	**(1,999.79)**	**6,337.82**
Profit for the year	**-**	**-**	**5,061.13**	**5,061.13**
Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax ₹ 46.70 lacs) (Refer Note 9)	**-**	**-**	**(88.24)**	**(88.24)**
Proposed dividend on preference share			**(850.00)**	**(850.00)**
Proposed dividend on equity share			**(505.76)**	**(505.76)**
Tax on dividend			**(276.00)**	**(276.00)**
At the end of the year	**125.62**	**8,211.99**	**1,341.34**	**9,678.95**

	As at 31.03.2015			
	Capital Reserve	General Reserve	Deficit in Statement of Profit and Loss	Total
At the beginning of the year	125.62	8,211.99	(10,301.48)	(1,963.87)
Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax ₹ 32.92 lacs) (Refer Note 9)	-	-	(63.96)	(63.96)
Profit for the year	-	-	8,365.65	8,365.65
At the end of the year	**125.62**	**8,211.99**	**(1,999.79)**	**6,337.83**

	As at 31.03.2016		As at 31.03.2015	
	Long Term	Short Term	Long Term	Short Term
5. Borrowings				
A. Secured				
(a) Term loans				
From banks	2,000.00	-	4,000.00	-
(b) Repayable on demand				
From banks				
(i) Working capital demand loans	-	2,000.00	-	-
(ii) Cash credit	-	652.15	-	813.26
Total secured borrowings	**2,000.00**	**2,652.15**	**4,000.00**	**813.26**
B. Unsecured				
(a) Term loans				
From banks	4,375.00	-	5,333.33	-
(b) Buyer's credit from banks	-	7,420.28	-	4,349.30
(c) Bills discounted	-	1,151.61	-	-
(d) Acceptances	-	1,023.82	-	-
(e) Overdraft from banks	-	12.17	-	19.49
Total unsecured borrowings	**4,375.00**	**9,607.88**	**5,333.33**	**4,368.79**
Total borrowings	**6,375.00**	**12,260.03**	**9,333.33**	**5,182.05**

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

5. Borrowings

Name of the bank/instrument	As at 31.03.2016			As at 31.03.2015			Repayment terms	Security
	Long-term	Short-term	Current Maturity (Refer Note 8)	Long-term	Short-term	Current Maturity (Refer Note 8)		
Secured								
Central Bank of India	**2,000.00**	**-**	**2,000.00**	4,000.00	-	2,000.00	Loan carrying a variable rate of 9.95%. Repayable in 20 quarterly instalments of ₹ 50,000,000 each, commenced from June 2013 and ending on March 2018.	Secured by first pari passu charge over fixed assets (net block inclusive of land) of Kharagpur division of the Company, both present and future with other term lenders.
Working capital demand loans	**-**	**2,000.00**	**-**	-	-	-	Payable on demand	Secured by way of hypothecation first charge on Raw Material, Stock-in-process, Finished Goods, spares, stores, consumables, receivables and other current assets of the Company both present and future on pari passu basis with other working capital lenders.
Cash credit	**-**	**652.15**	**-**	-	813.26	-	Payable on demand	Secured by way of hypothecation first charge on raw material, Stock-in-process, finished goods, spares, stores, consumables, receivables and other current assets of the Company both present and future on pari passu basis with other working capital lenders.
Total secured borrowings	**2,000.00**	**2,652.15**	**2,000.00**	4,000.00	813.26	2,000.00		
Unsecured								
Federal Bank	**3,333.33**	**-**	**3,333.33**	5,333.33	-	2,666.67	Loan carrying a variable rate of 9.73%. Repayable in 12 quarterly instalments commencing from June 2015 and ending on March 2018.	
Kotak Mahindra Bank	**1,041.67**	**-**	**833.33**	-	-	-	Loan carrying a variable rate of 9.70%. Repayable in 12 quarterly instalments commencing from September 2015 and ending on June 2018.	
Inter corporate deposit	**-**	**-**	**2,200.00**	-	-	2,200.00	Repayable or converted into long term financial instrument after finalisation of the financing plan for the Karnataka Project or 31 March 2017 whichever is earlier.	
Buyer's credit from banks	**-**	**7,420.28**	**-**	-	4,349.30	-	Buyer's Credit from Banks are repayable at the end of six months from the respective dates of disbursement which are falling due from April 2016.	
Bills discounted	**-**	**1,151.61**	**-**	-	-	-		
Acceptances	**-**	**1,023.82**	**-**	-	-	-		
Overdraft from banks	**-**	**12.17**		-	19.49	-	Payable on demand	
Total unsecured borrowings	**4,375.00**	**9,607.88**	**6,366.67**	5,333.33	4,368.79	4,866.67		
Total borrowings	**6,375.00**	**12,260.03**	**8,366.67**	9,333.33	5,182.05	6,866.67		

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in lacs)

	As at 31.03.2016		As at 31.03.2015	
	Long Term	Short Term	Long Term	Short Term
6. Provisions				
(a) Post-employment defined benefits				
(i) Retirement gratuity	**87.52**	**-**	99.00	-
(ii) Post retirement pension	**178.08**	**19.07**	178.95	19.06
(iii) Post retirement medical benefits	**17.98**	**1.93**	18.07	1.93
(b) Other employee benefits -				
Compensated absence	**567.63**	**10.01**	464.41	9.35
(c) Provisions for income tax [Net of advances tax of ₹ 4079.34 Lacs (31.03.2015 ₹ 2734.27 Lacs)]	**-**	**381.12**	-	60.19
(d) Provision for entry tax	**-**	**2,038.87**	-	1,182.15
(e) Proposed dividend	**-**	**1,355.76**	-	-
Total provisions	**851.21**	**3,806.76**	760.43	1,272.68

	As at 31.03.2016	As at 31.03.2015
7. Trade payables		
(a) Outstanding dues of micro enterprises and small enterprises		
Creditors for supplies and services	**125.99**	38.24
Total outstanding dues of micro enterprises and small enterprises	**125.99**	38.24
(b) Outstanding dues of creditors other than micro enterprises and small enterprises		
(i) Creditors for supplies and services	**18,433.96**	24,497.46
(ii) Creditors for accrued wages and salaries	**1,148.64**	681.69
Total outstanding dues of creditors other than micro enterprises and small enterprises	**19,582.60**	25,179.15
Total trade payables	**19,708.59**	25,217.39

	As at 31.03.2016	As at 31.03.2015
8. Other current liabilities		
(a) Current maturities of long-term debts (refer Note 5)	**8,366.67**	6,866.67
(b) Interest accrued but not due on borrowings	**395.39**	391.12
(c) Unpaid dividends	**-**	44.08
(d) Advances received from customers	**438.98**	664.25
(e) Advances received from holding company	**1,464.98**	1,464.98
(f) Security deposits from vendors	**14.99**	12.99
(g) Creditors for other liabilities		
i) Creditors for capital goods and services	**29.40**	24.26
ii) Employee recoveries and employer contributions	**4.98**	4.87
iii) Statutory dues (excise duty, service tax, sales tax, TDS etc.)	**98.51**	174.51
iv) Derivatives - foreign currency forward contract	**521.06**	131.06
Total other current liabilities	**11,334.96**	9,778.79

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in lacs)

9. Tangible assets

	Freehold land	Leasehold land	Freehold buildings	Plant and machinery	Furniture and fixtures	Office equipments	Vehicles	Data processing equipments	Railway sidings	Total tangible assets
As at 31.03.2016										
Cost at be ginning of year	**1,440.25**	**99.15**	**5,466.11**	**22,742.24**	**95.49**	**205.80**	**134.06**	**234.60**	**561.58**	**30,979.28**
Additions	**-**	**-**	**35.47**	**118.81**		**20.93**	**19.16**	**3.46**	**-**	**197.83**
Disposals	**-**	**-**	**-**	**(286.10)**	**-**	**-**	**(7.27)**	**-**	**-**	**(293.37)**
Cost at end of year	**1,440.25**	**99.15**	**5,501.58**	**22,574.95**	**95.49**	**226.73**	**145.95**	**238.06**	**561.58**	**30,883.74**
Impairment at beginning of the year	**-**	**-**	**-**	**188.54**	**-**	**-**	**-**	**-**	**-**	**188.54**
Impairment for the year (Refer note 3)				**(31.31)**						**(31.31)**
Disposals	**-**	**-**	**-**	**(145.79)**	**-**	**-**	**-**	**-**	**-**	**(145.79)**
Impairment at end of the year	**-**	**-**	**-**	**11.44**	**-**	**-**	**-**	**-**	**-**	**11.44**
Depreciation at beginning of year	**-**	**20.03**	**824.22**	**9,014.00**	**95.43**	**141.00**	**45.84**	**202.11**	**476.75**	**10,819.38**
Charge for the year	**-**	**1.00**	**165.27**	**1,080.37**	**0.03**	**19.65**	**26.88**	**15.64**	**34.45**	**1,343.29**
Transition adjustment recorded against Deficit balance in Statement of Profit and Loss (Note: 1)	**-**	**-**	**-**	**134.94**	**-**	**-**	**-**	**-**	**-**	**134.94**
Disposals	**-**	**-**	**-**	**(109.00)**		**-**	**(7.27)**	**-**	**-**	**(116.27)**
Depreciation at end of the year	**-**	**21.03**	**989.49**	**10,120.31**	**95.46**	**160.65**	**65.45**	**217.75**	**511.20**	**12,181.34**
Net book value at beginning of year	**1,440.25**	**79.12**	**4,641.89**	**13,539.70**	**0.06**	**64.80**	**88.22**	**32.49**	**84.83**	**19,971.36**
Net book value at end of year	**1,440.25**	**78.12**	**4,512.09**	**12,443.20**	**0.03**	**66.08**	**80.50**	**20.31**	**50.38**	**18,690.94**
	Freehold land	Leasehold land	Freehold buildings	Plant and machinery	Furniture and fixtures	Office equipments	Vehicles	Data processing equipments	Railway sidings	Total tangible assets
As at 31.03.2015										
Cost at beginning of year	1,187.87	99.15	5,625.41	23,109.99	104.55	195.20	93.78	270.47	561.58	31,248.00
Additions	252.38	-	2.62	97.83	-	30.88	68.78	13.54		466.03
Disposals	-	-	(161.92)	(465.58)	(9.06)	(20.28)	(28.50)	(49.41)	-	(734.75)
Cost at end of year	1,440.25	99.15	5,466.11	22,742.24	95.49	205.80	134.06	234.60	561.58	30,979.28
Impairment at beginning of the year	-	-	-	11.44	-	-	-	-	-	11.44
Impairment for the year (Note: 3)	-	-	-	177.10	-	-	-	-	-	177.10
Disposals (Refer Note : 3)	-	-	-	-	-	-	-	-	-	-
Impairment at end of the year	-	-	-	188.54	-	-	-	-	-	188.54
Depreciation at beginning of year	-	19.03	655.45	8,035.06	68.86	74.93	29.16	232.04	442.30	9,556.83
Charge for the year	-	1.00	159.83	946.03	29.86	20.08	32.04	17.58	34.45	1,240.87
Transition adjustment recorded against Deficit balance in Statement of Profit and Loss (Note: 2)			8.94	32.91		53.54		1.49		96.88
Disposals					(3.29)	(7.55)	(15.36)	(49.00)		(75.21)
Depreciation at end of year	-	20.03	824.22	9,014.00	95.43	141.00	45.84	202.11	476.75	10,819.37
Asset held for disposal (Note: 4)				841.96						841.96
Disposals				(841.96)						(841.96)
Asset held for disposal at end of the year	-	-	-	-	-	-	-	-	-	-
Net book value at beginning of year	1,187.87	80.12	4,969.96	15,905.45	35.69	120.27	64.62	38.43	119.28	22,521.69
Net book value at end of year	1,440.25	79.12	4,641.89	13,539.70	0.06	64.80	88.22	32.49	84.83	19,971.37

1. In the current year, the Company has carried out componentisation of fixed asset with the help of an external valuer, which has resulted into reclassification of certain assets and change in useful life of certain components. The resultant impact due to above exercise in cases where the useful life of the component has become NIL has been adjusted with opening balance of retained earning amounting to ₹ **88.24 lacs** (net of deferred tax ₹ **46.70**). Further due to certain reclassification of tangible asset an amount of ₹ **22.88 lacs** has been adjusted with depreciation charge of current period in the statement of profit and loss account.
2. During the previous year,pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, where the remaining useful life of the asset was determined to be NIL as on April 1, 2014, and has adjusted an amount of ₹ **63.96 lacs** (net of deferred tax of ₹ **32.92 lacs**) against the opening deficit balance in the statement of profit and loss under Reserves and Surplus.
3. The Company had conducted an impairment study of the de-sulphurisation unit considering the same being inoperative since 2012 and based upon the same entire carrying value of ₹ **177.10 lacs** has been recognized as impairment loss and disclosed under Exceptional item in the previous year. De-sulphurisation unit was carried at zero value in the books, in the current year it has been sold at ₹ **31.31 lacs** and hence reversal of the same has been done from impairment.
4. Asset held for disposal represents discarded assets of Redi unit.
5. Other than lease hold land all other tangible assets are owned by the Company.

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in lacs)

	As at 31.03.2016	
	Computer Software	**Total Intangible Assets**
10. Intangible assets		
Cost at beginning of the year	**75.30**	**75.30**
Additions	**-**	**-**
Cost at end of the year	**75.30**	**75.30**
Amortisation at beginning of the year	**33.88**	**33.88**
Charge for the year	**15.06**	**15.06**
Amortisation at end of the year	**48.94**	**48.94**
Net book value at end of the year	**26.36**	**26.36**

	As at 31.03.2015	
	Computer Software	Total Intangible Assets
Cost at beginning of the year	75.30	75.30
Cost at end of the year	75.30	75.30
Amortisation at beginning of the year	18.82	18.82
Charge for the year	15.06	15.06
Amortisation at end of the year	33.88	33.88
Net book value at end of the year	41.42	41.42

	As at 31.03.2016	As at 31.03.2015
11. Non-current investments		
Investments (At cost)		
Trade		
a) Investments in equity instruments of a subsidiary (Unquoted) 179,400,007 (31.03.2015: 179,400,007) shares of ₹ 10 each fully paid up in Tata Metaliks DI Pipes Limited	**9,180.49**	9,180.49
b) Investments in 8% non-cumulative preference shares of a subsidiary (Unquoted) **42,00,000** (31.03.2015: 42,00,000) shares of ₹ 100 each fully paid up in Tata Metaliks DI Pipes Limited	**4,200.00**	4,200.00
Investments in national savings certificates (Unquoted)	**1.52**	1.52
Total non-current investments	**13,382.01**	13,382.01
Aggregate amount of unquoted investments	**13,382.01**	13,382.01

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in lacs)

	As at 31.03.2016		As at 31.03.2015	
	Long Term	Short Term	Long Term	Short Term
12. Loans and advances				
(Unsecured, considered good)				
(a) Capital advances	**4,896.74**	**-**	5,826.66	-
(b) Security deposits	**43.44**	**-**	53.69	-
(c) Advance with public bodies	**-**	**311.60**	-	307.84
(d) Loans and advances to related parties				
Inter-corporate deposit	**-**	**-**	-	510.00
(e) Other loans and advances				
i) Prepayments and others	**2.60**	**1,987.74**	2.60	845.75
ii) Advance income tax [Net of provision for tax ₹ **573 Lacs** (31.03.2015 : ₹ 573 Lacs	**294.11**	**-**	294.11	-
Total loans and advances	**5,236.89**	**2,299.34**	6,177.06	1,663.59

	As at 31.03.2016	As at 31.03.2015
13. Other non-current assets		
(a) Deposits with banks having maturity of more than one year		
Deposits with banks submitted as security with government agency	**0.20**	1.20
(b) Unamortised expenses		
Unamortised issue expenses of long-tem loans	**6.36**	17.36
Total other non current assets	**6.56**	18.56

	As at 31.03.2016	As at 31.03.2015
14. Inventories		
(a) Deposits with banks having maturity of more than one year	**6,169.71**	6,150.95
(b) Raw materials (At lower of cost or net realisable value)	**1,530.65**	711.98
(c) Finished goods (At lower of cost or net realisable value)	**290.21**	354.50
(d) Stores and spares (At or lower than cost)	**7,990.57**	7,217.43
Total inventories		
Included above, goods-in-transit:		
(a) Raw materials	**915.80**	865.33
(b) Finished goods	**561.60**	25.81
	1,477.40	891.14

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in lacs)

	As at 31.03.2016	As at 31.03.2015
15. Trade receivable		
a) More than six months (from the date they were due for payment)		
Considered good	**3,008.66**	-
Considered doubtful	**74.58**	74.58
Less: Provision of doubtful debts	**(74.58)**	(74.58)
b) Others -considered good	**21,281.19**	21,510.80
Net trade receivables	**24,289.85**	21,510.80
Classification of trade receivables		
Secured, considered good	**-**	-
Unsecured, considered good	**24,289.85**	21,510.80
Unsecured, considered doubtful	**74.58**	74.58
Total trade receivables	**24,364.43**	21,585.38

	As at 31.03.2016	As at 31.03.2015
16. Cash and bank balances		
Cash and cash equivalents		
(a) Cash on hand	**0.51**	1.38
(b) Balances with banks		
In current accounts	**4.78**	171.69
Total cash and cash equivalents	**5.29**	173.07
(c) Other bank balances [(1)]	**–**	44.08
(d) Fixed deposits maturing greater than 3 months	**1.00**	11.50
Total cash and bank balances	**6.29**	228.65
Included above		
1. Earmarked balances for unpaid dividend	**–**	44.08

	As at 31.03.2016	As at 31.03.2015
17. Other current assets		
(a) Interest accrued on deposits, loans and advances	**123.07**	84.75
(b) Unamortised expenses		
(i) Unamortised issue expenses of long-tem loans	**11.00**	11.00
(ii) Unamortised premium on forward contracts	**180.93**	60.36
Total other current assets	**315.00**	156.11

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in lacs)

	For the year ended 31.03.2016	For the year ended 31.03.2015
18. Revenue from operations		
(a) Sale of Goods		
i) Pig iron	**1,01,591.59**	1,22,312.65
ii) Coal	**250.31**	-
iii) Coke	**86.75**	-
iv) Limestone	**39.64**	82.59
(b) Other operating income	**1,865.89**	367.20
Gross revenue from operations	**1,03,834.18**	1,22,762.44
Note :		
Other operating income comprise:		
(a) Subsidy from State Government	**1,247.14**	-
(b) Sale of blast furnace gas	**478.58**	224.57
(c) Sale of metal scrap	**85.16**	134.79
(d) Others	**55.01**	7.84
	1,865.89	367.20

	For the year ended 31.03.2016	For the year ended 31.03.2015
19. Other income		
(a) Interest received from deposits, advances, etc.	**39.40**	84.78
(b) Dividend income from current investments	**0.82**	2.28
(c) Impairment provision written back	**31.31**	-
(d) Provisions no longer required written back	**-**	16.29
(e) Miscellaneous Income	**18.44**	27.08
Total other income	**89.97**	130.43

	For the year ended 31.03.2016	For the year ended 31.03.2015
20. Cost of materials consumed		
Raw material consumed		
i) Opening stock	**6,150.95**	6,686.71
ii) Add: Purchases	**61,671.83**	72,360.67
	67,822.78	79,047.38
iii) Less: Closing stock	**6,169.71**	6,150.95
	61,653.07	72,896.43
Raw material consumed comprises		
i) Iron ore	**20,618.78**	27,546.86
ii) Coke	**37,130.26**	41,058.20
iii) Fluxes	**3,904.03**	4,291.37
	61,653.07	72,896.43

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in lacs)

	For the year ended 31.03.2016	For the year ended 31.03.2015
21. Changes in stock of finished goods		
Stock at the beginning of the period		
Finished goods	**711.98**	1,147.06
	711.98	1,147.06
Stock at the end of the period		
Finished goods	**1,530.65**	711.98
	1,530.65	711.98
Net (increase)/decrease in finished goods	**(818.67)**	435.08

	For the year ended 31.03.2016	For the year ended 31.03.2015
22. Employee benefits expense		
(a) Salaries and wages, including bonus	**3,402.91**	2,899.44
(b) Contribution to provident and other funds	**344.19**	440.35
(c) Staff welfare expenses	**254.64**	191.32
Total employee benefits expense	**4,001.74**	3,531.11

	For the year ended 31.03.2016	For the year ended 31.03.2015
23. Finance costs		
(a) Interest expense		
i) Interest on borrowings	**1,577.78**	864.98
ii) Interest on others	**543.82**	493.28
	2,121.60	1,358.26
(b) Other borrowing costs	**1,174.79**	1,861.85
Total finance costs	**3,296.39**	3,220.11

Note : Interest on others include interest payable u/s 234C of Income tax Act,1961 of ₹ 38.47 lacs (2014-15 ₹ Nil)

	For the year ended 31.03.2016	For the year ended 31.03.2015
24. Depreciation and amortisation expense		
(a) Depreciation on tangible assets as per Note 9.	**1,343.04**	1,237.13
(b) Amortisation on intangible assets as per Note 10.	**15.06**	15.06
Total depreciation and amortisation expense	**1,358.10**	1,252.19

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in lacs)

		For the year ended 31.03.2016	For the year ended 31.03.2015
25.	**Other expenses**		
(a)	Consumption of stores and spare parts	**4,825.65**	5,330.83
(b)	Repairs to buildings	**59.18**	142.43
(c)	Repairs to machinery	**787.74**	969.04
(d)	Repairs to others	**350.85**	386.89
(e)	Power and fuel	**772.19**	822.69
(f)	Electricity charges	**2,394.91**	2,412.76
(g)	Freight and handling charges	**3,951.40**	3,579.37
(h)	Rent	**110.39**	101.02
(i)	Rates and taxes	**136.14**	124.31
(j)	Insurance charges	**138.02**	123.85
(k)	Commission, discounts and rebates	**321.74**	356.94
(l)	Excise duties (refer note 32)	**196.93**	224.38
(m)	Provision for doubtful debts	**-**	0.70
(n)	Other expenses		
	i) Loss/(Gain) on foreign currency transactions	**(62.99)**	(518.80)
	ii) Loss/(Gain) on cancellation of forward contracts	**(36.45)**	361.67
	iii) Premium on foreign currency forward contracts	**640.63**	933.01
	iv) (Profit)/ Loss on sale of tangible fixed assets	**-**	0.92
	v) Auditors remuneration and out-of-pocket expenses		
	As Auditors - statutory audit	**26.00**	26.00
	For taxation matters	**2.00**	2.00
	For other services	**18.71**	8.25
	Auditors out-of-pocket expenses	**0.76**	0.26
	vi) Legal and other professional costs	**163.48**	233.57
	vii) Advertisement, sales promotion and other selling expenses	**57.79**	66.40
	viii) Travelling expenses	**214.98**	187.07
	ix) Bank charges	**101.73**	146.96
	x) Wealth tax	**-**	4.50
	xi) Corporate social responsibility expenses	**111.87**	-
	xii) Other general expenses	**1,634.72**	1,603.46
	Total other expenses	**16,918.37**	17,630.48

		For the year ended 31.03.2016	For the year ended 31.03.2016
26.	**Exceptional items**		
	(a) Impairment of tangible assets (refer Note: 9)	**–**	177.10
	Total exceptional items	**–**	177.10

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in lacs)

	As at 31.03.2016	As at 31.03.2015
27. Contingent liabilities		
A Contingent liabilities		
(a) Excise & service tax	**8,913.16**	7,870.68
(b) Income tax	**138.23**	144.01
(c) Sales tax & VAT	**99.46**	-
B Others		
(a) Guarantees given to banks on behalf subsidiary company for term loans [1 & 2]	**7,851.81**	7,408.62
[1] Includes a guarantee denominated in US dollar - USD **11,850,000** (31.03.2015: USD 11,850,000)		
[2] Loan outstanding against the guarantee as at 31.03.2016 ₹ **39,259,050** (31.03.2015 : ₹ 185,215,500)		
(b) Bill discounted	**418.47**	1,588.43
(c) Bank Guarantee	**497.05**	609.00

28. Tata Steel Limited has given undertakings to Sumitomo Mitsui Banking Corporation not to dispose of the management control in Tata Metaliks DI Pipes Limited (Formerly known as Tata Metaliks Kubota Pipes Limited) held through the Company so long as the dues to Sumitomo Mitsui Banking Corporation is subsisting by Tata Metaliks DI Pipes Limited.

	As at 31.03.2016	As at 31.03.2015
29. Capital and other commitments		
Capital commitments		
i) Estimated value of contracts in capital account remaining to be executed (net of advances)	**3,231.75**	9,667.78

	As at 31.03.2016	As at 31.03.2015
30. Value of Imports (CIF)		
(a) Raw materials	**11,919.83**	10,089.29
(b) Spares	**23.49**	64.63

	As at 31.03.2016	As at 31.03.2015
31. Expenditure in foreign currency (on accrual basis)		
(a) Interest	**82.76**	80.56
(b) Foreign travel	**17.52**	12.38
(c) Other expenses	**3.41**	5.70

	For the year ended 31.03.2016	For the year ended 31.03.2015
32. Details of excise duty pertaining to (accretion)/reduction to stock of finished goods is as under		
(a) On opening stock	**70.84**	295.64
(b) On closing stock	**267.77**	70.84
	196.93	224.80

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in lacs)

		For the year ended 31.03.2016	For the year ended 31.03.2015
33.	**Earnings per share**		
i)	Profit for the period from continuing operations	**5,116.17**	8,425.56
	Less: Preference dividend and tax thereon	**1,023.04**	-
	Profit / (loss) for the year from continuing operations attributable to the equity shareholders	**4,093.13**	8,425.56
ii)	Profit for the period from total operations	**5,061.13**	8,365.65
	Less: Preference dividend and tax thereon	**1,023.04**	-
	Profit / (loss) for the year from continuing operations attributable to the equity shareholders	**4,038.09**	8,365.65
iii)	Weighted average no.of ordinary shares for basic and diluted EPS (Nos)	**2,52,88,000**	2,52,88,000
iv)	Nominal value per ordinary share (₹)	**10**	10
v)	Earnings per ordinary share from continuing operation (₹) - Basic	**16.19**	33.32
vi)	Earnings per ordinary share from total operations (₹) - basic	**15.97**	33.08
vii)	Earnings per ordinary share from continuing operations (₹) - Diluted	**16.19**	33.32
viii)	Earnings per ordinary share for the year (₹) - diluted	**15.97**	33.08

		For the year ended 31.03.2016		For the year ended 31.03.2015	
		%	**₹ Lacs**	%	₹ Lacs
34.	**Consumption of imported and indigenous materials**				
(a)	Raw materials consumed				
	- Indigenous	**78.33%**	**48,292.48**	84.03%	61,255.49
	- Imported	**21.67%**	**13,360.59**	15.97%	11,640.94
		100.00%	**61,653.07**	100.00%	72,896.43
(b)	Stores and spare parts				
	- Indigenous	**99.51%**	**4,802.16**	98.79%	5,266.20
	- Imported	**0.49%**	**23.49**	1.21%	64.63
		100.00%	**4,825.65**	100.00%	5,330.83

35. Unhedged foreign currency exposures

The foreign currency exposures at the year end that have not been hedged by a derivative instrument or other wise are given below :

		As at 31.03.2016		As at 31.03.2015	
		US Dollar Equivalent	**Amount ₹ Lacs**	US Dollar Equivalent	Amount ₹ Lacs
(a)	Creditors for supplies and services	**13,00,000**	**861.38**	12,19,967	762.54
(b)	Interest and commitment charges payable	**17,982**	**11.91**	14,957	9.35

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in lacs)

	No. of Contracts	US Dollar Equivalent	Amount ₹ Lacs
36. Derivative instruments			
As at **31.03.2016**	**16**	**2,02,04,092.10**	**13,387.23**
As at 31.03.2015	11	70,01,833.00	4,376.49

37. Due to Micro Small and Medium Enterprises

The amount due to Micro Small and Medium Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises as at 31st March, 2016 are as under:

	Description	As at 31.03.2016	As at 31.03.2015
i)	The principal amount remaining unpaid to supplier as at the end of the year	**125.99**	38.24
ii)	The interest due thereon remaining unpaid to supplier as at the end of the year	**-**	-
iii)	The amount of interest paid in terms of section 16 along with the amounts of the payment made to the supplier beyond the appointed day	**-**	-
iv)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	**-**	-
v)	The amount of interest accrued during the year and remaining unpaid at the end of the year	**-**	-
vi)	The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	**-**	-

38. Segment reporting

The Company has identified the business segment as its primary segment. The Company is engaged in production and sale of Pig Iron and hence Pig Iron is the only reportable business segment in accordance with Accounting Standard 17 - Segment Reporting. The Company is operating only within India and hence India is the only geographical segment.

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in lacs)

39. Related party transactions

Related party relationship	
Name of the related party	**Nature of Relationship**
Tata Steel Limited	**Holding Company**
Tata Metaliks DI Pipes Limited	**Subsidiary**
TM International Logistics Limited	**Fellow Subsidiary**
Tata Sponge Iron Limited	
The Indian Steel & Wire Products Limited	
TKM Global Logistics Limited	
Tata Steel Global Procurement Pte Limited	
Tata Steel Processing and Distribution Limited	
Key Managerial Person -	
Mr. Sanjiv Paul	**Managing Director**
Mr. Sankar Bhattacharya	**Company Secretary**
Mr. Subhra Sengupta	**Chief Financial Officer**

Name of the related party	Nature of transaction	For the year ended 31.03.2016	For the year ended 31.03.2015
Tata Steel Limited	**Purchase of raw materials**	**16,443.75**	13,781.31
	Services received	**158.98**	138.46
	Sale of materials	**260.39**	-
	Rendering of services	**13.15**	-
Tata Metaliks DI Pipes Ltd.	**Sale of molten metal and BF gas**	**30,808.28**	32,018.76
	Rent received	**60.12**	57.03
	Repayment of inter corporate deposit	**5.10**	-
	Expenses reimbursed	**7.99**	5.76
TM International Logistics Limited	**Services received**	**1,156.50**	862.62
The Indian Steel & Wire Products Ltd.	**Purchase of goods**	**1.18**	-
Tata Sponge Iron Limited	**Purchase of goods**	**28.23**	598.78
Tata Steel Global Procurement Pte Limited	**Purchase of goods**	**942.80**	4,016.82
TKM Global Logistics Limited	**Receiving of services**	**-**	0.38
Mr. Sanjiv Paul	**Remuneration paid**	**166.62**	144.17
Mr. Sankar Bhattacharya	**Remuneration paid**	**20.86**	19.76
Mr. Subhra Sengupta	**Remuneration paid**	**45.90**	35.56

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in lacs)

Name of the related party	Nature of transaction	For the year ended 31.03.2016	For the year ended 31.03.2015
Name of the related party	**Nature of outstanding**	**As at 31.03.2016**	As at 31.03.2015
Tata Steel Limited	**Inter corporate deposits received**	**2,200.00**	2,200.00
	Advance payable	**1,464.98**	1,464.98
	Outstanding payables	**1,085.37**	2,491.95
	Outstanding receivables	**8.24**	-
	Interest payable	**317.78**	317.78
Tata Metaliks DI Pipes Limited	**Outstanding receivables**	**21,402.32**	15,974.26
	Inter corporate deposits placed	**-**	510.00
TM International Logistics Limited	**Advances paid**	**104.33**	47.42
Tata Steel Global Procurement Pte Limited	**Outstanding payables**	**915.80**	768.05
TKM Global Logistics Limited	**Outstanding payables**	**-**	0.38

	As at 31.03.2015	Charge/ (Credit) to the statement of profit and loss	Taken to reserves	As at 31.03.2016
40. Deferred tax liability / (assets)				
(i) Difference between book depreciation and tax depreciation	2,052.41	**247.31**	**(46.70)**	**2,253.02**
	2,052.41	**247.31**	**(46.70)**	**2,253.02**
Deferred tax assets				
(i) Employee separation scheme	(145.42)	**74.03**	**-**	**(71.39)**
(ii) Unabsorbed depreciation	(1,558.50)	**-**		**(1,558.50)**
(iii) Unabsorbed business loss	(348.49)	**348.49**	**-**	**-**
(iv) Entry tax provision	-	**(623.13)**		**(623.13)**
	(2,052.41)	**(200.61)**	**-**	**(2,253.02)**
Net deferred tax liability /(asset)	-	**46.70**	**(46.70)**	**-**

The Company has recognised deferred tax asset on unabsorbed depreciation, unabsorded business losses and entry tax provision to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax.

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in lacs)

	For the year ended 31.03.2016	For the year ended 31.03.2015
41. Employee benefits		
Defined contribution plans		
The Company has recognised an amount of ₹ 256.48 lacs in expenses for the year ended 31.03.2016 (Previous year ₹ 239.93 lacs) towards contribution to the following defined contribution plans:		
Provident fund	**167.06**	152.68
Superannuation fund	**89.42**	87.24
Total	**256.48**	239.92

Defined benefit plans

The Company provided the following employee benefits

Funded : Gratuity

Non Funded: Compensated absence

Non Funded: Pension

Non Funded: Post retirement medical benefit

Details of the gratuity plan are as follows :

Description	2015-16	2014-15
1. Reconciliation of opening and closing balances of obligation		
a. Obligation as at beginning of the year	**755.99**	560.89
b. Current service cost	**63.30**	46.81
c. Interest cost	**58.96**	49.23
d. Settlement cost/(credit)	**-**	-
e. Acquitions cost/(credit)	**-**	17.40
f. Actuarial (gain)/loss	**27.28**	133.17
g. Benefits paid	**19.23**	51.51
h. Obligation as at end of the year	**886.30**	755.99
2. Change in fair value of plan assets		
a. Fair value of plan assets as at beginning of the year	**656.99**	229.90
b. Acquition adjustment	**-**	17.40
c. Expected return on plan assets	**61.02**	38.92
d. Actuarial gain/(loss)	**-**	11.09
e. Contributions made by the company	**100.00**	433.37
f. Benefits paid	**19.23**	51.51
g. Fair value of plan assets as at end of the year	**798.78**	656.99
3. Reconciliation of fair value of plan assets and obligations		
a. Present value of obligation	**886.30**	755.99
b. Fair value of plan assets	**798.78**	656.99
c. Amount recognised in the balance sheet asset/(liability)	**(87.52)**	(99.00)

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in lacs)

Description	2015-16	2014-15
4. Expenses recognised during the year		
a. Current service cost	**63.30**	46.81
b. Interest cost	**58.96**	49.23
c. Expected return on plan assets	**(61.02)**	(38.92)
d. Actuarial (gain)/loss	**27.28**	144.26
e. Expenses recognised during the year	**88.52**	201.38
5. Investment details	**% invested**	% invested
a. Others (Funds with Life Insurance Corporation of India)	**100.00**	100.00
# The breakup of the fund assets are not provided by the insurance company.		
6. Assumptions (%)		
a. Discount rate (per annum)	**7.75%**	7.90%
b. Estimated rate of return on plan assets (per annum)	**8.75%**	8.75%
c. Rate of escalation in salary	**7.50%**	7.50%

	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
7. Experience adjustments					
a. Present value of obligation	**886.30**	755.99	560.89	415.21	419.25
b. Fair value of plan assets	**798.78**	656.99	229.90	342.09	161.08
c. Amount recognised in the balance sheet asset/(liability)	**(87.52)**	(99.00)	(330.99)	(73.12)	(258.17)
d. Experience adjustments on plan liabilities (gain/(loss))	**(14.04)**	(38.57)	(236.20)	27.73	91.12
e. Experience adjustments on plan assets (gain/(loss))	**-**	(11.09)	-	3.93	(24.77)

Description	2015-16	2014-15
Details of the compensated absence benefit are as follows		
1. Reconciliation of opening and closing balances of obligation		
a. Obligation as at beginning of the year	**473.76**	368.99
b. Current service cost	**59.28**	55.76
c. Interest cost	**36.43**	32.22
d. Settlement cost /(credit)	**-**	-
e. Acquisition cost/(credit)	**-**	-
f. Actuarial (gain)/loss	**33.42**	54.81
g. Benefits paid	**25.25**	38.02
h. Obligation as at end of the year	**577.64**	473.76

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in lacs)

	Description	2015-16	2014-15
2.	**Expenses recognised during the year**		
	a. Current service cost	**59.28**	55.76
	b. Interest cost	**36.43**	32.22
	c. Settlement cost /(credit)	**-**	-
	d. Actuarial gain/(loss)	**33.42**	54.81
	e. Expenses recognised during the year	**129.13**	142.79
3.	**Assumptions (%)**		
	a. Discount rate (per annum)	**7.75%**	7.90%
	b. Estimated rate of return on plan assets (per annum)	**NA**	NA
	c. Rate of escalation in salary	**7.50%**	7.50%

		31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
4.	**Experience adjustments**					
a.	Present value of obligation	**577.64**	473.76	368.99	293.94	377.03
b.	Experience adjustments on plan liabilities gain/(loss)	**2.48**	2.38	8.57	(46.96)	85.53

	Description	2015-16	2014-15
	Details of the post retirement pension benefit (un-funded) are as follows :		
1.	Reconciliation of opening and closing balances of obligation		
	a. Obligation as at beginning of the year	**198.01**	182.24
	b. Interest cost	**14.86**	15.86
	c. Actuarial (gain)/loss	**4.08**	19.71
	d. Benefits paid	**(19.80)**	(19.80)
	e. Obligation as at end of the year	**197.15**	198.01
2.	**Expenses recognised during the year**		
	a. Interest cost	**14.86**	15.86
	b. Actuarial (gain)/loss	**4.08**	19.71
	c. Expenses recognised during the year	**18.94**	35.57
3.	**Assumptions (%)**		
	a. Discount rate (per annum)	**7.75%**	7.90%

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in lacs)

	Description	2015-16	2014-15
	Details of the post retirement medical benefit (un-funded) are as follows :		
1.	**Reconciliation of opening and closing balances of obligation**		
	a. Obligation as at beginning of the year	**20.00**	18.41
	b. Interest cost	**1.58**	1.69
	c. Actuarial (gain)/loss	**(1.67)**	(0.10)
	d. Benefits paid	**-**	-
	e. Obligation as at end of the year	**19.91**	20.00
2.	**Expenses recognised during the year**		
	a. Interest cost	**1.58**	1.69
	b. Actuarial (gain)/loss	**(1.67)**	(0.10)
	c. Expenses recognised during the year	**(0.09)**	1.59
3.	**Assumptions (%)**		
	a. Discount rate (per annum)	**7.75%**	7.90%

Additional information:

1. The estimate of future salary increases take into account inflation, seniority, promotion and other relevant factors.
2. Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.
3. Expected rate of return on plan assets is based on the average long term rate of return expected on investments of the Fund during the estimated term of the obligation
4. In the absence of detailed information regarding plan assets which is funded with Life Insurance Corporation of India, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.
5. Net laibilities for pension, post retirement medical benefits and gratuities are disclosed in Note 6 under the heading Post-employment defined benefits.
6. Expenses relating to pension and post retirement medical benefits are included under the heading salaries and wages including bonus in Note 22(a) whereas expenses for retiring gratuities are included under the contribution to provident and other funds in Note 22(b).

42. Discontinuing operations

Based on decision of the Board of Directors of the Company at its meeting held on November 19, 2012 the Company has filed an application with the appropriate authority for closure of the Redi Plant, located at Terekhol Road, Dist: Sindhudurg, Redi - 416 517, Maharashtra, in accordance with the provisions of the Industrial Disputes Act, 1947. The application was initially rejected by the authority and the company has filed a review petition before the same authority. In the mean time the Company has negotiated with the employees for settlement and an agreement was signed on March 25, 2013 with the employees' union. The Company and the employees' union have filed the settlement details with the Commissioner of Labour to facilitate the closure process. The carrying value of fixed assets, current assets and current liabilities of the Redi Plant as at March 31, 2016, were ₹ **1,187.91 lacs** (March 31, 2015 ₹ 1,188.16 lacs), ₹ **25.37 lacs** (March 31, 2015 ₹ 42.33 lacs) and ₹ **29.82 lacs** (March 31, 2015 ₹ 72.62 lacs) respectively.

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in lacs)

Particulars	Twelve Months Ended 31.03.2016	Twelve Months Ended 31.03.2015
Gross revenue	**3.18**	222.15
Excise duty	**0.35**	119.08
Revenue from operations	**2.83**	103.07
Other income	**1.92**	9.21
Total revenue (A)	**4.75**	112.28
Raw materials consumed	**-**	22.27
Changes in stock of finished goods	**-**	-
Employee benefits expense	**16.70**	20.26
Finance cost	**-**	-
Depreciation	**0.25**	3.73
Other expenses	**42.84**	125.93
Total expenses (B)	**59.79**	172.19
Loss before exceptional items and tax	**(55.04)**	(59.91)
Exceptional items	**-**	-
Loss before tax	**(55.04)**	(59.91)
Tax (incl deferred tax)	**-**	-
Loss after tax	**(55.04)**	(59.91)
Net cash flow from/(used in) operating activities	**(22.46)**	(62.45)
Net cash flow from investing activities	**-**	20.09
Net cash flow from financing activities	**-**	-

43. Leases

Operating lease arrangement as lessee

The Company has entered into a non-cancellable operating lease in respect of vehicles and the lease rental expenses recognised for the year is ₹ 7.84 lacs (previous year: ₹ 13.75 lacs) The lease agreement provides for an option to the Company to renew the lease period at the end of the non-cancellable period. There are no exceptional/ restrictive covenants in the lease agreements.

The total of future minimum lease payments under non-cancellable operating lease as at 31.03.16 are as follows:

Particulars	2015-16	2014-15
Payable not later than one year	**2.66**	7.84
Payable later than one year but not later than five years	**-**	2.66
Payable later than five years	**-**	-

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in lacs)

44. Corporate social responsibily expense

(a) Tata Metaliks Limited is required to spent ₹ **107.17 lacs** during 2015-16 on CSR activities

(b) Amount spent on CSR during the year

Particulars		In Cash	Yet to be paid in Cash	Total
(i)	Construction/acquisition of any asset	-	-	-
(ii)	On purpose other than (i) above (Refer Note below)	107.17	-	107.17
			-	-

Note : The amount has been transfered to Sadbhavna Trust which is controlled by the Company.

45. Disclosure as required under AS 29

Provisions for entry tax have been recognised in the financial statements considering the following:

(i) The company has a present obligation as a result of past event

(ii) It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

(iii) A reliable estimate can be made of the amount of the obligation

Particulars	31-Mar-16	31-Mar-15
Carrying amount as at beginning of the year	**1,182.14**	641.65
Provision made during the year	**856.72**	540.49
Amount paid during the year	**-**	-
Unused amount reversed during the year	**-**	-
Carrying amount as at the end of the year	**2,038.86**	1,182.14
Nature of obligation	**Demand for Entry Tax**	Demand for Entry Tax
Expected timing of resultant outflow	On decision by Division Bench of Hon'bl Calcutta High Court.	

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

Indication of uncertainty about those outflows	The West Bengal Tax on Entry of Goods Into Local Areas Act of 2012, is ultra vires on the following ground – a) The levy has been enacted without obtaining the prior sanction of President of India, which is contrary to the proviso to Article 304(b) of the Constitution of India. b) Entry tax is compensatory in nature i.e. the utilisation should be for the advancement of the state by creation of consolidated fund, which was not reflected in the Act enacted by state. c) The purpose of enactment of this Act is basically for generating revenue. TML have obtained stay order by filling writ petition before Calcutta High Court (single Bench) and attached the matter with cases which are pending before Division Bench.
Major assumptions concerning future events	The matter is pending before Hon'bl Calcutta High Court for adjudication. On the grounds of prudence, provision is made.
Amount of any expected reimbursement, i.e. amount of any asset that has been recognised for that expected reimbursement	Nil

46. The Board of Directors of the Company in their meeting held on 10 April, 2013 has approved a scheme of merger with the parent company, Tata Steel Limited with an appointed date of 1 April, 2013. The said application of merger was made to Hon'ble High Court, Calcutta on 13 December, 2013. Accordingly, the Company as per the directions of the Court has taken the approval of its shareholder on 25 March, 2014 and also made an application to Regional Director (RD), Eastern Region (Ministry of Corporate Affairs, Central Govt.) on 9 May, 2014. An affidavit confirming "No Objection" to the scheme of merger was submitted from Regional Director to the High Court in July, 2014. Next hearing date is awaited.

The said scheme would be effective subject to the approval from the Hon"ble High Court of Judicature at Calcutta and Bombay.

47. Previous year's figures have been regrouped / reclassified where necessary to correspond with the current year's classification/disclosure.

For and on behalf of the Board of Directors

Sankar Bhattacharya	**Subhra Sengupta**	**Koushik Chatterjee**	**Sanjiv Paul**
Company Secretary	Chief Financial Officer	Chairman	Managing Director

Mumbai, 28 April, 2016

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
TATA METALIKS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **TATA METALIKS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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.

We conducted our audit 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated

INDEPENDENT AUDITOR'S REPORT (Contd.)

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 consolidated state of affairs of the Group, as at 31st March, 2016, and their consolidated profit and their consolidated 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, to the extent applicable, 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 of the aforesaid consolidated financial statements.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid consolidated 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 of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group Companies, incorporated in India is disqualified as on 31st 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 and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company, subsidiary companies, incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding Company's/ Subsidiary Company's incorporated in India.

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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

ii. The Group, its associates and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

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

Abhijit Bandyopadhyay
Partner
(Membership No. 054785)

Kolkata, 28 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")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Tata Metaliks Limited (hereinafter referred to as "the Holding Company") and its subsidiary company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary company, which are companies incorporated in India, are 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 (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 the respective 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

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

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 Holding Company and its subsidiary company, which are companies incorporated in India, have, 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 March 31, 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, 28 April, 2016

CONSOLIDATED BALANCE SHEET as at 31 March 2016

(₹ in lacs)

	Notes	As at 31.03.2016	As at 31.03.2015
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	3	**12,528.80**	12,528.80
(b) Reserves and surplus	4	**6,774.14**	(3,785.31)
		19,302.94	8,743.49
(2) Non-current liabilities			
(a) Long-term borrowings	5	**7,289.06**	12,221.18
(b) Deferred tax liabilities (net)	39	**-**	-
(c) Long-term provisions	6	**1,179.88**	1,008.25
		8,468.94	13,229.43
(3) Current liabilities			
(a) Short-term borrowings	5	**13,411.29**	5,182.05
(b) Trade payables	7	**24,872.97**	28,847.82
(i) outstanding dues of micro enterprises and small enterprises		**137.82**	84.03
(ii) outstanding dues of creditors other than micro enterprises and small enterprises		**24,735.15**	28,763.79
(c) Other current liabilities	8	**16,074.24**	15,467.60
(d) Short-term provisions	6	**4,049.51**	1,359.79
		58,408.01	50,857.26
TOTAL EQUITY AND LIABILITIES		**86,179.89**	72,830.18
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	**35,295.31**	36,155.31
(ii) Intangible assets	10	**41.50**	48.84
(iii) Capital work-in-progress		**8,768.96**	1,718.69
		44,105.77	37,922.84
(b) Non-current investments	11	**1.52**	1.52
(c) Long-term loans and advances	12	**5,719.71**	6,619.61
(d) Other non-current assets	13	**12.52**	257.17
		49,839.52	44,801.14
(2) Current assets			
(a) Inventories	14	**12,005.12**	10,327.35
(b) Trade receivables	15	**17,065.54**	12,470.81
(c) Cash and bank balances	16	**150.09**	349.11
(d) Short-term loans and advances	12	**6,749.54**	4,703.99
(e) Other current assets	17	**370.08**	177.78
		36,340.37	28,029.04
TOTAL ASSETS		**86,179.89**	72,830.18

The Notes referred to above form an integral part of Consolidated Balance sheet

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of the Board of Directors

Abhijit Bandyopadhyay
Partner
Kolkata, 28 April, 2016

Sankar Bhattacharya
Company Secretary

Subhra Sengupta
Chief Financial Officer

Koushik Chatterjee
Chairman

Sanjiv Paul
Managing Director

Mumbai, 28 April, 2016

STATEMENT OF CONSOLIDATED PROFIT AND LOSS for the year ended 31 March 2016

(₹ in lacs)

			Notes	For the year ended 31.03.2016	For the year ended 31.03.2015
A	**CONTINUING OPERATIONS**				
	I	Revenue from operations (gross)	18	**138,977.99**	152,716.23
		Less: Excise duty		**8,871.83**	10,960.05
		Revenue from operations (net)		**130,106.16**	141,756.18
	II	Other income	19	**158.11**	444.26
	III	Total revenue (I + II)		**130,264.27**	142,200.44
	IV	**EXPENSES**			
	(a)	Cost of materials consumed	20	**65,632.66**	78,132.65
	(b)	Changes in stock of finished goods and work-in-progress	21	**(1,519.22)**	1,033.62
	(c)	Employee benefits expense	22	**7,233.69**	6,187.15
	(d)	Finance costs	23	**3,779.52**	4,130.93
	(e)	Depreciation and amortisation expense	24	**3,297.37**	3,088.93
	(f)	Other expenses	25	**36,908.06**	36,158.71
		Total expenses (IV)		**115,332.08**	128,731.99
	V	**Profit before exceptional items and taxes (III - IV)**		**14,932.19**	13,468.45
	VI	Exceptional Items	26	**-**	177.10
	VII	Profit before tax (V - VI)		**14,932.19**	13,291.35
	VIII	**Tax expense**			
		(1) Current tax		**2,551.00**	2,285.00
		(i) Current tax		**2,551.00**	2,285.00
		(ii) Current tax relating to previous years		**-**	-
		(2) Deferred tax	39	**46.70**	32.93
		Total tax expense		**2,597.70**	2,317.93
	IX	**Profit from continuing operations (VII - VIII)**		**12,334.49**	10,973.42
B	**DISCONTINUING OPERATIONS**				
	X	Loss from discontinuing operations before tax	36	**(55.04)**	(59.91)
	XI	Tax expense of discontinuing operations	36	**-**	-
	XII	Loss from discontinuing operations (X - XI)	36	**(55.04)**	(59.91)
C	**TOTAL OPERATIONS**				
	XIII	Profit for the year (IX + XII)		**12,279.45**	10,913.51
	XIV	Earnings per equity share:	30		
		(1) Basic [Face value ₹ 10 each]			
		(a) Continuing operation		**44.73**	43.39
		(b) Total operations		**44.51**	43.16
		(2) Diluted [Face value ₹ 10 each]			
		(a) Continuing operation		**44.73**	43.39
		(b) Total operations		**44.51**	43.16

The Notes referred to above form an integral part of Consolidated Balance sheet

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of the Board of Directors

Abhijit Bandyopadhyay
Partner
Kolkata, 28 April, 2016

Sankar Bhattacharya
Company Secretary

Subhra Sengupta
Chief Financial Officer

Koushik Chatterjee
Chairman

Sanjiv Paul
Managing Director

Mumbai, 28 April, 2016

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 March 2016

(₹ in lacs)

	For the year ended 31.03.2016	For the year ended 31.03.2015
A. Cash Flow from operating activities:		
Profit before tax	**14,877.15**	13,231.44
Adjustments for:		
Depreciation and amortisation expense	**3,297.61**	3,092.66
Impairment charge/ (reversal) of tangible assets	**(31.31)**	177.10
Subsidy from State Government	**(1,247.14)**	-
Provision for doubtful debts	**75.61**	35.31
Provision no longer required written back	**(12.92)**	(318.45)
Interest income	**(94.62)**	(105.66)
Dividend income from current investments	**(0.82)**	(2.28)
Finance costs	**3,779.53**	4,130.93
Provision for wealth tax	**-**	4.50
(Gain)/Loss on cancellation of forward contracts	**(31.32)**	371.22
(Gain)/ Loss on sale of fixed assets (net of asset discarded/ written off)	**(7.44)**	161.08
Unrealised exchange loss	**93.98**	22.82
Realised exchange gains	**(227.22)**	(574.25)
Operating profits before working capital changes	**20,471.09**	20,226.42
Adjustments for (increase)/decrease in operating assets		
Inventories	**(1,677.75)**	1,493.58
Trade receivables	**(4,674.24)**	(2,348.94)
Short-term loans and advances	**(282.37)**	(1,076.53)
Long-term loans and advances	**21.56**	(231.31)
Other non-current assets	**1.00**	(1.00)
Other current assets	**(156.68)**	123.13
Adjustments for increase/(decrease) in operating liabilities		
Trade payables	**(4,098.11)**	232.83
Other current liabilities	**655.90**	(1,231.33)
Short-term provision	**951.04**	590.37
Long-term provisions	**171.62**	38.50
Cash generated from operations	**11,383.06**	17,815.72
Direct taxes paid	**(2,562.77)**	(2,295.83)
Net cash generated from operating activities	**8,820.29**	15,519.89

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 March 2016 *(Contd.)*

(₹ in lacs)

	For the year ended 31.03.2016	For the year ended 31.03.2015
B. Cash Flow from investing activities:		
Capital expenditure on fixed assets, including capital advances	**(7,939.70)**	(4,791.57)
Purchase of current investments	**(1,600.00)**	(3,600.00)
Proceeds from sale of current investments	**1,600.82**	3,602.28
Proceeds from sale of fixed assets	**12.35**	38.76
Bank balances not considered as cash and cash equivalents		
- Placed	**-**	(11.50)
- Matured	**149.09**	-
Interest income received	**135.02**	6.67
Net cash used in investing activities	**(7,642.42)**	(4,755.36)
C. Cash flow from financing activities:		
Proceed from bills discounting	**1,151.61**	-
Proceeds from working capital loans	**1,831.57**	-
Proceeds from buyer's credit	**9,488.29**	9,397.77
Proceeds from long-term borrowings	**4,500.00**	8,000.00
Repayment of buyer's credit	**(5,561.68)**	(16,117.84)
Repayment of working capital loans	**-**	(2,566.88)
Repayment of long-term borrowings	**(10,014.12)**	(6,634.09)
Acceptance of bill	**1,023.81**	-
Gain/(Loss) on cancellation of forward contract	**31.32**	(371.22)
Interest and other borrowing costs paid	**(3,773.11)**	(4,177.50)
Net cash used in financing activities	**(1,322.31)**	(12,469.76)
Net decrease in cash and cash equivalents	**(144.44)**	(1,705.23)
Cash and cash equivalents as at 1 April [1]	**293.53**	1,998.76
Cash and cash equivalents as at 31 March [1]	**149.09**	293.53

Notes :

1. Purchase of current investments are exclusive of purchases made out of dividend reinvested ₹ 0.82 lacs (Previous period ₹ 2.28 lacs)
2. The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations. Refer Note No. 36 for discontinuing operations cash flows.
3. Figures in brackets represent outflows.

See accompanying notes forming part of Consolidated Financial Statement

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of the Board of Directors

Abhijit Bandyopadhyay
Partner
Kolkata, 28 April, 2016

Sankar Bhattacharya
Company Secretary

Subhra Sengupta
Chief Financial Officer

Koushik Chatterjee
Chairman

Sanjiv Paul
Managing Director

Mumbai, 28 April, 2016

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Principles of Consolidation

The consolidated financial statements relate to Tata Metaliks Limited ("the Company") and its Subsidiary Company. The consolidated financial statements have been prepared on the following basis:

a) The financial statements of the Company and its Subsidiary Company have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.

b) The financial statements of the subsidiary used in the consolidation are drawn upto the same reporting date as that of the Company. i.e., 31 March 2016.

c) Minority Interest in the net assets of the consolidated subsidiary consist of the amount of equity attributable to the minority shareholders at the date on which investments in the Subsidiary Companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net loss for the year of the subsidiary attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.

d) Intra-group balances and intra-group transactions and resulting unrealised profit have been eliminated.

e) The subsidiary considered in the preparation of the consolidated financial statements:

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (₹ in lacs)	As % of consolidated profit or loss	Amount (₹ in lacs)
Tata Metaliks DI Pipes Limited	50.04%	10,475.68	58.78%	7,218.31

	As at 31.03.2016	As at 31.03.2015
Percentage of ownership interest	**100.00%**	100.00%

2. Summary of Significant Accounting Policies

2.01 Basis of Accounting

The consolidated financial statements of the Company and its subsidiary and jointly controlled entities (together the 'Group') 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 consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

2.02 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.

2.03 Cash flow statement

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Contd.)*

2.04 Government Grants

Government grants which are given with reference to the total investments in an undertaking and no repayment is ordinarily expected in respect thereof, the grants are treated as capital reserve which can be neither distributed as dividend nor considered as deferred income.

2.05 Tangible Assets

i) Tangible assets are stated at cost less accumulated depreciation/amortisation and impairment losses, if any. The cost of an asset includes the purchase price, including net of any trade discounts and rebates, any import duties and non-refundable taxes, and any directly attributable costs on making the asset ready for its intended use. Interest on borrowings used to finance the construction of qualifying assets are capitalised as part of the cost of the asset until such time that the asset is ready for its intended use.

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

Freehold land is not depreciated. Premium paid on leasehold land and land development expenses are amortised over the primary lease period. Other fixed assets are depreciated on a straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement.

Category of Asset		Estimated Useful life
i)	Furniture and fixture	5 years
ii)	Moulds	2 years
iii)	Vehicles	5 years
iv)	Desktops & laptops	4 years

iii). Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.06 Intangible assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation and impairment loss, if any. Intangible assets are amortised on a straight line basis over their estimated useful life. The cost of software is amortised on a straight line basis over an estimated useful life of five years.

Category of Asset		Estimated Useful life
i)	Computer software	5 years

2.07 Relining expenses

Expenses incurred on relining of blast furnace is capitalised and depreciated over a period of five years of average expected life. All other relining expenses are charged as expense in the year they are incurred. The written down value consisting of relining expenditure embedded in the cost of blast furnace is written off in the year of fresh lining.

2.08 Impairment

Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognised in the statement of profit and loss if the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of an asset's net selling price and value in use. An impairment loss recognised on asset is reversed when the conditions warranting impairment provision no longer exists.

2.09 Investments

Long term investments are carried at cost less provision for diminution other than temporary (if any) in value of such investments. Current investments are carried at lower of cost and fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Contd.)*

2.10 Leases

The Group's significant leasing arrangements are in respect of operating leases for premises (Office, Residence etc.). The leasing arrangements which normally have a tenure of eleven months to three years are cancellable with a reasonable notice, and are renewable by mutual consent at agreed terms. The aggregate lease rent payable is charged as rent in the statement of profit and loss. Assets, primarily motor vehicles acquired on leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the statement of profit and loss on straight line basis over the lease term.

2.11 Inventories

i) Raw materials are valued at cost comprising purchase price, freight and handling, non refundable taxes and duties and other directly attributable costs and carried at lower of cost and net realisable value.

ii) Finished products are valued at lower of cost and net realisable value.

iii) 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 provisions for obsolescence, if any.

iv) Value of inventories are ascertained on the "weighted average" basis.

2.12 Revenue recognition

i) **Sale of Products**

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, which generally coincides with the delivery of goods to customers. Revenue includes consideration received or receivable, excise duty but net of discounts and other sales related taxes.

ii) **Dividend and Interest income**

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

iii) **Insurance Claims**

The Company recognises insurance claims when the recoverability of the claims is established with a reasonable certainty.

iv) **Revenue Subsidy from Government**

Subsidy linked to the incurrence of capital expenditures sanctioned by the Government under notified schemes are recognised as income on disbursement by the Government.

2.13 Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets till such time the asset is ready for its intended use. 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 statement of profit and loss in the period in which they are incurred.

2.14 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.15 Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand and balances in current accounts with banks having original maturity of less than three months.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Contd.)*

2.16 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, other than long-term foreign currency monetary items are included in the statement of profit and loss.

The Company has adopted the provisions of para 46 / 46A of AS 11 - The Effects of Changes in Foreign Exchange Rates, accordingly, exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets.

Foreign currency forward contracts, other than those entered into to hedge foreign currency risk on unexecuted firm commitments or highly probable forecast transactions are treated as foreign currency transactions and accounted accordingly as per Accounting Standard (AS) 11 - The Effects of Changes in Foreign Exchange Rates. The difference between the contract rate and spot rate on the date of transaction is recognised as premium/discount and recognised over the life of the contract. Exchange differences arising on account of remeasurement and gains and losses arising on account of roll over/cancellation of foreign currency forward contracts are recognised in the statement of profit and loss.

2.17 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) **Defined Contribution Plans**

Defined contribution plans are those plans where the Company pays fixed contributions to a fund managed by government authorities. 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 Company provides provident fund benefits to all employees, employee state insurance to covered employees and superannuation benefits to selected employees. The contributions are expensed as they are incurred in line with the treatment of wages and salaries.

iii) **Defined Benefit Plans**

The Company provides Gratuity 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 using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. 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 Profit and Loss in full in the year in which they occur.

iv) **Long Term Employee Benefit Plans**

The Company provides benefits in the nature of compensated absences to its employees. The liability towards compensated absence is not funded. The present value of these defined benefit obligations are determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. 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). All actuarial gains and losses are recognised in the Statement Profit and Loss in full in the year in which they occur.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Contd.)*

2.18 Earnings Per Share

The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity together with any dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

2.19 Segment Reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns, internal organisation and management structure and the internal performance reporting systems. The accounting policies adopted for the segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of the their relationship to the operating activities of the segment. Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under “unallocable asset/liabilities”.

2.20 Taxes on Income

i) **Current Tax**

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.

ii) **Deferred tax**

Deferred tax assets and liabilities are recognised by computing the tax effect on timing differences which arise during the year and reverse in the subsequent periods. The Company is eligible for tax deductions available under section 80IA of the Income Tax Act, 1961, in respect of income attributable to captive power plants being an eligible business. In view of tax deduction available to the Company under section 80IA of the Income Tax Act, 1961, deferred tax is recognised in respect of timing differences, which originate before or during the tax holiday period but reverse before or after the tax holiday period. Deferred tax assets against unabsorbed depreciation and carried forward loss under tax laws, are recognised 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 assets can be realised. Deferred tax assets on other timing differences are recognised 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 realised.

iii) Current and deferred tax is measured based on the provisions of tax laws and tax rates enacted or substantively enacted as at the Consolidated Balance Sheet date.

2.21 Provisions, Contingent liabilities and Contingent assets

i) **Provision**

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if the Company has a present obligation as a result of past event, a probable outflow of resources is expected to settle the obligation and the amount of the obligation can be reliably estimated.

ii) **Contingent Liabilities and Assets**

Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise, or is a present obligation that arises from past events but is not recognised because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made. Contingent liabilities are disclosed and not recognised. Contingent assets are neither recognised not disclosed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Contd.)*

(₹ in lacs)

	As at 31.03.2016	As at 31.03.2015
3. Share capital		
Authorised:		
50,000,000 Equity shares of ₹ 10 each	**5,000.00**	5,000.00
(31.03.2015: 50,000,000 Equity shares of ₹ 10 each)		
10,000,000 8.5% Non cumulative redeemable preference shares of ₹ 100 each	**10,000.00**	10,000.00
(31.03.2015: 10,000,000 8.5% Non cumulative redeemable preference shares of ₹ 100 each)		
	15,000.00	15,000.00
Issued, subscribed and fully paid up :		
25,288,000 Equity shares of ₹ 10 each	**2,528.80**	2,528.80
(31.03.2015: 25,288,000 Equity shares of ₹ 10 each)		
10,000,000 8.5% Non Cumulative redeemable preference shares of ₹ 100 each	**10,000.00**	10,000.00
(31.03.2015: 10,000,000 8.5% Non cumulative redeemable preference shares of ₹ 100 each)		
	12,528.80	12,528.80

Rights, preferences and restrictions attached to shares

i) **Equity shares**

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

ii) **Non-cumulative redeemable preference shares**

Non-cumulative redeemable preference shares having a par value of ₹ 100 carries a fixed rate of dividend of 8.5%. The dividends proposed by the Board of Directors are subject to approval of the shareholders in the ensuing Annual General meeting. The dividends are not accumulated in case it is not approved by the Annual General Meeting. The preference shares are redeemable at par value after a period for 36 months from the date of allotment which was falling due in March 2015. The Board of Directors of Tata Steel Limited at its meeting held on February 06, 2015 have approved the extention of the period of redemption by a further period of 3 years with effect from April 01, 2015. In case of liquidation the preference shareholders will have preference over the equity shareholders over the distribution of remaining assets of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Contd.)*

(₹ in lacs)

	As at 31.03.2016			
	Capital reserve	General reserve	Defict in statement of profit and loss	Total
4. Reserves and surplus				
At the beginning of the period	**125.62**	**8,211.99**	**(12,122.92)**	**(3,785.31)**
Profit for the period	**-**	**-**	**12,279.45**	**12,279.45**
Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax) (Refer Note 9)	**-**	**-**	**(88.24)**	**(88.24)**
Proposed dividend on preference share	**-**	**-**	**(850.00)**	**(850.00)**
Proposed dividend on equity share	**-**	**-**	**(505.76)**	**(505.76)**
Tax on dividend	**-**	**-**	**(276.00)**	**(276.00)**
At the end of the period	**125.62**	**8,211.99**	**(1,563.47)**	**6,774.14**
	As at 31.03.2015			
At the beginning of the year	125.62	8,211.99	(22,842.62)	(14,505.01)
Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Refer Note 9)	-	-	(193.81)	(193.81)
Profit for the year	-	-	10,913.51	10,913.51
At the end of the period	125.62	8,211.99	(12,122.92)	(3,785.31)

	As at 31.03.2016		As at 31.03.2015	
	Long-term	Short-term	Long-term	Short-term
5. Borrowings				
A. Secured				
(a) Term loans				
i) From banks	**2,914.06**	**-**	6,503.24	-
ii) From others	**-**	**-**	384.61	-
(b) Buyer's credit from banks	**-**	**1,151.27**	-	-
(c) Repayable on demand				
i) From banks				
a) Working capital demand loans	**-**	**2,000.00**	-	-
b) Cash credit / packing credits	**-**	**652.14**	-	813.26
Total secured borrowings	**2,914.06**	**3,803.41**	6,887.85	813.26

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Contd.)*

(₹ in lacs)

	As at 31.03.2016		As at 31.03.2015	
	Long-term	Short-term	Long-term	Short-term
5. Borrowings (Contd.)				
B. Unsecured				
(a) Term loans				
i) From banks	**4,375.00**	**-**	5,333.33	-
(b) Buyer's credit from banks	**-**	**7,420.28**	-	4,349.30
(c) Bills discounted	**-**	**1,151.61**	-	-
(d) Acceptances	**-**	**1,023.82**	-	-
(e) Overdraft from banks	**-**	**12.17**	-	19.49
Total unsecured borrowings	**4,375.00**	**9,607.88**	5,333.33	4,368.79
Total borrowings	**7,289.06**	**13,411.29**	12,221.18	5,182.05

	As at 31.03.2016		As at 31.03.2015	
	Long-term	Short-term	Long-term	Short-term
6. Provisions				
(a) Post-employment defined benefits				
i) Retirement gratuity	**185.78**	**-**	162.82	-
ii) Post retirement pension	**178.08**	**19.07**	178.95	19.06
iii) Post retirement medical benefits	**17.98**	**1.93**	18.08	1.92
(b) Other employee benefits	**798.04**	**11.36**	648.40	10.44
(c) Provisions for tax	**-**	**381.12**	-	60.19
(d) Provision for entry tax and others	**-**	**2,280.27**	-	1,268.18
(e) Proposed dividend		**1,355.76**		
Total provisions	**1,179.88**	**4,049.51**	1,008.25	1,359.79

	As at 31.03.2016	As at 31.03.2015
7. Trade payable		
(a) Outstanding dues of micro enterprises and small enterprises		
Creditors for supplies and services	**137.82**	84.03
Total outstanding dues of micro enterprises and small enterprises	**137.82**	84.03
(b) Outstanding dues of creditors other than micro enterprises and small enterprises		
i) Creditors for supplies and services	**23,030.78**	27,687.48
ii) Creditors for accrued wages and salaries	**1,704.37**	1,076.31
Total outstanding dues of creditors other than micro enterprises and small enterprises	**24,735.15**	28,763.79
Total trade payables	**24,872.97**	28,847.82

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Contd.)*

(₹ in lacs)

	As at 31.03.2016	As at 31.03.2015
8. Other current liabilities		
(a) Current maturities of long-term debts	**10,362.62**	10,538.78
(b) Interest accrued but not due on borrowings	**418.86**	441.45
(c) Unpaid dividends	**-**	44.08
(d) Advances received from customers	**1,092.00**	1,412.68
(e) Advances received from holding company	**1,464.98**	1,464.98
(f) Security deposits from vendors	**14.99**	12.99
(g) Creditors for other liabilities		
i) Creditors for capital goods and services	**1,768.70**	1,076.35
ii) Employee recoveries and employer contributions	**31.12**	26.91
iii) Statutory dues (excise duty, service tax, sales tax, TDS etc.)	**318.47**	313.51
iv) Derivatives	**602.50**	135.87
Total other current liabilities	**16,074.24**	15,467.60

	As at 31.03.2016									
	Freehold land	Leasehold land	Freehold buildings	Plant and machinery	Furniture and fixtures	Office equipments	Vehicles	Data processing equipments	Railway sidings	Total tangible assets
9. Tangible assets										
Cost at beginning of the period	1,440.25	99.15	9,948.67	41,343.52	144.17	275.79	169.52	564.35	561.58	54,547.00
Additions	-	-	352.36	1,881.96	80.71	47.12	41.71	45.35	-	2,449.21
Exchange differences capitalised	-	-	18.92	91.27	-	-	-	-	-	110.19
Disposals and other adjustments (Refer note 3)	-	-	-	(400.08)	-	-	(14.77)	(8.49)	-	(423.34)
Cost at end of the period	1,440.25	99.15	10,319.95	42,916.67	224.88	322.91	196.46	601.21	561.58	56,683.06
Impairment at beginning of the period	-	-	-	188.54	-	-	-	-	-	188.54
Impairment charge / (reversal) for the period (Refer note 3)	-	-	-	(31.31)	-	-	-	-	-	(31.31)
Disposals (Refer note 3)	-	-	-	(145.79)	-	-	-	-	-	(145.79)
Impairment at end of the period	-	-	-	11.44	-	-	-	-	-	11.44
Depreciation at beginning of the period	-	20.03	1,567.07	15,249.09	130.09	203.45	59.72	496.98	476.72	18,203.15
Charge for the period	-	1.00	355.75	2,777.23	15.67	27.47	36.14	31.85	34.45	3,279.56
Transition adjustment recorded against deficit balance in Statement of Profit and Loss (Refer Note 1)	-	-	-	134.94	-	-	-	-	-	134.94
Disposals (Refer note 3)	-	-	-	(222.98)	-	-	(9.87)	(8.49)	-	(241.34)
Depreciation at end of the period	-	21.03	1,922.82	17,938.00	145.76	230.92	85.99	520.34	511.17	21,376.31
Net book value at beginning of the period	1,440.25	79.12	8,381.60	25,905.89	14.08	72.34	109.80	67.37	84.86	36,155.31
Net book value at end of the period	1,440.25	78.12	8,397.13	24,967.23	79.12	91.99	110.47	80.87	50.41	35,295.31

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Contd.)*

(₹ in lacs)

	As at 31.03.2015									
	Freehold land	Leasehold land	Freehold buildings	Plant and machinery	Furniture and fixtures	Office equipments	Vehicles	Data processing equipments	Railway sidings	Total tangible assets
9. Tangible assets (Contd.)										
Cost at beginning of year	1,187.87	99.15	9,638.76	40,830.73	147.75	262.14	129.30	574.17	561.58	53,431.45
Additions	252.38	-	451.99	1,188.70	5.48	33.93	74.78	39.59	-	2,046.85
Exchange differences capitalised	-	-	19.84	91.51	-	-	-	-	-	111.35
Disposals	-	-	(161.92)	(767.42)	(9.06)	(20.28)	(34.56)	(49.41)	-	(1,042.65)
Cost at end of year	1,440.25	99.15	9,948.67	41,343.52	144.17	275.79	169.52	564.35	561.58	54,547.00
Impairment at beginning of the year	-	-	-	11.44	-	-	-	-	-	11.44
Impairment charge for the year (Note: 3)	-	-	-	177.10	-	-	-	-	-	177.10
Disposals	-	-	-	-	-	-	-	-	-	-
Impairment at end of the year	-	-	-	188.54	-	-	-	-	-	188.54
Depreciation at beginning of year	-	19.03	1,168.38	12,776.50	88.61	96.56	37.04	468.67	442.28	15,097.07
Charge for the year	-	1.00	316.64	2,553.60	44.77	36.16	44.10	43.93	34.44	3,074.64
Transition adjustment recorded against Surplus balance in Statement of Profit and Loss (Note: 1)	-	-	82.05	33.03	-	78.28	-	33.38	-	226.74
Disposals	-	-	-	(114.04)	(3.29)	(7.55)	(21.42)	(49.00)	-	(195.30)
Depreciation at end of year	-	20.03	1,567.07	15,249.09	130.09	203.45	59.72	496.98	476.72	18,203.15
Net book value at beginning of year	1,187.87	80.12	8,470.38	28,042.79	59.14	165.58	92.26	105.50	119.30	38,322.94
Asset held for disposal (Note: 6)				841.96						841.96
Disposals				(841.96)						(841.96)
Net book value at end of year	1,440.25	79.12	8,381.60	25,905.89	14.08	72.34	109.80	67.37	84.86	36,155.31

Note :

1. During the current period, the Company has carried out componentisation of fixed asset with the help of an external valuer, which has resulted into reclassification of certain assets and change in useful life of certain components. The resultant impact due to above exercise in cases where the useful life of the component has become NIL has been adjusted with opening balance of retained earning amounting to ₹ 125.83 lacs (net of deferred tax ₹ 46.70 lacs). Further due to certain reclassification of tangible asset an amount of ₹ 72.47 lacs has been adjsuted with depreciation charge of current year in the statement of profit and loss account.
2. During the previous year,pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be NIL as on April 1, 2014, and has adjusted an amount of ₹ 63.96 lacs (net of deferred tax of ₹ 32.93 lacs) against the opening deficit balance in the statement of profit and loss under Reserves and Surplus.
3. The Company had conducted an impairment study of the de-sulphurisation unit considering the same being inoperative since 2012 and based upon the same entire carrying value of ₹ 177.10 Lacs has been recognized as impairment loss and disclosed under exceptional item in the previous year. De-sulphurisation unit was carried at zero value in the books, in the current year it has been sold at ₹ 31.31 Lacs and hence reversal of the same has been done from impairment.
4. Depreciation on building and plant and machinery for the period includes adjustment of ₹ 3.66 lacs (31.03.2015: ₹ 2.81) and ₹ 23.61 lacs (31.03.2015: ₹ 17.59 lacs) respectively on account of depreciation attributable to exchange fluctuations on long term foreign currency loans for purchase/cost of construction of building and plant and machinery.
5. The Company during the year ended 31.03.2015, has revised its estimates of useful life of its fixed assets as prescribed in Part C of Schedule II of the Companies Act, 2013, except for vehicles and furniture for which an useful life of 5 years have been considered. Due to above revision, cases where the carrying amount net of residual value of the assets for which remaining useful life has become nil at the beginning of the period has been adjusted with the opening balance of retained earnings.
6. Asset held for disposal represents discarded assets of Redi unit.
7. Other than lease hold land all other tangible assets are owned by the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Contd.)*

(₹ in lacs)

	As at 31.03.2016	
	Computer software	Total intangible assets
10. Intangible assets (acquired)		
Cost at beginning of the period	**91.03**	**91.03**
Additions	**10.71**	**10.71**
Cost at end of the period	**101.74**	**101.74**
Amortisation at beginning of the period	**42.18**	**42.18**
Charge for the period	**18.06**	**18.06**
Amortisation at end of the period	**60.24**	**60.24**
Net book value at end of the period	**41.50**	**41.50**
	As at 31.03.2015	
Cost at the beginning of the year	91.03	91.03
Aditions	-	-
Cost at end of the year	91.03	91.03
Amortisation at beginning of the year	24.17	24.17
Charge for the year	18.02	18.02
Amortisation at end of the year	42.18	42.18
Net book value at end of the year	48.84	48.84

	As at 31.03.2016	As at 31.03.2015
11. Non-current investments		
Investments in national savings certificate (unquoted)	**1.52**	1.52
Total Non-current investments	**1.52**	1.52
Aggregate amount of unquoted investments	**1.52**	1.52

	As at 31.03.2016		As at 31.03.2015	
	Long-term	Short-term	Long-term	Short-term
12. Loans and advances				
(Unsecured, considered good)				
(a) Capital advances	**4,915.49**	**-**	5,845.54	-
(b) Security deposits	**422.79**	**823.38**	444.34	624.29
(c) Advance with public bodies	**-**	**3,744.40**	-	3,110.63
(d) Other loans and advances				
i) Superannuation fund	**-**	**42.45**	-	12.20
ii) Prepayments and others	**2.60**	**2,139.31**	2.60	956.87
iii) Advance income tax	**378.83**	**-**	327.13	-
Total loans and advances	**5,719.71**	**6,749.54**	6,619.61	4,703.99

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Contd.)*

(₹ in lacs)

		As at 31.03.2016	As at 31.03.2015
13.	**Other non current assets**		
	(a) Balances held as margin money deposits with maturity period of more than 12 months.	**0.20**	139.79
	(b) Interest accrued on deposits, loans and advances	**-**	78.72
	(c) Unamortised issue expenses of long-tem loans	**12.32**	38.66
Total other non current assets		**12.52**	257.17

		As at 31.03.2016	As at 31.03.2015
14.	**Inventories**		
	(a) Raw materials (At lower of cost or net realisable value)	**6,304.60**	6,351.69
	(b) Work in progress (At lower of cost and net realisable value)	**1,099.70**	1,128.85
	(c) Finished goods (At lower of cost or net realisable value)	**3,076.52**	1,528.15
	(d) Stores and spares (At or lower than cost)	**1,524.30**	1,318.66
	Total inventories	**12,005.12**	10,327.35
	Included above, goods-in-transit:		
	(a) Raw materials	**945.06**	865.33
	(b) Finished goods	**561.60**	25.81
		1,506.66	891.14

		As at 31.03.2016	As at 31.03.2015
15.	**Trade receivables**		
	Current trade receivables		
	(a) More than six months (from the date they were due for payment)		
	Considered good	**3,586.83**	242.21
	Considered doubtful	**189.08**	113.47
	Less: Provision for doubtful debts	**(189.08)**	(113.47)
		-	-
	(b) Others - considered good	**13,478.71**	12,228.60
	Net current trade receivables	**17,065.54**	12,470.81
	Classification of current trade receivables		
	Secured, considered good	**-**	-
	Unsecured, considered good	**17,065.54**	12,470.81
	Unsecured considered doubtful	**189.08**	113.47
Total current trade receivables		**17,254.62**	12,584.28

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Contd.)*

(₹ in lacs)

		As at 31.03.2016	As at 31.03.2015
16.	**Cash and bank balances**		
	Cash and cash equivalents		
	(a) Cash on hand	**0.55**	1.50
	(b) Cheques on hand	**-**	0.49
	(c) Balances with banks		
	(i) In current accounts	**148.54**	291.54
	Total cash and cash equivalents	**149.09**	293.53
	(d) Other bank balances [1]	**-**	44.08
	(e) Deposits with bank maturing greater than 3 months	**1.00**	11.50
	Total cash and bank balances	**150.09**	349.11
	Included above		
	(1) Earmarked balance for unpaid dividend	**-**	44.08

		As at 31.03.2016	As at 31.03.2015
17.	**Other current assets**		
	(a) Interest accrued on deposits, loans and advances	**123.07**	84.75
	(b) Unamortised expenses		
	(i) Unamortised premium on foreign currency forward contracts	**220.74**	64.06
	(ii) Unamortised issue expenses of long-tem loans	**26.27**	28.97
Total other current assets		**370.08**	177.78

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Contd.)*

(₹ in lacs)

	For the year ended 31.03.2016	For the year ended 31.03.2015
18. Revenue from operations		
(a) Sale of products	**137,131.54**	152,066.77
(b) Other operating income (See note below)	**1,846.45**	649.46
Gross Revenue from operations	**138,977.99**	152,716.23
Note :		
(i) Other operating income comprise:		
(a) Subsidy from State Government	**1,247.14**	-
(b) Sale of metal scrap	**85.16**	134.79
(c) Sale of scrap	**328.69**	350.05
(d) Duty drawback and other export incentive	**130.45**	156.78
(e) Others	**55.01**	7.84
	1,846.45	649.46

	For the year ended 31.03.2016	For the year ended 31.03.2015
19. Other income		
(a) Interest received from deposits	**94.62**	103.94
(b) Dividend income from current investments	**0.82**	2.28
(c) Provisions no longer required written back	**12.92**	310.96
(d) Impairment provision written back	**31.31**	-
(e) Miscellaneous income	**18.44**	27.08
Total other income	**158.11**	444.26

	For the year ended 31.03.2016	For the year ended 31.03.2015
20. Cost of materials consumed		
Opening stock of raw materials	**6,351.69**	6,999.55
Add: Purchases	**65,585.56**	77,484.79
	71,937.25	84,484.34
Less: Closing stock of raw materials	**6,304.60**	6,351.69
	65,632.66	78,132.65
Raw material consumed comprises		
(a) Coke	**37,130.27**	41,058.19
(b) Iron ore	**20,618.78**	27,546.86
(c) Fluxes	**3,904.03**	4,291.37
(d) Steel scrap	**444.62**	1,336.40
(e) Others	**3,534.96**	3,899.83
	65,632.66	78,132.65

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Contd.)*

(₹ in lacs)

	For the year ended 31.03.2016	For the year ended 31.03.2015
21. Changes in stock of finished goods and work-in-progress		
Stock at the beginning of the period		
(a) Finished goods	**1,528.15**	2,813.59
(b) Work-in-progress	**1,128.85**	877.03
	2,657.00	3,690.62
Stock at the end of the period		
(a) Finished goods	**3,076.52**	1,528.15
(b) Work-in-progress	**1,099.70**	1,128.85
	4,176.22	2,657.00
Net (increase)/decrease	**(1,519.22)**	1,033.62

	For the year ended 31.03.2016	For the year ended 31.03.2015
22. Employee benefits expense		
(a) Salaries and wages, including bonus	**6,190.70**	5,125.67
(b) Contribution to provident and other funds	**612.10**	708.25
(c) Staff welfare expenses	**430.89**	353.23
	7,233.69	6,187.15

	For the year ended 31.03.2016	For the year ended 31.03.2015
23. Finance costs		
(a) Interest expense		
(i) Interest on borrowings	**2,009.63**	1,708.05
(ii) Interest on others	**543.81**	493.27
(b) Other borrowing costs	**1,226.08**	1,929.61
Total finance costs	**3,779.52**	4,130.93

	For the year ended 31.03.2016	For the year ended 31.03.2015
24. Depreciation and amortisation expense		
(a) Depreciation on tangible assets as per Note 9.	**3,279.31**	3,070.91
(b) Amortisation on Intangible assets as per Note 10.	**18.06**	18.02
Total depreciation and amortisation expense	**3,297.37**	3,088.93

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Contd.)*

(₹ in lacs)

	For the year ended 31.03.2016	For the year ended 31.03.2015
25. Other expenses		
(a) Consumption of stores and spare parts	**9,058.29**	9,756.48
(b) Consumption of packing materials	**247.22**	237.17
(c) Repairs to buildings	**95.59**	158.48
(d) Repairs to machinery	**1,008.43**	1,200.70
(e) Repairs to others	**647.24**	637.93
(f) Fuel	**1,171.69**	1,275.43
(g) Purchase of power	**5,271.30**	5,240.51
(h) Freight and handling charges	**9,836.63**	8,652.38
(i) Rent	**219.21**	191.05
(j) Rates and taxes	**3,385.33**	2,937.43
(k) Insurance charges	**224.50**	191.93
(l) Commission, discounts and rebates	**1,422.28**	1,539.88
(m) Excise duties	**278.01**	131.74
(n) Provision for doubtful advance	**75.61**	35.31
(o) Bad debts written off	**-**	0.50
(p) Other expenses		
i) (Gain)/ loss on foreign currency transactions	**(133.24)**	(551.43)
ii) (Gain)/ loss on cancellation of forward contracts	**(31.32)**	371.22
iii) Premium on foreign currency forwards	**745.36**	1,007.41
iv) (Gain)/Loss on sale/discard of tangible fixed assets	**(7.44)**	158.85
v) Auditors remuneration and out-of-pocket expenses		
- As auditors	**33.48**	32.50
- For taxation matters	**3.01**	3.00
- For other services	**22.24**	14.75
- Auditors out-of-pocket expenses	**1.15**	0.32
vi) Legal and other professional costs	**215.85**	286.82
vii) Advertisement, promotion and selling expenses	**70.81**	82.55
viii) Travelling expenses	**408.90**	333.79
ix) Testing and inspection charges	**198.22**	154.78
x) Bank charges	**140.10**	182.88
xi) Wealth tax	**-**	4.50
xii) Coporate social responsibility expenses	**111.87**	-
xiii) Other general expenses	**2,187.74**	1,889.85
Total other expenses	**36,908.06**	36,158.71

	For the year ended 31.03.2016	For the year ended 31.03.2015
26. Exceptional Items		
(a) Impairment of tangible assets (Refer Note 9)	**-**	177.10
Total exceptional items	**-**	177.10

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Contd.)*

(₹ in lacs)

	As at 31.03.2016	As at 31.03.2015
27. Contingent liabilities		
A Contingent liabilities		
(A) Excise & service tax	**8,913.16**	7,870.68
(B) Income tax	**138.23**	134.62
(C) Sales tax & vat	**99.46**	62.09
B Other commitments		
(A) Bill discounted	**418.47**	9,045.60
(B) Bank guarantee	**497.05**	-

28. Tata Steel Limited has given undertakings to Sumitomo Mitsui Banking Corporation not to dispose of the management control in Tata Metaliks DI Pipes Limited (Formerly known as Tata Metaliks Kubota Pipes Limited) held through the Company so long as the dues to Sumitomo Mitsui Banking Corporation is subsisting by Tata Metaliks DI Pipes Limited.

	As at 31.03.2016	As at 31.03.2015
29. Capital and other commitments		
(a) Capital commitments		
Estimated value of contracts in capital account remaining to be executed (net of advances)	**4,906.44**	10,053.64
(b) Other commitments		
Export obligation against import of capital goods under EPCG Scheme	**7,297.50**	4,215.88

	As at 31.03.2016	As at 31.03.2015
30. Earnings per share		
(i) Profit for the period from continuing operations	**12,334.49**	10,973.42
Less: Preference dividend and tax thereon	**1,023.04**	-
Profit / (loss) for the year from continuing operations attributable to the equity shareholders	**11,311.45**	10,973.42
(ii) Profit for the period from total operations	**12,279.45**	10,913.51
Less: Preference dividend and tax thereon	**1,023.04**	-
Profit / (loss) for the year from continuing operations attributable to the equity shareholders	**11,256.41**	10,913.51
(iii) Weighted average no.of Ordinary shares for basic and diluted EPS (Nos)	**25,288,000.00**	25,288,000.00
(iv) Nominal value per equity share (₹)	**10**	10
(v) Earnings per ordinary share for the period from continuing operations (₹.) - basic [Not annualised]	**44.73**	43.39
(vi) Earnings per ordinary share for the period from total operations (₹) - basic [Not annualised]	**44.51**	43.16
(vii) Earnings per ordinary share for the period from continuining operations (₹) - diluted [Not annualised]	**44.73**	43.39
(viii) Earnings per ordinary share for the period from total operations (₹) - diluted [Not annualised]	**44.51**	43.16

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Contd.)*

(₹ in lacs)

31. Disclosure in respect of long-term foreign currency monetary items

Foreign exchange translation loss for the period ended on long term-foreign currency loan amounting to ₹ 110.20 lacs (Previous period ₹ 111.35 lacs) availed for purchase of capital assets has been capitalised and is included under the applicable fixed assets classification.

	For the year ended 31.03.2016	For the year ended 31.03.2015
Foreign exchange (gain)/loss capitalised in the fixed assets block [Includes ₹ Nil (previous period ₹ Nil) recognised in capital work in progress)	**110.20**	111.35
Depreciation impact on account of exchange fluctuation capitalised during the current period	**3.12**	2.72
Depreciation impact on account of exchange fluctuation capitalised till 31 March 2016	**27.27**	20.39

32. Due to Micro, Small and Medium Enterprises

The amount due to Micro Small and Medium Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identifi ed on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises as at 31 March, 2016 are as under:

	As at 31.03.2016	As at 31.03.2015
Depreciation		
(i) The principal amount remaining unpaid to supplier as at the end of the year	**137.82**	38.24
(ii) The interest due thereon remaining unpaid to supplier as at the end of the year	**-**	-
(iii) The amount of interest paid in terms of section 16 along with the amounts of the payment made to the supplier beyond the appointed day	**-**	-
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specifi ed under this Act	**-**	-
(v) The amount of interest accrued during the year and remaining unpaid at the end of the year	**-**	-
(vi) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	**-**	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Contd.)*

(₹ in lacs)

33. Unhedged foreign currency exposures

The foreign currency exposures at the year end that have not been hedged by a derivative instrument or other wise are given below :

			As at 31.03.2016		As at 31.03.2015	
			Foreign Currency	**Amount**	Foreign Currency	Amount
(a)	i)	Creditors for capital imports (USD)	**873,500**	**578.78**	1,549,400	968.68
	ii)	Creditors for capital imports (GBP)	**-**	**-**	9,899	9.17
	iii)	Creditors for capital imports (EUR)	**2,600**	**1.97**	-	-
(b)	i)	Creditors for other goods (USD)	**1,300,000**	**861.38**	1,235,257	772.10
	ii)	Creditors for other goods (EUR)	**-**	**-**	32,036	21.49
(c)		Advance from customers (EUR)	**-**	**-**	15,343	10.29
(d)	i)	Advance for other goods (USD)	**-**	**-**	-	-
	ii)	Advance for other goods (EUR)	**32,472**	**24.48**	112,979	75.80
	iii)	Advance for other goods (GBP)	**505**	**0.48**	1,925	1.78
e)		Receivables against export of goods (USD)	**1,045,234**	**692.47**	449,597	280.91
f)	i)	Interest payable (USD)	**24,372**	**16.15**	31,329	19.59
	ii)	Interest payable (EUR)	**-**	**-**	-	-
g)	i)	Loan payable (USD)	**-**	**-**	2,693,750	1,684.13

34. Derivative instruments

a) Outstanding Interest rate swap to hedge against fluctuations in interest rate changes

	No. of Contracts	Foreign Currency	Amount
As at 31.03.2016	**1**	**US $ 2,383**	**1.57**
As at 31.03.2015	1	US $ 58,447	36.54

b) Outstanding short-term forward exchange contracts entered into by the Company on account of payables including forecast payables :

	No. of Contracts	Foreign Currency	Amount
As at 31.03.2016 (USD)	**27**	**US $ 2,28,68,192**	**15,152.46**
As at 31.03.2016 (EUR)	**1**	**€ 150,000**	**113.58**
As at 31.03.2015 (USD)	12	US $ 7,594,333	4,746.92
As at 31.03.2015 (EUR)	-	€ 0	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Contd.)*

(₹ in lacs)

35. Related party transactions

Name of the related party	Nature of Relationship
Tata Steel Limited	Holding Company
TM International Logistics Limited	Fellow Subsidiary
Tata Pigments Limited	Fellow Subsidiary
Tata Steel Global Procurement Co. Pte Limited	Fellow Subsidiary
Jamshedpur Utilities & Services Company Limited	Fellow Subsidiary
TKM Global Logistics Limited	Fellow Subsidiary
Tata Sponge Iron Limited	Fellow Subsidiary
Tata Steel Processing & Distribution Limited.	Fellow Subsidiary
The Indian Steel and Wire Products Limited	Fellow Subsidiary
Tayo Rolls Limited	Fellow Subsidiary
Key Managerial Person:	
Mr. Sanjiv Paul	Managing Director
Mr. Sankar Bhattacharya	Company Secretary
Mr. Subhra Sengupta	Chief Financial Officer

Name of the related party	Nature of transaction	For the year ended 31.03.2016	For the year ended 31.03.2015
Tata Steel Limited	Purchase of raw materials	**16,443.75**	13,781.43
	Services received	**158.98**	138.46
	Rendering of services	**13.15**	-
	Rent paid	**14.62**	17.87
	Sale of materials	**260.39**	-
Tata Pigments Limited	Purchase of raw materials	**5.04**	-
Tata Steel Processing & Distribution Limited	Purchase of raw materials	**83.36**	-
TM International Logistics Limited	Services received	**1,156.50**	862.62
Tata Sponge Iron Limited	Purchase of goods	**28.23**	598.78
Tata Steel Global Procurement Pte Limited	Purchase of goods	**942.80**	4,016.82
Jamshedpur Utilities & Services Company Limited	Sale of finished goods	**32.31**	354.38
TKM Global Logistics Limited	Services received	**34.56**	44.20
Tayo Rolls Limited	Sale of materials	**-**	52.65
The Indian Steel and Wire Products Limited	Purchase of goods	**1.18**	-
Mr. Sanjiv Paul	Remuneration paid	**166.62**	144.17
Mr.Sankar Bhattacharya	Remuneration paid	**20.86**	19.76
Mr.Subhra Sengupta	Remuneration paid	**45.90**	35.56

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Contd.)*

(₹ in lacs)

Name of the related party	Nature of outstanding	As at 31.03.2016	As at 31.03.2015
Tata Steel Limited	Inter Corporate Deposits	**2,200.00**	2,200.00
	Advance payable	**1,464.98**	1,464.98
	Outstanding payables	**1,086.05**	2,497.19
	Outstanding receivables	**8.24**	-
	Interest payable	**317.78**	317.78
TM International Logistics Limited	Advances paid	**104.33**	47.42
Tata Steel Global Procurement Pte Limited	Outstanding payables	**915.80**	768.05
Jamshedpur Utilities & Services Company Limited	Outstanding receivables	**-**	47.31
TKM Global Logistics Limited	Outstanding payables	**-**	2.14
Tayo Rolls Limited	Other credit balances	**1.74**	1.74

36. Discontinuing operations:

Based on decision of the Board of Directors of the Company at its meeting held on November 19, 2012 the Company has filed an application with the appropriate authority for closure of the Redi Plant, located at Terekhol Road, Dist: Sindhudurg, Redi - 416 517, Maharashtra, in accordance with the provisions of the Industrial Disputes Act, 1947. The application was initially rejected by the authority and the company has filed a review petition before the same authority. In the mean time the Company has negotiated with the employees for settlement and an agreement was signed on March 25, 2013 with the employees' union. The Company and the employees' union have filed the settlement details with the Commissioner of Labour to facilitate the closure process. The carrying value of fixed assets, current assets and current liabilities of the Redi Plant as at March 31, 2016, were ₹ 1,187.91 lacs (March 31, 2015 ₹ 1,188.16 lacs), ₹ 25.37 lacs (March 31, 2015 ₹ 42.33 lacs) and ₹ 29.82 lacs (March 31, 2015 ₹ 72.62 lacs) respectively.

	Discontinuing operations	
	Twelve months ended 31.03.2016	Twelve months ended 31.03.2015
Gross revenue	**3.18**	222.15
Excise duty	**0.35**	119.08
Revenue from operations	**2.83**	103.07
Other Income	**1.92**	9.21
Total	**4.75**	112.28
Raw materials consumed	**-**	22.27
Changes in stock of finished goods, work-in-progress and stock-in-trade	**-**	-
Employee benefits expense	**16.70**	20.26
Depreciation	**0.25**	3.73
Other expenses	**42.84**	125.93
Operating expenses	**59.79**	172.19
Profit/(loss) from operating activities before exceptional items and tax	**(55.04)**	(59.91)
Exceptional items	**-**	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Contd.)*

(₹ in lacs)

	Discontinuing operations	
	Twelve months ended 31.03.2016	Twelve months ended 31.03.2015
Profit/(loss) from operating activities before tax	**(55.04)**	(59.91)
Tax	**-**	-
Profit/(loss) from operating activities after tax	**(55.04)**	(59.91)
Net Cash flow from/(used in) operating activities	**(22.46)**	(62.45)
Net Cash flow from Investing activities	**-**	20.09
Net Cash flow from financing activities	**-**	-

37. Employee benefits

Defined contribution plans

The Company has recognised an amount of ₹ 462.97 lacs in expenses for the year ended 31.03.2016 (Previous year ₹ 426.07 lacs) towards contribution to the following defined contribution plans:

	For the year ended 31.03.2016	For the year ended 31.03.2015
Provident fund	**296.01**	261.38
Superannuation fund	**155.84**	143.83
Employees state insurance	**11.13**	20.86
Total	**462.97**	426.07
Defined benefit plans		
The Company provided the following employee benefits		
Funded : Gratuity		
Non Funded: Compensated absence		
Non Funded: Pension		
Non Funded: Post retirement medical benefit		
Details of the gratuity plan are as follows	**2015-16**	2014-15
1. Reconciliation of opening and closing balances of obligation		
a. Obligation as at beginning of the year	**943.49**	661.15
b. Current service cost	**107.10**	75.37
c. Interest cost	**73.34**	58.30
d. Settlement cost /(credit)	**-**	-
e. Acquitions cost / (credit)	**-**	17.40
f. Actuarial (gain)/loss	**41.92**	186.06
g. Benefits paid	**25.55**	54.80
h. Obligation as at end of the year	**1,140.30**	943.49

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Contd.)*

(₹ in lacs)

Details of the gratuity plan are as follows		2015-16	2014-15
2.	**Change in fair value of plan assets**		
a.	Fair value of plan assets as at beginning of the year	**780.67**	321.13
b.	Acquition adjustment	**-**	17.40
c.	Expected return on plan assets	**72.41**	47.68
d.	Actuarial gain/(loss)	**-**	11.09
e.	Contributions made by the company	**126.99**	460.35
f.	Benefits paid	**25.55**	54.80
g.	Fair value of plan assets as at end of the year	**954.53**	780.67
3.	**Reconciliation of fair value of plan assets and obligations**		
a.	Present value of obligation	**1,140.30**	943.49
b.	Fair value of plan assets	**954.53**	780.67
c.	Amount recognised in the balance sheet asset/(liability)	**(185.77)**	(162.82)
	Disclosed under long-term provision ₹ 185.77 lacs (31.03.2015 ₹ 162.82 lacs) and short term loans and advances ₹ Nil (31.03.2014 ₹ Nil)		
4.	**Expenses recognised during the year**		
a.	Current service cost	**107.10**	75.37
b.	Interest cost	**73.34**	58.30
c.	Expected return on plan assets	**(72.41)**	(47.68)
d.	Settlement cost /(credit)	**-**	-
e.	Actuarial (gain)/loss	**41.92**	197.15
f.	Expenses recognised during the year	**149.94**	283.14
5.	**Investment details**	**% invested**	% invested
a.	Cash at bank	**-**	-
b.	Others (Funds with Life Insurance Corporation of India)	**100.00**	100.00
	# The breakup of the fund assets are not provided by the insurance company.		
6.	**Assumptions (%)**		
a.	Discount rate (per annum)	**7.75%**	7.80% -7.90%
b.	Estimated rate of return on plan assets (per annum)	**8.50%**	8.50% -8.75%
c.	Rate of escalation in salary	**7.50%**	7.50%

		31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
7.	**Experience adjustments**					
a.	Present value of obligation	**1,140.30**	943.49	661.15	464.28	447.27
b.	Fair value of plan assets	**954.53**	780.67	321.13	407.80	194.84
c.	Amount recognised in the balance sheet Asset/(liability)	**(185.77)**	(162.82)	(340.02)	(56.48)	(252.43)
d.	Experience adjustments on plan liabilities (gain/(loss)	**(1.82)**	(29.75)	(240.36)	(26.61)	92.20
e.	Experience adjustments on plan assets (gain/(loss))		(11.09)	0.75	26.46	(24.77)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Contd.)*

(₹ in lacs)

37. Employee benefits (Contd.)

Details of the compensated absence benefit are as follows

		2015-16	2014-15
1.	**Reconciliation of opening and closing balances of obligation**		
a.	Obligation as at beginning of the year	**658.84**	476.12
b.	Current service cost	**96.91**	80.15
c.	Interest cost	**50.59**	41.89
d.	Settlement cost /(credit)	**-**	-
e.	Acquisition cost/(credit)	**-**	-
f.	Actuarial (gain)/loss	**35.30**	102.29
g.	Benefits paid	**32.23**	41.61
h.	Obligation as at end of the year	**809.41**	658.84
2.	**Reconciliation of fair value of plan assets and obligations**		
a.	Present value of obligation revenue	**809.41**	658.84
b.	Fair value of plan assets revenue	**-**	-
c.	Amount recognised in the balance sheet asset/(lLiability)	**(809.41)**	(658.84)
3.	**Expenses recognised during the year**		
a.	Current service cost	**96.91**	80.15
b.	Interest cost	**50.59**	41.89
c.	Settlement cost /(credit)	**-**	-
d.	Actuarial gain/(loss)	**35.30**	102.29
e.	Expenses recognised during the year	**182.80**	224.33
4.	**Assumptions**	**%**	**%**
a.	Discount rate (per annum)	**7.75%**	7.80% -7.90%
b.	Estimated rate of return on plan assets (per annum)	**-**	8.50% -8.75%
c.	Rate of escalation in salary	**7.50%**	7.50%

		31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
5.	**Experience adjustments**					
a.	Present value of obligation	**809.41**	658.84	476.12	358.65	416.75
b.	Fair value of plan assets	**-**	-	-	-	-
c.	Amount recognised in the balance sheet asset/(liability)	**(809.41)**	(658.84)	(476.12)	(358.65)	(416.75)
d.	Experience adjustments on plan liabilities gain/(loss)	**2.53**	13.73	32.38	53.77	93.32

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Contd.)*

(₹ in lacs)

37. Employee benefits (Contd.)

Details of the post retirement pension benefit (un-funded) are as follows

	2015-16	2014-15
1. Reconciliation of opening and closing balances of obligation		
a. Obligation as at beginning of the year	**198.02**	182.25
b. Interest cost	**14.86**	15.86
c. Actuarial (gain)/loss	**4.08**	19.71
d. Benefits paid	**(19.80)**	(19.80)
e. Obligation as at end of the year	**197.16**	198.02
2. Expenses recognised during the year		
a. Interest cost	**14.86**	15.86
b. Actuarial (gain)/loss	**4.08**	19.71
c. Expenses recognised during the year	**18.94**	35.57
3. Assumptions	**%**	**%**
a. Discount rate (per annum)	**7.75%**	7.90%

Details of the post retirement medical benefit (un-funded) are as follows

	2015-16	2014-15
1. Reconciliation of opening and closing balances of obligation		
a. Obligation as at beginning of the year	**20.00**	18.41
b. Interest cost	**1.58**	1.69
c. Actuarial (gain)/loss	**(1.67)**	(0.10)
d. Benefits paid	**-**	-
e. Obligation as at end of the year	**19.91**	20.00
2. Expenses recognised during the year		
a. Interest cost	**1.58**	1.69
b. Actuarial (gain)/loss	**(1.67)**	(0.10)
c. Expenses recognised during the year	**(0.09)**	1.59
3. Assumptions (%)		
a. Discount rate (per annum)	**7.75%**	7.90%

Additional information

1. The estimate of future salary increases take into account inflation, seniority, promotion and other relevant factors.
2. Discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated term of the obligations.
3. Expected rate of return on plan assets is based on the average long term rate of return expected on investments of the Fund during the estimated term of the obligation.
4. In the absence of detailed information regarding plan assets which is funded with Life Insurance Corporation of India, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.
5. Net laibilities for pension, post retirement medical benefits and gratuities are disclosed in Note 6 under the heading "Post-employment defined benefits.
6. Expenses relating to pension and post retirement medical benefits are included under the heading Salaries and Wages including Bonus in Note 22(a) whereas expenses for retiring gratuities are included under the Contribution to Provident and Other Funds in Note 22(b).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Contd.)*

(₹ in lacs)

38. Segment reporting

The Company has identified business segments as its primary segment. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Geographical revenues are allocated based on the location of the customer.

Particulars	Pig Iron	D I Pipe	Elimination	Total
Revenue				
Total external sales	**66,801.12**	**63,307.87**	-	**130,108.99**
	82,772.15	*59,087.10*	-	*141,859.25*
Add: Inter segment revenue	**26,073.62**	-	**(26,073.62)**	-
	27,086.48	-	*(27,086.48)*	-
Total revenue	**92,874.74**	**63,307.87**	**(26,073.62)**	**130,108.99**
	109,858.63	*59,087.10*	(27,086.48)	*141,859.25*
Segment result	**9,702.32**	**8,794.32**	-	**18,496.64**
	13,941.15	*3,144.85*	-	*17,086.00*
Finance costs	**3,296.38**	**483.14**	-	**3,779.52**
	3,220.10	*910.83*	-	*4,130.93*
Other income	**91.89**	**68.14**	-	**160.03**
	139.64	*313.83*	-	*453.47*
Profit before exceptional items and taxes	**6,497.83**	**8,379.32**	-	**14,877.15**
	10,860.69	*2,547.85*	-	*13,408.54*
Exceptional items	-	-	-	-
	177.10	-	-	177.10
Profit before taxes	**6,497.83**	**8,379.32**		**14,877.15**
	10,683.59	*2,547.85*	-	*13,231.44*
Taxes	**1,436.70**	**1,161.00**	-	**2,597.70**
	2,317.93	-	-	*2,317.93*
Net profit	***5,061.13***	**7,218.32**	-	**12,279.45**
	8,365.66	*2,547.85*	-	*10,913.51*
Segment asset	**63,163.85**	**44,418.37**	-	**107,582.22**
	56,520.82	*32,283.60*	-	*88,804.42*
Segment liabilities	**27,334.88**	**29,881.42**	-	***57,216.30***
	30,162.63	*21,956.29*	-	*52,118.92*
Total cost incurred during the year to acquire segment assets	**3,518.95**	**4,420.75**	-	**7,939.70**
	2,141.31	*2,650.26*	-	*4,791.57*
Segment depreciation	**1,358.35**	**1,939.27**	-	**3,297.62**
	1,255.92	*1,836.74*	-	*3,092.66*
Non cash expenses other than depreciation	-	**80.51**	-	**80.51**
	32.03	*168.31*	-	*200.34*

Note: Figures disclosed in italics are for the previous period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Contd.)*

(₹ in lacs)

	For the year ended 31.03.2016	For the year ended 31.03.2015
External revenue by geographical location of customers		
India	**127,848.22**	138,912.55
Asia excluding India	**721.35**	1,451.62
Others	**1,539.42**	1,495.08
	130,108.99	141,859.25
Additions to fixed assets		
India	**7,939.70**	4,791.58
Asia excluding India	**-**	
	7,939.70	4,791.58

	As at 31.03.2016	As at 31.03.2015
Carrying value of segment assets		
India	**107,538.60**	88,523.52
Asia excluding India	**43.62**	280.90
	107,582.22	88,804.42

39. Deferred tax liability/ (assets)

	As at 31.03.2015	Charge/(Credit) to the statement of Profit and loss	Taken to reserves	As at 31.03.2016
A. Deferred Tax Liability				
(i) Difference between book depreciation and tax depreciation	4,510.08	330.80	(46.70)	**4,794.18**
	4,510.08	330.80	(46.70)	**4,794.18**
B. Deferred tax assets				
(i) Employee separation scheme	(145.42)	74.03	-	**(71.39)**
(ii) Unabsorbed depreciation	(1,558.50)	-	-	**(1,558.50)**
(iii) Unabsorbed business loss	(2,806.16)	348.54	-	**(2,457.62)**
(iv) Entry tax provision	-	(706.67)	-	**(706.67)**
	(4,510.08)	(284.10)	-	**(4,794.18)**
Net deferred tax liability /(asset)	-	46.70	(46.70)	**-**

The Company has recognised deferred tax asset on unabsorbed business loss to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under income tax.

40 Leases

Operating lease arrangement as lessee

The Company has entered into a non-cancellable operating lease in respect of vehicles and the lease rental expenses recognised for the year is ₹ **11.51 lacs** (previous year: ₹ 17.42 lacs) The lease agreement provides for an option to the Company to renew the lease period at the end of the non-cancellable period. There are no exceptional/ restrictive covenants in the lease agreements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Contd.)*

(₹ in lacs)

The total of future minimum lease payments under non-cancellable operating lease as at 31.03.2016 are as follows:

	2015-16	2014-15
Payable not later than one year	**5.56**	11.51
Payable later than one year but not later than five years	**-**	5.56
Payable later than five years	**-**	-

41. Disclosure as required under AS 29

Provisions for entry tax have been recognised in the financial statements considering the following:

(i) The company has a present obligation as a result of past event

(ii) It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

(iii) A reliable estimate can be made of the amount of the obligation

Particulars	31-Mar-16	31-Mar-15
Carrying amount as at beginning of the year	**1,247.65**	641.65
Provision made during the year	**950.10**	606.00
Amount paid during the year	**-**	-
Unused amount reversed during the year	**-**	-
Carrying amount as at the end of the year	**2,197.75**	1,247.65
Nature of obligation	**Demand for Entry Tax**	Demand for Entry Tax
Expected timing of resultant outflow	On decision by Division Bench of Hon'bl Calcutta High Court.	
Indication of uncertainty about those outflows	The West Bengal Tax on Entry of Goods Into Local Areas Act of 2012, is ultra vires on the following ground– a) The levy has been enacted without obtaining the prior sanction of President of India, which is contrary to the proviso to Article 304(b) of the Constitution of India. b) Entry tax is compensatory in nature i.e. the utilisation should be for the advancement of the state by creation of consolidated fund, which was not reflected in the Act enacted by state. c) The purpose of enactment of this Act is basically for generating revenue. TML have obtained stay order by filling writ petition before Calcutta High Court (single Bench) and attached the matter with cases which are pending before Division Bench.	
Major assumptions concerning future events	The matter is pending before Hon'bl Calcutta High Court for adjudication. On the grounds of prudence, provision is made	
Amount of any expected reimbursement, i.e.., amount of any asset that has been recognised for that expected reimbursement	Nil	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Contd.)*

42 Corporated social responsibility expense

(a) Tata Metaliks Limited is required to spent ₹ **107.17 lacs** during 2015-16 on CSR activities

(b) Amount spent on CSR during the year

₹ lacs

	Particulars	In cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	-	-	-
(ii)	On purpose other than (i) above (refer note below)	107.17	-	107.17

Note: The amount has been transferred to Sadbhavna Trust which is controlled by the Company

43. The Board of Directors of the Company in their meeting held on 10 April 2013 has approved a scheme of merger with the parent company, Tata Steel Limited with an appointed date of 1 April 2013. The said application of merger was made to Hon'ble High Court, Calcutta on 13 December 2013. Accordingly, the Company as per the directions of the Court has taken the approval of its shareholder on 25 March 2014 and also made an application to Regional Director (RD), Eastern Region (Ministry of Corporate Affairs, Central Govt.) on 9 May 2014. An affidavit confirming "No Objection" to the scheme of merger was submitted from Regional Director to the High Court in July 2014. Next hearing date is awaited.

The said scheme would be effective subject to the approval from the Hon'ble High Court of judicature at Calcutta and Bombay.

44. Previous year's figures have been regrouped/reclassified where necessary to correspond with the current year's classification/disclosure.

For and on behalf of the Board of Directors

Sankar Bhattacharya	**Subhra Sengupta**	**Koushik Chatterjee**	**Sanjiv Paul**
Company Secretary	Chief Financial Officer	Chairman	Managing Director

Mumbai, 28 April, 2016

NOTES

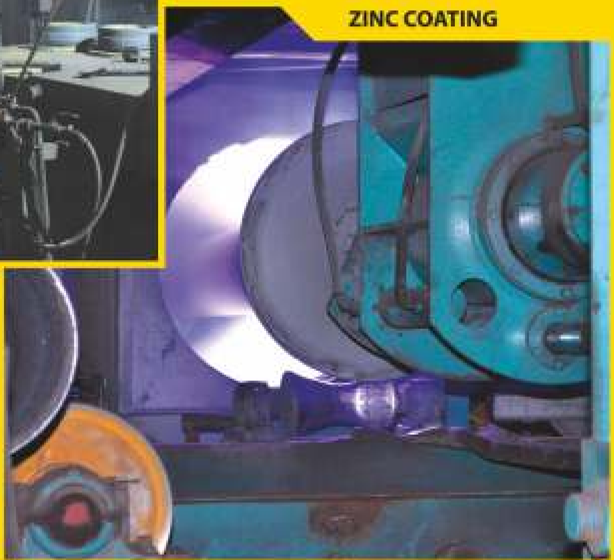
SETTING BENCHMARKS IN EVERY STAGE OF DI PIPE MANUFACTURING

METAL TREATMENT

ANNEALING

CENTRIFUGAL CASTING

ZINC COATING



CEMENT LINING

MARKING

EXTERNAL COATING

TATA DUCTURA
Happiness Guaranteed

"Because *real* happiness flows from within"

TATA METALIKS

Registered Office:

Tata Centre, 43, Jawaharlal Nehru Road, Kolkata - 700071

Plant Location:

Samraipur, Gokulpur, Kharagpur, Pin - 721301, West Bengal

www.tatametaliks.com