TATA METALIKS LIMITED

IND AS FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH, 2017

Deloitte Haskins & Sells

Chartered Accountants
Bengal Intelligent Park,
Building - Alpha, 1st Floor,
Block - EP & GP, Sector - V,
Salt Lake Electronics Complex,
Kolkata - 700 091,
West Bengal, India

Tel: +91 33 6612 1000
Fax: +91 33 6612 1001

INDEPENDENT AUDITOR'S REPORT
To The Members of TATA METALIKS LIMITED
Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of TATA METALIKS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Ind AS 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 Ind AS financial statements based on our audit.

In conducting 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.

We conducted our audit of the Ind AS 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's

Deloitte Haskins & Sells Chartered Accountants

preparation of the Ind AS 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 Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 March 31, 2017, and its profit, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, to the extent applicable:

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

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

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

   d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2017 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:

Deloitte Haskins & Sells
Chartered Accountants

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS 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.

iv. The Company has provided requisite disclosures in the Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the November 08, 2016 of the Ministry of Finance, during the period from November 08 2016 to December 30 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

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 AND SELLS**
Chartered Accountants
(Firm's Registration No. 302009E)

Abhijit Bandyopadhyay
(Partner)
(Membership No. 054785)

Kolkata, April 21, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section 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 March 31, 2017 in conjunction with our audit of the Ind AS 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

Deloitte Haskins & Sells Chartered Accountants

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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, April 21, 2017

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) The Company has not granted any loans, made investments or provide guarantees and hence reporting under clause (iv) of the CARO 2016 is not 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.

Deloitte Haskins & Sells Chartered Accountants

(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.

(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, 2017 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, 2017 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 (Rs. in lakhs)	Amount Unpaid (Rs. in lakhs)
The Income Tax Act, 1961	Income Tax	High Court – Calcutta	1993-94, 1999-00, 2001-02 & 2009-10	328.15	328.15
		Tribunal	2008-09, 2009-10 & 2010-11	307.33	307.33
		Commissioner (Appeal)	2011-12 & 2012-13	846.99	846.99
		Tribunal	2002-03 to 2011-12	9,028.21	9,017.96
		Commissioner (Appeal)	2000-01 to 2009-10	108.53	108.53

Deloitte Haskins & Sells Chartered Accountants

Central Excise and Service Tax Act	Excise/ Service Tax	Commissioner	2005-06 to 2011-12	718.94	718.94
		Additional Commissioner	2003-04 to 2010-11 & 2012-13 to 2015-16	217.18	217.18
		Joint Commissioner	2010-11	43.76	43.76
		Assisstant Commissioner	2010-11 to 2014-15	88.56	88.56
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	43.24	43.24
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 material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

Deloitte Haskins & Sells Chartered Accountants

(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-IA of the Reserve Bank of India Act, 1934.

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

Abhijit Bandyopadhyay
Partner
(Membership No. 054785)

Kolkata, April 21, 2017

Tata Metaliks Limited

Balance Sheet as at 31 March 2017

Rs. in Lakhs

	Notes	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
(I) ASSETS				
(1) Non-current assets				
(a) Property,Plant and Equiptment	4	58,951.88	35,217.20	36,076.17
(b) Capital work-in-progress		3,354.48	8,768.97	1,718.75
(c) Other Intangible Assets	5	21.31	41.48	48.83
(d) Financial Assets				
(i) Investments	6	1.52	1.52	1.52
(ii) Other Financial Assets	7	154.07	69.12	315.21
(e) Other Non Current Assets	8	1,809.19	5,386.74	6,266.09
Total non-current assets		64,292.45	49,485.03	44,426.57
(2) Current assets				
(a) Inventories	9	16,019.06	12,005.12	10,327.35
(b) Financial Assets				
(i) Trade receivables	10	18,792.04	17,065.53	12,470.81
(ii) Cash and bank balances	11	216.12	150.10	349.12
(iii) Other Financial Assets	7	1,952.36	1,289.43	1,085.29
(c) Other Current Assets	8	5,297.95	5,927.16	4,080.70
Total current assets		42,277.53	36,437.34	28,313.27
TOTAL ASSETS		106,569.98	85,922.37	72,739.84
(II) EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity Share capital	12	2,528.80	2,528.80	2,528.80
(b) Other Equity	13	18,189.13	7,375.26	(3,733.37)
Total equity		20,717.93	9,904.06	(1,204.57)
(2) Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	14	15,750.63	17,259.50	22,161.90
(b) Provisions	16	1,053.11	798.04	648.40
(c) Retirement benefit obligations	15	731.29	381.84	359.85
(d) Deferred tax liabilities (net)	36	-	-	-
Total non-current liabilities		17,535.03	18,439.38	23,170.15
(3) Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	14	17,329.70	13,411.30	5,182.05
(ii) Trade payables	17	17,065.73	24,872.97	28,847.83
(iii) Other Financial Liabilities	19	27,668.36	15,262.29	13,631.48
(b) Provisions	16	3,037.45	2,291.63	1,277.53
(c) Retirement benefit obligations	15	-	21.00	22.07
(d) Current Tax Liabilities (Net)		781.76	278.16	60.19
(e) Other current liabilities	20	2,434.02	1,441.58	1,753.11
Total current liabilities		68,317.02	57,578.93	50,774.26
TOTAL EQUITY AND LIABILITIES		106,569.98	85,922.37	72,739.84

See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Abhijit Bandyopadhyay
Partner

Kolkata, 21 April, 2017

For and on behalf of the Board of Directors

Koushik Chatterjee
Chairman

Sanjiv Paul
Managing Director

Subhra Sengupta
Chief Financial Officer

Sankar Bhattacharya
Company Secretary

Mumbai, 21 April, 2017

Deloitte Haskins & Sells Chartered Accountants

TATA METALIKS LIMITED TATA

Tata Metaliks Limited

Statement of Profit and Loss for the year ended March 31, 2017

		Notes	For the year ended 31.03.2017	For the year ended 31.03.2016
				Rs. in Lakhs
A	**CONTINUING OPERATIONS**			
I	Revenue from operations	21	141,009.58	139,017.86
II	Other Income	22	145.51	158.11
III	Total Income (I + II)		141,155.09	139,175.97
IV	EXPENSES			
	(a) Cost of materials consumed	23	65,948.73	65,632.85
	(b) Changes in stock of finished goods and work-in-progress	24	(602.56)	(1,519.22)
	(c) Employee benefits expense	25	8,488.27	7,198.65
	(d) Finance costs	26	3,750.43	4,588.13
	(e) Depreciation and amortisation expense	27	3,642.69	3,296.36
	(f) Other expenses	28	44,681.68	46,094.55
	Total Expenses (IV)		125,909.24	125,291.32
V	Profit before exceptional items and tax (III - IV)		15,245.85	13,884.65
VI	Exceptional Items			
V	Profit before tax (III -IV)		15,245.85	13,884.65
VI	Tax Expense			
	(1) Current tax		3,561.00	2,555.56
	(2) Deferred tax	36	-	46.70
	Total tax expense (VI)		3,561.00	2,602.26
VII	Profit from continuing operations (V - VI)		11,684.85	11,282.39
B	**DISCONTINUING OPERATIONS**			
VIII	Loss from discontinuing operations before tax	38	(79.72)	(55.03)
IX	Tax Expense		-	-
X	Loss from discontinuing operations after tax		(79.72)	(55.03)
C	**TOTAL OPERATIONS**			
XI	Profit for the year (VII + X)		11,605.13	11,227.36
XII	Other comprehensive income net of tax			
	Items that will not be recycled to profit or loss			
	(1) Remeasurements of the defined benefit plans		(182.54)	(30.49)
	Total other comprehensive income, net of taxes (XII)		(182.54)	(30.49)
XIII	Total Comprehensive income for the year		11,422.59	11,196.87
XIV	Earnings per equity share:	31		
	(1) Basic [Face Value Rs. 10 each]			
	(a) Continuing Operation		46.21	44.62
	(b) Total Operations		45.89	44.40
	(2) Diluted [Face Value Rs. 10 each]			
	(a) Continuing Operation		46.21	44.62
	(b) Total Operations		45.89	44.40

See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Abhijit Bandyopadhyay
Partner

Kolkata, 21 April, 2017

For and on behalf of the Board of Directors

Koushik Chatterjee
Chairman

Sanjiv Paul
Managing Director

Subhra Sengupta
Chief Financial Officer

Sankar Bhattacharya
Company Secretary

Mumbai, 21 April, 2017

Deloitte Haskins & Sells Chartered Accountants

TATA METALIKS LIMITED TATA KOLKATA

Tata Metaliks Limited

Statement of changes in equity for the year ended March 31, 2017

Rs. in Lakhs

	As at 31.03.2017 Audited	As at 31.03.2016 Audited
(A) Equity share capital		
Balance at the beginning of the year	2,528.80	2,528.80
Changes in equity share capital during the year	-	-
Balance at the end of the year	2,528.80	2,528.80

(B) Other Equity

Reserves and Surplus

As at 31.03.2017	Capital reserve	General reserve	Retained earnings	Ind AS Transition Reserve	Total
Balance at the beginning of the year	8,885.13	8,211.99	(9,773.80)	51.94	7,375.26
Profit for the year	-	-	11,605.13	-	11,605.13
Dividend on Equity Shares	-	-	(505.76)	-	(505.76)
Tax on Dividend	-	-	(102.96)	-	(102.96)
Other comprehensive income for the year, net of income tax	-	-	(182.54)	-	(182.54)
Balance at the end of the year	8,885.13	8,211.99	1,040.07	51.94	18,189.13

As at 31.03.2016	Capital reserve	General reserve	Retained earnings	Ind AS Transition Reserve	Total
Balance at the beginning of the year	8,885.13	8,211.99	(20,882.43)	51.94	(3,733.37)
Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax)	-	-	(88.24)	-	(88.24)
Profit for the year	-	-	11,227.36	-	11,227.36
Other comprehensive income for the year, net of income tax	-	-	(30.49)	-	(30.49)
Balance at the end of the year	8,885.13	8,211.99	(9,773.80)	51.94	7,375.26

Deloitte Haskins & Sells Chartered Accountants

Tata Metaliks Limited TATA Kolkata

Tata Metaliks Limited

Cash Flow Statement for the year ended 31 March 2017

Rs. in Lakhs

	For the year ended 31.03.2017	For the year ended 31.03.2016
A. Cash Flow from Operating activities:		
Profit for the year	11,422.59	11,196.87
Adjustments for:		
Income tax expense recognised in profit or loss	3,561.00	2,602.26
Finance Costs recognised in profit or loss	3,750.43	4,588.13
Investment income recognised in profit or loss	(3.99)	(0.82)
Incentive income	(318.76)	(1,247.14)
Impairment charge/ (reversal) of tangible assets	-	(31.31)
Provision/ (reversal) of doubtful debts	391.38	75.61
Provision no longer required written back	(45.90)	(12.92)
Depreciation and amortisation of non-current assets	3,642.69	3,296.36
Interest Income recognised in profit or loss	(80.97)	(94.62)
(Gain)/Loss on cancellation of forward contracts	771.52	(31.32)
(Gain)/ Loss on sale of fixed assets (net of asset discarded/written off)	-	(7.44)
Net foreign exchange (gain)/loss	(237.53)	713.05
Operating profit before working capital changes	22,852.46	21,046.71
Adjustment for working capital		
Inventories	(3,815.94)	(1,677.77)
Non-Current/Current financial and non-financial Assets	(1,866.33)	(5,283.82)
Non-Current/Current financial and non-financial liabilities/provisions	(6,145.06)	(2,565.85)
Cash generated from operations	11,025.13	11,519.27
Income Taxes paid	(3,321.13)	(2,435.99)
Net cash generated/(utilised) from operating activities	7,704.00	9,083.28
B. Cash Flow from Investing activities:		
Interest income received	43.90	56.30
Capital Expenditure on fixed assets, including capital advances	(12,589.49)	(7,987.24)
Proceeds from sale of fixed assets	11.38	12.35
Net Proceeds from sale of current investments	3.99	0.82
Net Cash (used in) /generated by investing activities	(12,530.22)	(7,917.77)

Deloitte Haskins & Sells Chartered Accountants

TATA METALIKS LIMITED TATA KOLKATA

Tata Metaliks Limited

Cash Flow Statement for the year ended 31 March 2017

	For the year ended 31.03.2017	For the year ended 31.03.2016
		Rs. in Lakhs
C. Cash Flow from Financing activities:		
Proceeds from working capital loans	**1,462.50**	1,831.55
Proceeds from Non-current borrowings	**15,000.00**	4,500.00
Repayment of Non-current borrowings	**(8,969.00)**	(10,014.12)
Proceed from bills discounting	**-**	1,151.61
Proceeds from Buyer's credit	**14,888.15**	9,488.27
Repayment of buyer's credit	**(12,307.87)**	(5,561.68)
Acceptance of Bill	**-**	1,023.82
Interest and other borrowing costs paid	**(3,828.69)**	(3,760.72)
Dividend paid on equity share holders	**(505.76)**	-
Tax on equity dividend paid	**(102.96)**	-
Loss on cancellation of forward contracts	**(771.52)**	31.32
Net cash from/(used) in financing activities	**4,864.85**	(1,309.95)
Net decrease in cash and cash equivalents	**38.63**	(144.44)
Cash and cash equivalents as at 1 April	**149.10**	293.54
Cash and cash equivalents as at 31 March	**187.73**	149.10

Notes:

See accompanying notes forming part of the financial statements

1. The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations. Refer Note No. 38 for discontinuing operations cash flows.
2. Figures in brackets represent outflows.

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Abhijit Bandyopadhyay
Partner

Kolkata, 21 April, 2017

For and on behalf of the Board of Directors

Koushik Chatterjee
Chairman

Sanjiv Paul
Managing Director

Subhra Sengupta
Chief Financial Officer

Sankar Bhattacharya
Company Secretary

Mumbai, 21 April, 2017

Deloitte Haskins & Sells Chartered Accountants

TATA METALIKS LIMITED TATA KOLKATA

1. General Corporate Information

Tata Metaliks Limited ("the Company") is a subsidiary of Tata Steel Limited. The Company is engaged in the manufacture and sale of pig iron and ductile iron pipes. The Company is having its manufacturing plant at Kharagpur in the state of West Bengal.

2.1 Statement of compliance

The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015.

Upto the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standard) Rules, 2006. The date of transition to Ind AS is April 1, 2015. Refer 3.17 for the details of first-time adoption exemptions availed by the Company.

2.2 Basis for preparation

Basis for preparation

The financial statements of the Company have been prepared in accordance with the relevant provisions of the Companies Act, 2013, Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013.

All assets and liabilities have been classified as current or noncurrent as per Company's operating cycle and other criteria set out in Schedule-III of the Companies Act 2013. Based on the nature of business, the Company has ascertained its operating cycle as 12 months for the purpose of Current or non current classification of assets and liabilities.

The effect on reported financial position and financial performance of the Company on transition to Ind AS has been provided in Note 36, which also includes reconciliations of total equity and total comprehensive income for comparative years under Indian GAAP to those reported for respective years under Ind AS.

The financial statements have been prepared on historical cost basis, except for financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosures in these financial statements is determined on such a basis, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

• Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;

• Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

• Level 3 inputs are unobservable inputs for the asset or liability.

3. Use of estimates and critical accounting judgments

3.1 The preparation of accounts in accordance with Ind AS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the accounts and reported amounts of income and expenses during the period.

Actual results could differ from those estimates. The most significant techniques for estimation are described in the accounting policies below. Critical accounting judgments and the key sources of estimation or uncertainty in applying the Company's accounting policies arise in relation to goodwill, intangibles, property, plant and equipment, current asset provisions, deferred tax, retirement benefits, provisions created for redundancy, rationalization and related costs, and financial derivatives. The detailed accounting policies, including underlying judgments and methods of estimations for each of these items are discussed below. All of these key factors are reviewed on a continuous basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and any future periods affected.

Deloitte Haskins & Sells Chartered Accountants

TATA METALIKS LIMITED TATA KOLKATA

3.2 Intangible Assets

Software costs are included in the balance sheet as intangible assets where they are clearly linked to long term economic benefits for the Company. In this case they are measured initially at purchase cost and then amortised on a straight-line basis over their estimated useful lives. All other costs on software are expensed in the statement of profit and loss as incurred.

3.3 Property, plant and equipment

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred. When a replacement occurs, the carrying amount of the replaced part is derecognised.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use.

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

3.4 Depreciation and amortization of property, plant and equipment and intangible assets

Depreciation or amortization is provided so as to write off, on a straight-line basis, the cost of property, plant and equipment and other intangible assets. These charges are commenced from the dates the assets are available for their intended use and are spread over their estimated useful economic lives. The estimated useful lives of assets and residual values are reviewed regularly and, when necessary, revised.

Depreciation on assets under construction commences only when the assets are ready for their intended use.

The estimated useful lives for the main categories of property, plant and equipment and other intangible assets are:

a) Factory Building	30 years.
b) Building (Others)	60 years.
c) Plant and Machinery	20 to 35 years.
d) Moulds	2 years.
e) Furniture and Fixtures	5 years.
g) Office Equipment	5 to 15 years.
h) Desktops and Laptops [1]	4 years.
i) Vehicles [1]	5 years.
j) Computer Software	5 years.
k) Electrical fittings	10 years.
l) Temporary Structure	3 years.

[(1)] Useful life of these class of assets has been determined based on independent technical valuation carried out by external valuers which management believes best represent the period over which the assets are expected to be used. The useful lives for these assets considered for depreciation is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

3.5 Impairment

At each balance sheet date, the Company reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that the carrying amount of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. Intangible assets with an indefinite useful life are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised in the statement of profit and loss as and when the carrying amount of an asset exceeds its recoverable amount.

Haskins & Sells Chartered Accountants Deloitte

TATA METALIKS LIMITED TATA KOLKATA

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

3.6 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.

3.7 Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

a) Financial assets

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through profit or loss.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

• Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities,
deposits and trade receivables

• Financial assets that are debt instruments and are measured as at FVTOCI

• Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognising impairment loss allowance based on 12-month ECL.

Deloitte Haskins & Sells Chartered Accountants

TATA METALIKS LIMITED KOLKATA

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing of the proceeds received.

b) Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method.

Interest-bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Company's accounting policy for borrowing costs.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Derivative financial instruments

In the ordinary course of business, the Company uses certain derivative financial instruments to reduce business risks which arise from its exposure to foreign exchange and interest rate fluctuations. The instruments are confined principally to forward foreign exchange contracts and interest rate swaps. These derivatives contracts do not generally extend beyond 6 months, except for interest rate swaps.

Derivatives are accounted for and measured at fair value from the date the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The fair values for forward currency contracts and interest rate swaps are marked to market at the end of each reporting period.

Deloitte Haskins & Sells Chartered Accountants

TATA METALIKS LIMITED KOLKATA

3.8 Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement schemes the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Re-measurement gains and losses of the net defined benefit liability/ (asset) are recognised immediately in other comprehensive income. The service cost, net interest on the net defined benefit liability/ (asset) is treated as a net expense within employment costs.

Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined-benefit obligation as reduced by the fair value plan assets.

Other long-term employee benefits

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit retirement plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the statement of profit and loss in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

3.9 Taxation

Tax expense for the year comprises current and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates and tax laws that have been enacted by the end of the reporting period.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to cover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised as an expense or income in the statement of profit and loss, except when they relate to items credited or debited either in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity.

3.10 Inventories

Inventories are stated at the lower of cost and net realizable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realizable value is the price at which the inventories can be realised in the normal course of business after allowing for the cost of conversion from their existing state to a finished condition and for the cost of marketing, selling and distribution. Provisions are made to cover slow moving and obsolete items based on historical experience of utilization on a product category basis, which involves individual businesses considering their local product lines and market conditions.

Deloitte Haskins & Sells
Chartered Accountants

TATA METALIKS LIMITED
KOLKATA

3.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

3.12 Provisions

Provisions are recognised in the balance sheet when the Company has a present obligation (legal or constructive) as a result of a past event, which is expected to result in an outflow of resources embodying economic benefits which can be reliably estimated. Each provision is based on the best estimate of the expenditure required to settle the present obligation at the balance sheet date. When appropriate, provisions are measured on a discounted basis.

Constructive obligation is an obligation that derives from an entity's actions where:

(a) by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities; and

(b) as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

3.13 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable. Revenues are reduced for estimated rebates and other similar allowances.

Sale of goods

The Company recognises revenue when all the following criteria are satisfied:

(i) significant risks and rewards of ownership has been transferred to the customer;
(ii) there is no continuing management involvement with the goods usually associated with ownership, nor effective control over the goods sold has been retained;
(iii) the amount of revenue can be measured reliably;
(iv) It is probable that the economic benefits associated with the transaction will flow to the group;
(v) recovery of the consideration is probable;

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.14 Foreign currency transactions and translation

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

In preparing the financial statements transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items are measured at historical cost.

Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which they arise.

Exchange differences arising on translation of long term foreign currency monetary items recognised in the financial statements before the beginning of the first Ind AS financial reporting period are recognised directly in equity or added/deducted from the cost of assets as the case may be.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in the statement of profit and loss for the period. Exchange differences arising on retranslation on non-monetary items carried at fair value are included in statement of profit and loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income.

Deloitte Haskins & Sells Chartered Accountants

Tata Metaliks Limited Kolkata

3.15 Borrowing Costs

Borrowings costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for the intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Discounts or premiums and expenses on the issue of debt securities are amortised over the term of the related security and included within finance charges. Premiums payable on early redemptions of debt securities, in lieu of future finance costs, are written off as finance charges when paid.

3.16 Government grants

Government grants are recognized when there is reasonable assurance that the entity will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognized in the balance sheet by setting up the grant as deferred income.

Other government grants (grants related to income) are recognized as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of providing immediate financial support with no future related costs are recognized in the statement of profit and loss in the period in which they become receivable.

Grants related to income are presented under other income in the statement of profit and loss except for grants received in the form of rebate or exemption which are deducted in reporting the related expense.

3.17 First-time adoption - mandatory exceptions, optional exemptions

3.17.1 Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of April 01, 2015 ("the transition date") by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exceptions and certain optional exemptions availed by the Company as detailed below.

3.17.2 Derecognition of Financial Assets and Financial Liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transaction occurring on or after April 1, 2015 ('the transition date')

3.17.3 Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the Fair value through other comprehensive income (FVTOCI) criteria based on the fact and circumstances that existed as of the transition date.

3.17.4 Deemed cost for Property, Plant and Equipment and Intangible assets

The Company has elected to continue with the carrying value of all its plant and equipment and intangible assets recognised as of April 1, 2015 ("transition date") measured as per the previous GAAP and used that carrying value as its deemed cost as of the transition date.

3.17.5 Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 *Determining whether an arrangement contains a Lease* to determine whether an arrangement existing at the transition date contain a lease on the basis of facts and circumstances existing at the date.

3.17.6 Long Term Foreign Currency Monetary Items

The Company elected to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP.

Deloitte Haskins & Sells Chartered Accountants

Tata Metaliks Limited Kolkata

ta Metaliks Limited

tes to the Financial Statements

Tangible assets

	As at 31-Mar-17	As at 31-Mar-16	As at 01-Apr-15
Carrying Amounts of :			
Freehold Land	**1,589.79**	1,440.25	1,440.25
Freehold Buildings	**9,915.09**	8,397.11	8,381.59
Plant and Machinery	**47,070.87**	24,966.99	25,905.90
Furnitureand fixtures	**96.59**	79.11	14.07
Office Equipments	**80.98**	92.03	72.38
Vehicles	**79.15**	110.46	109.79
Data Processing Equipments	**103.47**	80.86	67.35
Railway Sidings	**15.94**	50.39	84.84
	58,951.88	35,217.20	36,076.17
Capital work-in-progress	**3,354.48**	8,768.97	1,718.75
	62,306.36	43,986.17	37,794.92

Rs. in Lakhs

s at 31.03.2017	**Freehold Land**	**Freehold Buildings**	**Plant and Machinery**	**Furniture and fixtures**	**Office Equipments**	**Vehicles**	**Data Processing Equipments**	**Railway Sidings**	**Total Tangible Assets**
st at beginning of the year	**1,440.25**	**8,752.86**	**27,656.17**	**94.78**	**119.50**	**136.74**	**104.22**	**84.84**	**38,389.36**
ditions	**149.54**	**1,950.42**	**25,324.26**	**41.61**	**18.55**	**15.78**	**63.16**	**-**	**27,563.32**
posals	**-**	**162.84**	**2,224.61**	**-**	**-**	**21.85**	**-**	**-**	**2,409.30**
fect of Foreign currency exchange differences		**0.63**	**2.63**						**3.26**
st at end of the year	**1,589.79**	**10,541.07**	**50,758.45**	**136.39**	**138.05**	**130.67**	**167.38**	**84.84**	**63,546.64**
preciation at beginning of the year	**-**	**355.75**	**2,689.18**	**15.67**	**27.47**	**26.28**	**23.36**	**34.45**	**3,172.16**
preciation expense	**-**	**394.17**	**3,063.91**	**24.13**	**29.60**	**35.71**	**40.55**	**34.45**	**3,622.52**
ansition adjustment recorded against			**-**						**-**
sposals	**-**	**123.94**	**2,065.51**	**-**	**-**	**10.47**	**-**	**-**	**2,199.92**
preciation at end of the year	**-**	**625.98**	**3,687.58**	**39.80**	**57.07**	**51.52**	**63.91**	**68.90**	**4,594.76**
t book value at beginning of the year	**1,440.25**	**8,397.11**	**24,966.99**	**79.11**	**92.03**	**110.46**	**80.86**	**50.39**	**35,217.20**
et book value at end of the year	**1,589.79**	**9,915.09**	**47,070.87**	**96.59**	**80.98**	**79.15**	**103.47**	**15.94**	**58,951.88**

s at 31.03.2016	Freehold Land	Freehold Buildings	Plant and Machinery	Furniture and fixtures	Office Equipments	Vehicles	Data Processing Equipments	Railway Sidings	Total Tangible Assets
st at beginning of year	1,440.25	8,381.59	25,905.90	14.07	72.38	109.79	67.35	84.84	36,076.17
dditions		352.35	1,881.97	80.71	47.12	41.72	45.36		2,449.23
xchange differences capitalised		18.92	91.27						110.19
sposals			222.97			14.77	8.49		246.23
st at end of year	1,440.25	8,752.86	27,656.17	94.78	119.50	136.74	104.22	84.84	38,389.36
epreciation expense	-	355.75	2,777.21	15.67	27.47	36.15	31.85	34.45	3,278.55
ansition adjustment recorded against urplus balance in Statement of Profit and ss			134.94						134.94
isposals			222.97			9.87	8.49		241.33
epreciation at end of year	-	355.75	2,689.18	15.67	27.47	28.28	23.36	34.45	3,172.16
book value at beginning of year	1,440.25	8,381.59	25,905.90	14.07	72.38	109.79	67.35	84.84	36,076.17
t book value at end of year	1,440.25	8,397.11	24,966.99	79.11	92.03	110.46	80.86	50.39	35,217.20

s at 01.04.2015	Freehold Land	Freehold Buildings	Plant and Machinery	Furniture and fixtures	Office Equipments	Vehicles	Data Processing Equipments	Railway Sidings	Total Tangible Assets
revious GAAP carrying value as deemed cost	1,440.25	4,641.90	13,539.71	0.05	64.81	88.20	32.49	84.84	19,892.25
dd:Net carrying value on Merger of TMDIPL	-	3,739.69	12,366.19	14.02	7.57	21.59	34.86	-	16,183.92
et book value at end of year	1,440.25	8,381.59	25,905.90	14.07	72.38	109.79	67.35	84.84	36,076.17

Depreciation for the period on building includes adjustment of **Rs. 4.13 lakhs** (31.03.2016: Rs. 3.66 lacs) and depreciation for the period on plant and machinery includes adjustment of **Rs. 27.13 lakhs** (31.03.2016: Rs. 23.60 lacs) on account of depreciation attributable to exchange fluctuations on long term foreign currency loans for purchase of building and plant and machinery.

The fixed assets inclusive of lands have been pledged to secure borrowings of the Company. The assets have been pledged as security for bank loans under a mortgage. See Note no- 14 for details of security pledged for each cless of borrowings.

Other than lease hold land all other tangible assets are owned by the Company.

Deloitte Haskins & Sells Chartered Accountants

TATA METALIKS LIMITED KOLKATA

5. Intangible assets

(Acquired)

As at 31.03.2017	Computer Software Rs. in Lakhs	Total Intangible Assets Rs. in Lakhs
Cost at beginning of the year	59.54	59.54
Additions	-	-
Cost at end of the year	59.54	59.54
Amortisation at beginning of the year	18.06	18.06
Charge for the year	20.17	20.17
Amortisation at end of the year	38.23	38.23
Net book value at end of the year	21.31	21.31

As at 31.03.2016	Computer Software	Total Intangible Assets
Cost at beginning of the year	48.83	48.83
Additions	10.71	10.71
Cost at end of the year	59.54	59.54
Charge for the year	18.06	18.06
Amortisation at end of the year	18.06	18.06
Net book value at end of the year	41.48	41.48

As at 01.04.2015	Computer Software	Total Intangible Assets
Net book value as on transition date	48.83	48.83

6. Non-Current Investments

	As at 31.03.2017 Rs. in Lakhs	As at 31.03.2016 Rs. in Lakhs	As at 01.04.2015 Rs. in Lakhs
Investment carried at amortised cost			
Investments in national savings certificates (Unquoted)	1.52	1.52	1.52
Total Non-Current Investments	1.52	1.52	1.52

7. Other Financial Assets

	As at 31.03.2017 Rs. in Lakhs		As at 31.03.2016 Rs. in Lakhs		As at 01.04.2015 Rs. in Lakhs	
	Non Current	Current	Non Current	Current	Non Current	Current
(a). Security deposits	153.87	1,792.22	68.92	1,164.54	96.70	959.23
(b). Interest accrued on deposits, loans and advances	-	160.14	-	123.07	78.72	84.75
(c). Deposits with banks having maturity of more than one year						
Deposits with banks submitted as security with government agency	0.20		0.20	-	139.79	-
(d). Derivatives - foreign currency forward contracts (carried at fair val	-	-	-	1.82	-	41.31
Total Other Financial Assets	154.07	1,952.36	69.12	1,289.43	315.21	1,085.29
Classification of Other financial assets						
Secured, considered good	-	-	-	-	-	-
Unsecured, considered good	154.07	1,952.36	69.12	1,289.43	315.21	1,085.29
Doubtful	-	-	-	-	-	-
Gross other financial assets	154.07	1,952.36	69.12	1,289.43	315.21	1,085.29

Haskins & Sells Chartered Accountants

TATA METALIKS LIMITED KOLKATA

8. Other Assets

	As at 31.03.2017 Rs. in Lakhs		As at 31.03.2016 Rs. in Lakhs		As at 01.04.2015 Rs. in Lakhs	
	Non Current	**Current**	Non Current	Current	Non Current	Current
(a). Capital advances	**1,248.25**	**-**	4,915.49	-	5,845.54	-
(b). Other Deposit	**12.70**		12.70		12.70	
(c). Advance with public bodies	**-**	**4,029.56**	-	3,744.40	-	3,110.63
(e). Prepaid Lease Payments	**76.12**	**1.00**	77.12	1.00	78.12	1.00
(e). Other loans and advances						
i). Retirement benefit assets - Superannuation fund		**-**		42.45		12.20
ii). Prepayments and others	**2.60**	**1,267.39**	2.60	2,139.31	2.60	956.87
iii). Advance income tax [Net of Provision for tax **Rs. 573.00 lakhs** *(31.03.2016 :Rs.1,763.70 lakhs) (01.04.2015: Rs.602.70 lakhs)*]	**469.52**	**-**	378.83	-	327.13	-
Total Loans and advances	**1,809.19**	**5,297.95**	5,386.74	5,927.16	6,266.09	4,080.70

9. Inventories

	As at 31.03.2017 Rs. in Lakhs	As at 31.03.2016 Rs. In Lakhs	As at 01.04.2015 Rs. In Lakhs
(a). Raw Materials (At lower of cost or net realisable value)	**9,353.97**	6,304.60	6,351.69
(b). Work in progress (At lower of cost and net realisable value)	**498.02**	1,099.70	1,128.85
(c). Finished Goods (At lower of cost or net realisable value)	**4,280.76**	3,076.52	1,528.15
(d). Stores spares and others [(1)] (At or lower than cost)	**1,886.31**	1,524.30	1,318.66
Total Inventories	**16,019.06**	12,005.12	10,327.35
Included above, goods-in-transit:			
(a). Raw Materials	**1,152.90**	929.71	865.33
(b). Finished Goods	**24.85**	561.60	25.81
(c). Stores and spares	**76.78**	30.54	-
	1,255	1,521.85	891.14

(1). Stores includes scrap of Blast Furnace1 for Rs. 198 lacs

10. Trade Receivables

(i)	**As at 31.03.2017 Rs. in Lakhs**	As at 31.03.2016 Rs. in Lakhs	As at 01.04.2015 Rs. in Lakhs
a). More than six months (from the date they were due for payment)			
Considered good	**480.65**	3,214.14	281.10
Considered doubtful	**580.45**	189.08	113.47
Less: Provision of doubtful debts	**(580.45)**	(189.08)	(113.47)
b). Others - Considered good	**18,311.39**	13,851.39	12,189.71
Net Trade Receivables	**18,792.04**	17,065.53	12,470.81
Classification of Trade Receivables			
Secured, considered good	**-**	-	-
Unsecured, considered good	**18,792.04**	17,065.53	12,470.81
Unsecured, considered doubtful	**580.45**	189.08	113.47
Total Trade Receivables	**19,372.49**	17,254.61	12,584.28

Deloitte Haskins & Sells Chartered Accountants

TATA METALIKS LIMITED KOL

(ii) Trade receivables are further analysed as follows :

	As at 31.03.2017 Rs. in Lakhs			
	Gross credit risk	Subject to credit insurance cover	Impairment provision	Net credit risk
Amounts not yet due	14,092.63	2,000.00	-	12,092.63
One month overdue	1,664.32	-	-	1,664.32
Two months overdue	653.01	-	-	653.01
Three months overdue	1,109.65	-	-	1,109.65
Between three to six months overdue	527.02	-	-	527.02
Greater than six months overdue	1,325.86	-	580.45	745.41
	19,372.50	2,000.00	580.45	16,792.04

	As at 31.03.2016 Rs. in Lakhs			
	Gross credit risk	Subject to credit insurance cover	Impairment provision	Net credit risk
Amounts not yet due	12,126.69	-	-	12,126.69
One month overdue	1,104.85	-	-	1,104.85
Two months overdue	151.95	-	-	151.95
Three months overdue	599.53	-	-	599.53
Between three to six months overdue	2,504.33	-	-	2,504.33
Greater than six months overdue	767.26	-	189.08	578.18
	17,254.61	-	189.08	17,065.53

	As at 01.04.2015 Rs. in Lakhs			
	Gross credit risk	Subject to credit insurance cover	Impairment provision	Net credit risk
Amounts not yet due	10,798.14	-	-	10,798.14
One month overdue	875.03	-	-	875.03
Two months overdue	314.70	-	-	314.70
Three months overdue	67.41	-	-	67.41
Between three to six months overdue	134.35	-	-	134.35
Greater than six months overdue	394.66	-	113.47	281.18
	12,584.28	-	113.47	12,470.81

(iii) Movement in the provision for impairment of trade recievables :

	As at 31.03.2017 Rs. in Lakhs	As at 31.03.2016 Rs. in Lakhs
Balance at the beginning of the period	189.08	113.47
Movement in expected credit loss allowance on trade receivables (calculated at lifetime expected credit losses)	391.37	75.61
Balance at the end of the period	580.45	189.08

(iv) There are no outstanding debts due from directors or other officers of the company.

	As at 31.03.2017 Rs. in Lakhs	As at 31.03.2016 Rs. in Lakhs	As at 01.04.2015 Rs. in Lakhs
11. Cash and Bank Balances			
Cash and Cash equivalents			
(a). Cash on hand	0.49	0.55	1.51
(b). Cheques on hand	-	-	0.49
(c). Balances with banks			
(i). In Current Accounts	187.24	148.55	291.54
Total cash and cash equivalents	187.73	149.10	293.54
(d). Other bank balances [1]	26.99	-	44.08
(e). Fixed Deposits maturing greater than 3 months	1.40	1.00	11.50
Total cash and Bank Balances	216.12	150.10	349.12
Included above			
(1). Earmarked balances for unpaid dividend	26.99	-	44.08

Non-cash transactions

The company acquired Rs. 5,500 lakhs of coke oven plant under finance lease in FY 2016-2017

Deloitte Haskins & Sells Chartered Accountants

TATA METALIKS LIMITED KOLKATA

12 Equity Share Capital

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
Authorised:			
50,000,000 Equity Shares of Rs. 10 each	5,000.00	5,000.00	5,000.00
(31.03.2016: 50,000,000 Equity Shares of Rs. 10 each)			
(01.04.2015: 50,000,000 Equity Shares of Rs. 10 each)			
Issued, subscribed and fully paid up :			
25,288,000 Equity Shares of Rs. 10 each	2,528.80	2,528.80	2,528.80
(31.03.2016: 25,288,000 Equity Shares of Rs. 10 each)			
(01.04.2015: 25,288,000 Equity Shares of Rs. 10 each)			

12 Equity Share Capital

Reconciliation of Number of shares

	For the year ended 31.03.2017		For the year ended 31.03.2016		For the year ended 01.04.2015	
	No. of Shares	Amount Rs. in Lakhs	No. of Shares	Amount Rs. in Lakhs	No. of Shares	Amount Rs. in Lakhs
Equity Shares						
Issued, subscribed and fully paid up:						
At beginning of the year	25,288,000	2,528.80	25,288,000	2,528.80	25,288,000	2,528.80
Issued during the year	-	-	-	-	-	-
At end of the year	25,288,000	2,528.80	25,288,000	2,528.80	25,288,000	2,528.80

Shares held by holding company or its subsidiaries

Equity Shares	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Tata Steel Limited (Holding Company)	12,667,590	50.09%	12,667,590	50.09%	12,667,590	50.09%
	12,667,590	50.09%	12,667,590	50.09%	12,667,590	50.09%

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

Equity Shares						
Tata Steel Limited (Holding Company)	12,667,590	50.09%	12,667,590	50.09%	12,667,590	50.09%

12 Equity Share Capital

Rights, preferences and restrictions attached to shares

i). Equity Shares

The Company has one class of equity shares having a par value of Rs.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.

13 Other Equity

Rs. in Lakhs

As at 31.03.2017	Capital Reserve	General Reserve	Ind AS Transition Reserve	Surplus in Statement of Profit and Loss	Total
At the beginning of the year	8,885.13	8,211.99	51.94	(9,773.80)	7,375.26
Profit for the year	-	-	-	11,605.13	11,605.13
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	-	-	-	(182.54)	(182.54)
Dividend on Equity Shares	-	-	-	(505.76)	(505.76)
Tax on Dividend	-	-	-	(102.96)	(102.96)
At the end of the year	8,885.13	8,211.99	51.94	1,040.07	18,189.13

Rs. in Lakhs

As at 31.03.2016	Capital Reserve	General Reserve	Ind AS Transition Reserve	Surplus in Statement of Profit and Loss.	Total
At the beginning of the year	8,885.13	8,211.99	51.94	(20,882.43)	(3,733.37)
Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax) (Note 4)	-	-	-	(88.24)	(88.24)
Profit for the year	-	-	-	11,227.36	11,227.36
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	-	-	-	(30.49)	(30.49)
At the end of the year	8,885.13	8,211.99	51.94	(9,773.80)	7,375.26

Rs. in Lakhs

As at 01.04.2015	Capital Reserve	General Reserve	Ind AS Transition Reserve	Deficit in Statement of Profit and Loss	Total
At the beginning of the year	125.62	8,211.99	85.91	(1,999.79)	6,423.73
Transfer of Reserve Balance on Merger of TMDIPL	-	-	(33.97)	(18,882.64)	(18,916.61)
Capital Reserve on Merger	8,759.51	-	-	-	8,759.51
At the end of the year	8,885.13	8,211.99	51.94	(20,882.43)	(3,733.37)

Distributions made and Proposed

Rs. in Lakhs

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Cash dividends on Equity shares declared and paid:		
Final Dividend for March 31, 2016 : Rs 2 per share (March 31, 2015 : Nil)	505.76	-
DDT on final dividend	102.96	-
Total	608.72	-
Proposed dividends on Equity shares:		
Proposed cash dividend for March 31, 2017: Rs. 2.50 per share (March 31, 2016: Rs. 2.00 per share)	632.20	505.76
DDT on final dividend	128.70	102.96
Total	760.90	608.72

i) Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including DDT thereon) as at March 31, 2016.

The nature of reserves is as follows:

Capital reserve

Reserve includes Rs. 8759.51 lacs on account of Merger pursuant to the sanction of the Hon'ble High Court of Calcutta dated 7 November 2016 to the scheme of Amalgamation, where the assets and liabilities of the erstwhile Tata Metaliks DI Pipes Ltd (TMDIPL) has been merged with the company.

14 Borrowings

Rs. in Lakhs

	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
A. Secured	Non Current	Current	Non Current	Current	Non Current	Current
(a). Term Loans						
From Banks	-	-	2,889.52	-	6,838.57	-
(b). Repayable on Demand						
From banks						
i) Working capital demand loans	-	2,000.00	-	2,000.00	-	-
ii) Cash credit	-	198.44	-	652.15	-	813.26
(c). Buyer's credit from banks	-	1,589.20	-	1,151.27	-	-
Total Secured Borrowings	-	3,787.64	2,889.52	3,803.42	6,838.57	813.26
B. Unsecured						
(a). 8.5% Non Cum. Redeemable Pref Shares	-	-	10,000.00	-	10,000.00	-
(b). Finance Lease	4,709.00	-				
(c). Term Loans from Banks	11,041.63	-	4,369.98	-	5,323.33	-
(d). Buyer's credit from banks	-	9,438.25	-	7,420.28	-	4,349.30
(e). Bills discounted	-	-	-	1,151.61	-	-
(f). Acceptances	-	1,591.12	-	1,023.82	-	-
(g). Overdraft from banks	-	2,512.69	-	12.17	-	19.49
Total Unsecured Borrowings	15,750.63	13,542.06	14,369.98	9,607.88	15,323.33	4,368.79
Total Borrowings	15,750.63	17,329.70	17,259.50	13,411.30	22,161.90	5,182.05

14. Borrowings

Rs. in Lakhs

Name of the Bank/Instrument	As at 31.03.2017 Non Current	As at 31.03.2017 Current	As at 31.03.2017 Current Maturity (Refer Note 19)	As at 31.03.2016 Non Current	As at 31.03.2016 Current	As at 31.03.2016 Current Maturity (Refer Note 19)	As at 01.04.2015 Non Current	As at 01.04.2015 Current	As at 01.04.2015 Current Maturity (Refer Note 19)	Repayment terms	Security
Secured											
Central Bank of India	-	-	1,994.00	1,994.00	-	1,994.00	3,988.00	-	1,994.00	Loan carrying a floating rate of 9.95% p.a. (linked to bank's Marginal Cost of Funds based Lending Rate (MCLR)). Repayable in 20 quarterly instalments of Rs. 500 Lakhs 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.
Sumitomo Mitsui Banking Corporation	-	-	-	-	-	393.03	370.43	-	1,481.72	Denominated in US$. Repayable in 20 quarterly instalments denominated in US $ 592,500 each commencing from September 2011. Loan has been fully repaid in May 2016	External Commercial Borrowings from Sumitomo Mitsui Banking Corporation is secured by way of first charge on all the present and future movable fixed assets of the Company ranking pari passu with other term lenders.
Working capital demand loans	-	2,000.00		-	2,000.00	-	-	-	-	Loan carrying a fixed rate of 7.97% p.a. Loan is 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.
The Federal Bank Limited	-	-	910.52	895.52	-	1,203.65	2,112.58	-	1,204.28	Loan carrying a floating rate of 9.30% p.a. (linked to bank's MCLR). Repayable in 16 quarterly instalments commencing from February 2014 and ending in November 2017.	Secured by way of first pari passu charge on the entire movable fixed assets (present and future) of the Company.
Tata Capital Limited	-	-	-	-	-	384.01	367.56	-	765.73	Repayable in 12 quarterly Instalments of ` 19,230,800 and balance of Rs. 192.30 Lakhs in 13th quarter, commencing from June 2013 and ending on July 2016. Loan has been fully repaid on due date.	Secured by first pari passu charge on all movable fixed assets of the company both present and future.
Cash credit	-	198.44	-	-	652.15	-	-	813.26	-	Cash credit from banks carry floating rate of interest ranging from 9.1% p.a.to 10.5% p.a.(linked to bank's MCLR) This is 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.
Buyer's Credit - IndusInd Bank Limited	-	1,589.20	-	-	1,151.27	-	-	-	-	Buyer's Credit from Banks carry fixed rate of interest ranging from 1.18% p.a.to 2.02% p.a. These are repayable at the end of three/ six months from the respective dates of disbursement which are falling due from May 2017.	Secured by way of first pari passu charge on entire movable fixed assets both present & future.
Total secured borrowings	-	3,787.64	2,904.52	2,889.52	3,803.42	3,974.69	6,838.57	813.26	5,445.73		

14. Borrowings

Rs. in Lakhs

Name of the Bank/Instrument	As at 31.03.2017 Non Current	As at 31.03.2017 Current	As at 31.03.2017 Current Maturity (Refer Note 19)	As at 31.03.2016 Non Current	As at 31.03.2016 Current	As at 31.03.2016 Current Maturity (Refer Note 19)	As at 01.04.2015 Non Current	As at 01.04.2015 Current	As at 01.04.2015 Current Maturity (Refer Note 19)	Repayment terms	Security
Unsecured											
10,000,000 8.5% Non Cumulative Redeemable Preference Shares of Rs. 100 each	-	-	10,000.00	10,000.00	-	-	10,000.00		-	Preference shares carry a fixed coupon rate of 8.5% p.a. Redeemable fully in March' 2018	Nil
Finance Lease	4,709.00	-	485.00	-	-					Refer note below	Nil
Federal Bank	-	-	3,328.33	3,328.31	-	3,328.33	5,323.33		2,661.67	Loan carrying a floating rate of 9.30% p.a. (linked to bank's MCLR). Repayable in 12 quarterly instalments commencing from June 2015 and ending in March 2018.	Nil
Federal Bank	10,833.30	-	3,333.33	-	-	-				Loan carrying a floating rate of 9.30% (linked to bank's MCLR) Repayable in 18 quarterly instalments commencing from December 2016 and ending in June 2021.	Nil
Kotak Mahindra Bank	208.33	-	833.33	1,041.67	-	833.33				Loan carrying a floating rate of 9.70%. Repayable in 12 quarterly instalments commencing from September 2015 and ending on June 2018.	Nil
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.	Nil
Buyer's credit from banks	-	9,438.28	-	-	7,420.28	-	-	4,349.30	202.41	Buyer's Credit from Banks carry fixed rate of interest ranging from 1.56% p.a.to 1.95% p.a. These are repayable at the end of three/ six months from the respective dates of disbursement which are falling due from July 2017.	Nil
Bills discounted	-	-	-	-	1,151.61	-	-	-	-	Repayable on demand. Fully repaid in FY'16.	Nil
Acceptances	-	1,591.12	-	-	1,023.82	-	-	-	-	Loan carrying a floating rate of 8.00% p.a. (linked to bank's MCLR). Loan is payable on demand	Nil
Overdraft from banks	-	2,512.69	-	-	12.17	-	-	19.49	-	Loan carrying a floating rate of interest ranging from 8.00% p.a. to 10.00% p.a.(linked to bank's MCLR). Loan is payable on demand	Nil
Total unsecured borrowings	15,750.63	13,542.06	17,979.99	14,369.98	9,607.88	6,361.66	15,323.33	4,368.79	5,064.08		
Total borrowings	15,750.63	17,329.70	20,884.51	17,259.50	13,411.30	10,336.35	22,161.90	5,182.05	10,509.81		

Note:

1. The company has entered into arrangement whose fulfilment is dependent on the use of specific assets. This arrangement has been assessed for being in the nature of lease and has been classified as finance lease. Finance lease obligations represent the present value of minimum lease payments payable over the lease term.

2. Non-cumulative redeemable preference shares having a par value of Rs. 100 carries a fixed rate of dividend of 8.5%. 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 extension 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.

14. The currency and interest exposure of borrowings of the group at the end of the period are as follows:

Rs. In lakhs

	As at 31.03.2017			As at 31.03.2016			As at 01.04.2015		
Currency	**Fixed rate debt**	**Floating rate debt**	**Total**	Fixed rate debt	Floating rate debt	Total	Fixed rate debt	Floating rate debt	Total
INR	**17,194**	**25,743**	**42,937**	14,200	17,843	32,043	12,200	19,250	31,450
US Dollars	**11,027**	**-**	**11,027**	8,965	-	8,965	6,404	-	6,404
Total	**28,221**	**25,743**	**53,965**	23,165	17,843	41,007	18,604	19,250	37,854

The majority of the INR floating rate borrowings are bank borrowings bearing interest rate linked to bank's Marginal Cost of Funds based Lending Rate (MCLR).

15 Retirement benefits obligations

Rs. in Lakhs

	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	Non Current	Current	Non Current	Current	Non Current	Current
Post-employment Defined Benefits						
i). Retirement gratuity	467.06	-	185.78	-	162.82	1.08
ii). Post retirement pension	243.49	-	178.08	19.07	178.95	19.06
iii). Post retirement medical benefits	20.74	-	17.98	1.93	18.08	1.93
Total Retirement benefit obligations	731.29	-	381.84	21.00	359.85	22.07

16 Provisions

Rs. in Lakhs

	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	Non Current	Current	Non Current	Current	Non Current	Current
(a). Other Employee Benefits	1,053.11	1.30	798.04	11.36	648.40	9.35
(b). Provision for entry tax & others	-	3,036.15	-	2,280.27	-	1,268.18
Total Provisions	1,053.11	3,037.45	798.04	2,291.63	648.40	1,277.53

17 Trade Payables

	As at 31.03.2017 Rs. in Lakhs	As at 31.03.2016 Rs. in Lakhs	As at 01.04.2015 Rs. in Lakhs
(a). Outstanding dues of micro enterprises and small enterprises			
Creditors for supplies and services	69.87	125.99	38.24
Total outstanding dues of micro enterprises and small enterprises	69.87	125.99	38.24
(b). Outstanding dues of creditors other than micro enterprises and small enterprises			
(i). Creditors for supplies and services	15,108.34	23,042.61	27,733.28
(ii). Creditors for accrued wages and salaries	1,887.52	1,704.37	1,076.31
Total outstanding dues of creditors other than micro enterprises and small enterprises	16,995.86	24,746.98	28,809.59
Total Trade Payables	17,065.73	24,872.97	28,847.83

18 Dues to Micro, Small and Medium Enterprises

The dues to Micro, Small and Medium Enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the company is given below:

	As at 31.03.2017 Rs. in Lakhs	As at 31.03.2016 Rs. in Lakhs	As at 01.04.2015 Rs. in Lakhs
Amount due and Payable at the year end			
- Principal	69.87	125.99	38.24
- Interest on above Principal	-	-	-
Payments made during the year after the due date			
- Principal	-	-	-
- Interest on above Principal	-	-	-
Interest due and payable for principals already paid	-	-	-
Total Interest accrued and remained unpaid at year end	-	-	-

Deloitte Haskins & Sells Chartered Accountants

TATA METALIKS LIMITED TATA KOLKATA

Notes to the Financial Statements

19 Other Financial Liabilities

Current:

(a). Current maturities of long-term debts (refer Note 14)	**20,399.52**	10,336.35	10,509.81
(b). Current maturities of Finance Lease obligation (refer Note 14)	**485.00**	-	-
(c). Interest accrued but not due on borrowings	**496.69**	418.86	441.45
(d). Unpaid dividends	**26.99**	-	44.08
(e). Advances received from holding company	**-**	1,464.98	1,464.98
(f). Security deposits from vendors	**13.28**	14.99	12.99
(g). Interest on preference shares	**850.00**	850.00	-
(h). Creditors for Other Liabilities			
i). Creditors for capital goods and services	**4,844.70**	1,768.70	1,076.35
ii). Derivatives - foreign currency forward contracts	**552.18**	402.96	31.57
(iii) Interest rate swaps	**-**	5.45	50.25
	27,668.36	15,262.29	13,631.48

20 Other Current Liabilities

(a). Advances received from customers	**1,813.49**	1,092.00	1,412.69
(b). Others			
i). Employee recoveries and employer contributions	**52.17**	31.12	26.91
ii). Statutory dues (excise duty, service tax, sales tax, TDS etc.)	**568.36**	318.46	313.51
Total Other Current Liabilities	**2,434.02**	1,441.58	1,753.11

	For the year ended 31.03.2017 Rs. in Lakhs	For the year ended 31.03.2016 Rs. in Lakhs
21. Revenue from Operations		
(a). Sale of Goods		
i). Pig iron	55,333.31	72,772.29
ii). DI Pipe	84,440.54	64,022.42
iii). Coal	-	250.31
iv). Coke	-	86.75
v). Limestone	77.43	39.64
(b). Other operating income	1,158.30	1,846.45
Gross Revenue from Operations	141,009.58	139,017.86
Note :		
Other operating income comprise:		
(a). Subsidy from State Government	318.76	1,247.14
(b). Sale of Scrap	409.34	322.22
(a). Duty drawback and other export incentives	104.70	130.45
(b). Others	325.50	146.64
	1,158.30	1,846.45
22. Other Income		
(a). Interest received from deposits, advances, etc.	80.97	94.62
(b). Dividend income	3.99	0.82
(c). Liabilities no longer required written back	45.90	12.92
(d). Impairment provision written back	-	31.31
(e). Miscellaneous Income	14.65	18.44
Total Other Income	145.51	158.11

	For the year ended 31.03.2017 Rs. in Lakhs	For the year ended 31.03.2016 Rs. in Lakhs
23. Cost of materials consumed		
Raw Material Consumed		
i). Opening stock	6,304.60	6,351.69
ii). Add: Purchases	68,998.10	65,585.76
	75,302.70	71,937.45
iii). Less: Closing stock	9,353.97	6,304.60
	65,948.73	65,632.85
Raw Material Consumed comprises		
i). Iron ore	13,426.28	20,618.78
ii). Coke	44,129.53	37,130.46
iii). Fluxes	3,636.07	3,904.03
iv). Others	4,756.85	3,979.58
	65,948.73	65,632.85

Deloitte Haskins & Sells Chartered Accountants

TATA METALIKS LIMITED KOLKATA TATA

	For the year ended 31.03.2017 Rs. in Lakhs	For the year ended 31.03.2016 Rs. in Lakhs
24. Changes in stock of finished goods		
Stock at the beginning of the year		
Finished goods	3,076.52	1,528.15
Work-in-progress	1,099.70	1,128.85
	4,176.22	2,657.00
Stock at the end of the year		
Finished goods	4,280.76	3,076.52
Work-in-progress	498.02	1,099.70
	4,778.78	4,176.22
Net (increase)/decrease in finished goods	(602.56)	(1,519.22)
25. Employee Benefits Expense		
(a). Salaries and wages, including bonus	7,192.07	6,190.71
(b). Contribution to provident and other funds	691.67	577.05
(c). Staff welfare expenses	604.53	430.89
Total Employee Benefits Expense	8,488.27	7,198.65
26. Finance Costs		
(a). Interest expense		
i). Interest on borrowings	2,117.79	2,009.63
ii). Finance Leases	474.00	-
iii). Interest on Preference Shares	850.00	850.00
iv). Interest on others	594.17	505.34
	4,035.96	3,364.97
(b). Other borrowing costs	731.55	1,223.16
Gross Finance Costs	4,767.51	4,588.13
Less: amounts included in the cost of qualifying asset	1,017.08	-
Net Finance Costs	3,750.43	4,588.13

The weighted average capitalisation rate on funds borrowed generally is 8.08% per anum.

	For the year ended 31.03.2017 Rs. in Lakhs	For the year ended 31.03.2016 Rs. in Lakhs
27. Depreciation and amortisation expense		
(a). Depreciation on tangible assets as per Note 4.	3,622.52	3,278.30
(b). Amortisation on intangible assets as per Note 5.	20.17	18.06
Total depreciation and amortisation expense	3,642.69	3,296.36

Deloitte Haskins & Sells Chartered Accountants *

TATA METALIKS LIMITED * KOLKATA * TATA

28. Other Expenses

(a). Consumption of stores and spare parts	9,658.40	9,305.51
(b). Repairs to buildings	40.63	95.59
(c). Repairs to machinery	1,071.44	1,008.43
(d). Repairs to others	767.57	647.24
(e). Power and fuel	949.44	1,171.69
(f). Electricity charges	4,773.61	5,271.30
(g). Freight and handling charges	10,747.36	9,836.63
(h). Rent	205.65	219.21
(i). Rates and taxes	3,458.40	3,558.37
(j). Insurance charges	275.53	224.50
(k). Commission, discounts and rebates	205.38	321.74
(l). Excise duties	7,336.45	9,189.72
(m). Provision for doubtful debts	391.38	75.61
(n). Bad debts written off	4.02	-
(o). Other expenses		
i). (Gain)/ Loss on foreign currency transactions	(237.53)	713.05
ii). (Gain)/ Loss on cancellation of forward contracts	771.52	(31.32)
iv). Loss on sale of tangible fixed assets	-	(7.44)
v). Auditors remuneration and out-of-pocket expenses		
As Auditors - statutory audit	32.68	33.48
For Taxation matters	-	-
For Other Services	16.05	25.25
Auditors out-of-pocket expenses	1.96	1.15
vi). Legal and other professional costs	250.10	215.85
vii). Consultancy for sales	537.27	1,100.54
viii). Advertisement, sales promotion and other selling exp	84.62	70.81
ix). Travelling expenses	482.85	408.90
x). Bank charges	129.73	140.10
xi). CSR Expenses	205.21	111.87
xii). Other general expenses	2,521.96	2,386.77
Total Other Expenses	44,681.68	46,094.55

Deloitte Haskins & Sells Chartered Accountants

TATA METALIKS LIMITED KOLKATA

	As at 31.03.2017	As at 31.03.2016
	Rs. in Lakhs	Rs. in Lakhs
29. Contingent Liabilities and other Commitments		
A Contingent Liabilities		
(a). Excise & Service Tax	9,485.23	8,913.16
(b). Income Tax	129.90	138.23
(c). Sales Tax & VAT	137.73	99.46
B Others		
(a). Bill discounted	531.44	418.47
(b). Bank Guarantee	1,588.11	1,228.69

The Company had claimed a deduction u/s 80-IA of the Income Tax Act, 1961 amounting to Rs. 7,682 lakh during the AY 2003-04 to AY 2008-09 on its Captive Power Plant. The entire claim amount was allowed by the CIT(Appeals) & ITAT. However, tax department preferred an appeal before the Hon'ble Calcutta High Court for AY 2003-04 & AY 2004-05 on the ground that no real profit existed since not sold outside i.e. Tata Metaliks has consumed the power.
The Hon'ble Calcutta High Court vide it's order dated 3rd August 2016 allowed the deduction u/s 80-IA 'on the captive power unit' in favour of the Company, however remanded back to AO on account of transfer price with respect to rate on which such benefit was computed. The Company is in process of filing an appeal in Hon'ble Supreme Court against such order of Hon'ble Calcutta High Court.

	As at 31.03.2017	As at 31.03.2016
	Rs. in Lakhs	Rs. in Lakhs
30. Capital and other commitments		
(a). Capital commitments		
Estimated value of contracts in capital account remaining to be executed (net of advances)	1,875.69	4,906.44
(b). Other Commitments		
Export Obligation against import of capital goods under EPCG Scheme	5,950.97	7,297.50

	For the year ended 31.03.2017	For the year ended 31.03.2016
	Rs. in Lakhs	Rs. in Lakhs
31. Earnings Per Share		
i). Profit for the year from continuing operation	11,684.85	11,282.39
ii). Profit for the year from total operations	11,605.13	11,227.36
iii). Weighted average no.of Ordinary shares for Basic and Diluted EPS (Nos)	25,288,000	25,288,000
iv). Nominal Value per Ordinary Share (Rs.)	10.00	10.00
v). Earnings Per Ordinary Share for the year from continuing operation (Rs.) - Basic	46.21	44.62
vi). Earnings Per Ordinary Share for the year from total operations (Rs.) - Basic	45.89	44.40
vii). Earnings Per Ordinary Share for the year from continuing operation (Rs.) - Diluted	46.21	44.62
viii). Earnings Per Ordinary Share for the year from total operations (Rs.) - Diluted	45.89	44.40

Deloitte Haskins & Sells Chartered Accountants

TATA METALIKS LTD KOLKATA

32. Segment Reporting

The Company has identified business segments as reportable segments. The Business segment comprised pig iron and ductile iron pipes.
Revenue and expenses directly attributable to segments are reported under each reportable segment.
Assets and liabilties that are directly attributable or allocable to segments are disclosed under each reportable segment.

Particulars	Pig Iron	D I Pipe	Ellmination	Total
Revenue				
Total External Sales	**55,993.91**	**85,015.67**	**-**	**141,009.58**
	74,539.48	64,481.57		139,021.05
Add: Inter Segment Revenue	**40,220.18**	**-**	**(40,220.18)**	**-**
	29,297.89		(29,297.89)	-
Total Revenue	**96,214.09**	**85,015.67**	**(40,220.18)**	**141,009.58**
	103,837.37	64,481.57	(29,297.89)	139,021.05
Segment Result	**5,436.70**	**13,332.62**		**18,769.32**
	9,456.38	8,801.34		18,257.72
Finance costs	**3,366.24**	**384.18**		**3,750.42**
	4,146.36	441.77		4,588.13
Other Income	**104.81**	**42.43**		**147.24**
	91.89	68.14		160.03
Profit before exceptional items and taxes	**2,175.27**	**12,990.87**		**15,166.14**
	5,401.91	8,427.71		13,829.62
Exceptional Items	**-**	**-**		**-**
	-	-		-
Profit before taxes	**2,175.27**	**12,990.87**		**15,166.14**
	5,401.91	8,427.71		13,829.62
Taxes	**690.00**	**2,871.00**		**3,561.00**
	1,441.26	1,161.00		2,602.26
Net Profit	**1,485.27**	**10,119.87**		**11,605.14**
	3,960.65	7,266.71		11,227.36
Segment Asset	**56,112.98**	**50,457.03**		**106,570.01**
	41,564.00	44,359.00		85,923.00
Segment Liabilities	**19,204.54**	**12,682.65**		**31,887.19**
	26,558.00	8,453.00		35,011.00
Total Cost incurred during the year to acquire segment assets	**8,095.58**	**4,493.91**	**-**	**12,589.49**
	3,566.49	4,420.75	-	7,987.24
Segment Depreciation	**1,716.17**	**1,926.52**	**-**	**3,642.69**
	1,357.35	1,939.27	-	3,296.62
Non Cash expenses other than depreciation	**-**	**402.76**	**-**	**402.76**
	-	80.51	-	80.51

Deloitte Haskins & Sells Chartered Accountants

TATA METALIKS LIMITED KOLKATA TATA

	For the year ended 31.03.2017 Rs. in Lakhs	For the year ended 31.03.2016 Rs. in Lakhs
External Revenue by Geographical location of customers		
India	137,637.16	136,760.28
Asia Excluding India	2,887.57	721.35
Others	484.85	1,539.42
	141,009.58	139,021.05
Additions to fixed assets		
India	27,566.58	2,559.42
Asia Excluding India	-	-
	27,566.58	2,559.42

	As at 31.03.2017 Rs. in Lakhs	As at 31.03.2016 Rs. in Lakhs
Carrying value of Segment Assets		
India	**106,324.06**	85,230.53
Asia Excluding India	**153.54**	43.62
Others	**92.41**	648.85
	106,570.01	85,923.00

33. 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 Rs. 3.26 Lakhs (Previous period Rs.110.19 Lakhs) availed for purchase of capital assets has been capitalised and is included under the applicable fixed assets classification.

	For the year ended 31.03.2017 Rs. in Lakhs	For the year ended 31.03.2016 Rs. in Lakhs
Foreign exchange loss capitalised in the fixed assets block	**3.26**	110.19
Depreciation impact on account of exchange fluctuation capitalised during the year	**0.13**	3.12
Depreciation impact on account of exchange fluctuation capitalised till 31 March 2017	**31.27**	27.27

Deloitte Haskins & Sells Chartered Accountants

Tata Metaliks Limited TATA Kolkata

34. Related Party Transactions

Related party relationship:

Name of the related party	Nature of Relationship
Tata Steel Limited	: Holding Company
Jamshedpur Utilities & Services Company Limited	Fellow Subsidiary
Tayo Rolls Limited	Fellow Subsidiary
Tata Sponge Limited	Fellow Subsidiary
Tata Pigments Limited	Fellow Subsidiary
Tata Steel Global Procurement Pte Limited	Fellow Subsidiary
The Indian Steel and Wire Products Limited	Fellow Subsidiary
Tata Bluescope Limited	Joint Venture of Parent Company
TM International Logistics Limited	Joint Venture of Parent Company
TKM Global Logistics Limited	Joint Venture of Parent Company
Sadbhavna Trust	: Trust incorporated by the Company
Key Managerial Person -	
Mr. Sanjiv Paul	: Managing Director
Mr.Shankar Bhattacharya	: Company Secretary
Mr.Subhra Sengupta	: Chief Financial Officer

Related Party Transactions

Name of the related party	Nature of transaction	For the year ended 31.03.2017	For the year ended 31.03.2016
Tata Steel Limited	Purchase of raw materials	12,094.93	16,443.75
	Services received	30.05	158.98
	Reimbursement of Expenses	11.93	
	Sale of Materials	11.60	260.39
	Rent Paid	162.28	14.62
	Rendering of Services	-	13.15
Tata Pigments Limited	Purchase of materials	-	5.04
Tata Steel Processing and Distribution Limited	Purchase of materials	100.84	83.36
Jamshedpur Utilities & Services Company Limited	Sale of materials	-	32.31
Tata Bluescope Limited	Purchase of goods	5.70	-
TM International Logistics Limited	Services received	1,305.09	1,156.50
Tata Steel Global Procurement Pte Limited	Purchase of goods	7,699.34	942.80
Tata Sponge Limited	Purchase of goods	19.12	28.23
TKM Global Logistics Limited	Services received	5.32	34.56
The Indian Steel and Wire Products Limited	Purchase of goods	-	1.18
Sadbhavna Trust	Contribution for CSR	204.69	-
Mr. Sanjiv Paul	Short term employee benefits	190.59	166.62
	Post employment benefits	3.49	2.51
	Other long term employment benefits	6.37	4.20
Mr. Shankar Bhattacharya	Short term employee benefits	24.12	20.86
	Post employment benefits	0.74	0.49
	Other long term employment benefits	1.10	0.64
Mr. Subhra Sengupta	Short term employee benefits	55.77	45.90
	Post employment benefits	2.15	1.46
	Other long term employment benefits	2.84	2.23
Name of the related party	**Nature of outstanding**	**As at 31.03.2017**	**As at 31.03.2016**
Tata Steel Limited	Inter Corporate Deposits received	-	2,200.00
	Advance Payable	-	1,464.98
	Outstanding payables	576.97	1,086.05
	Outstanding receivables	11.60	8.24
	Interest payable	317.78	317.78
Tayo Rolls Limited	Other credit balances	1.74	1.74
TM International Logistics Limited	Outstanding receivables		-
	Advance Paid	22.32	104.33
TKM Global Logistics Limited	Outstanding payables	0.44	-
Tata Steel Global Procurement Pte Limited	Outstanding payables	3,615.61	915.80

Deloitte Haskins & Sells Chartered Accountants

TATA METALIKS LIMITED KOLKATA

35. Income taxes

(i) Income tax expenses recognised in the statement of Profit or Loss are analyses as follows:

	For the year ended 31.03.2017 Rs. in Lakhs	For the year ended 31.03.2016 Rs. in Lakhs
Current taxes	3,561.00	2,555.56
Deferred taxes	-	46.70
	3,561.00	2,602.26

(ii) The reconciliation of estimated income taxes to income tax expenses is as follows:

	For the year ended 31.03.2017 Rs. in Lakhs	For the year ended 31.03.2016 Rs. in Lakhs
Income before Income taxes	15,166.13	13,829.62
Tax at the applicable tax rate of 21.34%	3,236.69	2,951.46
Tax effect of income that are not taxable in determining taxable profit:	-	
Dividend Exempt u/s 10(35)	(0.85)	(0.18)
Tax effect of income that are not deductible in determining taxable profit:		
Provision for doubtful debts	106.83	16.14
Interest on Preference Share and Dividend tax	218.33	218.33
Tax effect of Other Adjustment:		
Lower of Brought Forward Loss and Unabsorbed Depreciation as per books	-	(583.50)
	3,561.00	2,602.26

Haskins & Sells Deloitte Chartered Accountants

TATA METALIKS LIMITED KOLKATA TATA

(iii) The reconciliation of applicable tax rate & effective tax rate:

	For the year ended 31.03.2017 %	For the year ended 31.03.2016 %
Applicable tax rate	21.34%	21.34%
Tax effect of income that are not taxable in determining taxable profit	-0.01%	-4.22%
Tax effect of income that are not deductible in determining taxable profit	2.14%	1.70%
Effective tax rate	23.48%	18.82%

(iv) Income tax recognised in Other Comprehensive Income

	For the year ended 31.03.2017 Rs. in Lakhs	For the year ended 31.03.2016 Rs. in Lakhs
Current Tax		
- Remeasurement of defined benefit obligation	49.53	4.56

36. Deferred Tax Balances

Rs. in Lakhs

(a) The following is the analysis of deferred tax assets/ (liabilities) presented in the balance sheet:

	As at 31.03.2017 Rs. in Lakhs	As at 31.03.2016 Rs. in Lakhs
Deferred tax assets	1,048.49	778.06
Deferred tax liabilities	(1,048.49)	(778.06)
	-	-

2016-17	Opening Balance	Recognised in profit or loss	Recognised directly in equity	Closing Balance
Deferred tax liabilities/ (assets) in relation to:				
Property, plant & equipment	3,235.68	(2,187.19)	-	**1,048.49**
Unabsorbed business loss	(2,457.62)	2,457.62	-	**-**
Other Provisions	(778.06)	(270.43)	-	**(1,048.49)**
	-	-	-	-

2015-16	Opening Balance	Recognised in profit or loss	Recognised directly in equity	Closing Balance
Deferred tax liabilities/ (assets) in relation to:				
Property, plant & equipment	2,951.58	330.80	(46.70)	**3,235.68**
Unabsorbed business loss	(2,806.16)	348.54	-	**(2,457.62)**
Other Provisions	(145.42)	(632.64)	-	**(778.06)**
	-	46.70	(46.70)	-

The Company has recognised deferred tax asset on unabsorbed depreciation 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.

(b) Unrecognised deductible temporary differences, unused tax losses and unused tax credits

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:			
(i) tax losses (capital in nature)	76.03	76.03	76.03
(ii) tax losses (revenue in nature)	-	-	11,782.14
(iii) unabsorbed depreciation	1,176.73	10,341.52	12,972.22
	1,252.75	10,417.54	24,830.39

Tata Metaliks Limited

Notes to Financial Statements

37. Leases:

Finance lease — as lessee

The company has entered into following finance leases:

(i) Company has entered into agreement with Metaliks Fuel Private Ltd. to construct two coke oven batteries for the purpose of coke conversion.

(ii) Company has voluntarily offered to be a committed user of the facilities for the fixed tenure.

(iii) The agreement is for a period of 10 years.

(iv) The facility is of a specialised nature as the drawings and design of the same is integrated with the power plant.

Disclosure under Finance Lease as Lessee:

Rs. in Lakhs

		As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
(i)	Minimum lease payments			
	- Within one year	1,237.00	-	-
	- After one year but not more than five years	4,143.00	-	-
	- More than five years	4,105.00	-	-
	Total	**9,485.00**	-	-
(ii)	Present value of minimum lease payments			
	- Within one year	485.00	-	-
	- After one year but not more than five years	1,849.00	-	-
	- More than five years	2,860.00	-	-
	Add: Future finance charges	4,291.00	-	-
	Total	**9,485.00**	-	-
	The Net Carrying amount of the assets acquired under Finance Lease included in Note – 14	**5,211.00**	-	-

Deloitte Haskins & Sells Chartered Accountants

TATA METALIKS KOLKATA TATA

38. Discontinued 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 closur,e process. The carrying value of plant property and equiptment ,current assets and current liabilities of the Redi Plant as at March 31, 2017, were Rs. 1,187.91 lakhs (March 31, 2016 Rs. 1,187.91 lakhs), Rs. 18.70 lakhs (March 31, 2016 Rs. 25.37 lakhs) and Rs. 22.60 lakhs (March 31, 2016 Rs.29.82 lakhs) respectively.

Rs. in Lakhs

	Discontinued Operations	
	Year Ended 31.03.2017	Year Ended 31.03.2016
Gross Revenue	-	3.19
Revenue from Operations		3.19
Other Income	1.73	1.92
Total	1.73	5.11
Raw materials consumed		-
Changes in stock of finished goods		-
Employee benefits expense	13.22	16.70
Depreciation	-	0.25
Other expenses	68.23	43.19
Operating Expenses	81.45	60.14
Finance Cost	-	-
Profit/(Loss) from Operating activities Before exceptional items and tax	(79.72)	(55.03)
Exceptional items	-	-
Profit/(Loss) from Operating activities Before tax	(79.72)	(55.03)
Tax (incl Deferred Tax)	-	-
Profit/(Loss) from Operating activities after tax	(79.72)	(55.03)
Net Cash flow from/(used in) Operating activities	(79.72)	(54.78)
Net Cash flow from Investing activities	-	-
Net Cash flow from Financing activities	-	-

Deloitte Haskins & Sells

TATA METALIKS KOLKATA

Tata Metaliks Limited
Notes to Financial Statements
39. Capital Management

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Company.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity and other long-term/short-term borrowings. The Company's policy is aimed at combination of short-term and long-term borrowings.

The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

Rs. in Lakhs

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
(i) Equity Share capital	**2,528.80**	2,528.80	2,528.80
(ii) Other Equity	**18,189.13**	7,375.26	(3,733.37)
Total equity (a)	**20,717.93**	9,904.06	(1,204.57)
(i) Short-term borrowings	**17,329.70**	13,411.30	5,182.05
(ii) Long-term borrowings	**15,750.63**	17,259.50	22,161.90
(iii) Current Maturity of long term debt	**20,399.51**	10,336.35	10,509.81
Total debt (b)	**53,479.84**	41,007.15	37,853.76
(i) Cash and cash equivalents	**216.12**	150.10	349.12
Total cash (c)	**216.12**	150.10	349.12
Net debt {d=(b-c)}	**53,263.72**	40,857.05	37,504.64
Total capital (equity + net debt)	**73,981.65**	50,761.11	36,300.07
Net debt to equity ratio	**2.57**	4.13	(31.14)

40. Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, security deposits, employee liabilities, unpaid and finance lease obligation. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Company also enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a Risk Management Compliance Board that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist personnel's that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at 31 March 2017 and 31 March 2016.

The sensitivity analyses have been prepared on the basis that the amount of debt and derivatives.

The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2017, 31 March 2016 and 1 April 2015.

- The sensitivity of equity is calculated by considering the effect of any associated derivatives at 31 March 2017 and 31 March 2016 for the effects of the assumed changes of the underlying risk

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company is subject to variable interest rates on some of its interest bearing liabilities. The Company's interest rate exposure is mainly related to debt obligations. The Company also uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short term loans.

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of derivative instruments. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/decrease in basis points	Effect on profit before tax	Effect on post-tax equity
31-Mar-17			
Rs. In Lakhs	+100	(175.30)	(137.89)
Rs. In Lakhs	-100	175.30	137.89
31-Mar-16			
Rs. In Lakhs	+100	(123.35)	(97.02)
Rs. In Lakhs	-100	123.35	97.02
31-Mar-15			
Rs. In Lakhs	+100	(160.54)	(126.28)
Rs. In Lakhs	-100	160.54	126.28

Deloitte Haskins & Sells Chartered Accountants

TATA METALIKS LTD. KOLKATA

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company, as per its risk management policy, uses foreign exchange and other derivative instruments primarily to hedge foreign exchange exposure. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures.

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in accordance with its risk management policies.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all currencies other than US Dollars is not material.

	Change in USD rate	Effect on profit before tax	Effect on post-tax equity
		Rs in Lakhs	Rs in Lakhs
31-Mar-17			
	+10%	**(114.04)**	**(89.70)**
	-10%	**114.04**	**89.70**
31-Mar-16			
	+10%	198.52	156.16
	-10%	(198.52)	(156.16)
31-Mar-15			
	+10%	(238.05)	(187.25)
	-10%	238.05	187.25

The movement in the post-tax effect is a result of a change in the fair value of derivative financial instruments not designated in a hedge relationship and monetary assets and liabilities denominated in Rs., where the functional currency of the entity is a currency other than Rs.. Although the derivatives have not been designated in a hedge relationship, they act as an economic hedge and will offset the underlying transactions when they occur.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Customer credit risk is managed by each divisions subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance.

The risk relating to trade receivables is shown under note no 10.

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company has obtained fund and non-fund based working capital lines from various banks. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, buyer's credit and other means of borrowings. The company invests its surplus funds in liquid schemes of mutual funds, which carry no/low mark to market risk.

The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

Deloitte Haskins & Sells Chartered Accountants

TATA METALIKS KOLKATA

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31st, 2017, 2016 and April 1, 2015.

Rs in Lakhs

	On demand	less than 1 year	1 to 5 years	> 5 years	Total
As at 31-03-2017					
Borrowings	6,302.25	21,426.96	11,041.63	-	38,770.84
Finance Lease	-	485.00	1,850.00	2,859.00	5,194.00
Non Cum. Redeemable Pref. Shares		10,000.00	-	-	10,000.00
Trade payables	-	17,065.73			17,065.73
Derivatives - foreign currency forward contracts	-	552.18	-	-	552.18
Interest rate swaps	-	-	-	-	-
Other financial liabilities	-	6,716.66	-	-	6,716.66
	6,302.25	56,246.53	12,891.63	2,859.00	78,299.41
As at 31-03-2016					
Borrowings	4,839.75	18,907.90	7,259.50		31,007.15
Finance Lease	-	-	-	-	-
Non Cum. Redeemable Pref.	-		10,000.00		10,000.00
Trade payables	-	13,411.30	-	-	13,411.30
Derivatives - foreign currency forward contracts	-	418.86	-	-	418.86
Interest rate swaps	-	-	-	-	-
Other financial liabilities	-	1,046.12	-	-	1,046.12
	4,839.75	33,784.18	17,259.50	-	55,883.43
As at 1 April 2015					
Borrowings	832.75	10,509.81	16,511.20	-	27,853.76
Finance Lease	-	-	-	-	-
Non Cum. Redeemable Pref.	-	-	10,000.00		10,000.00
Trade payables	-	5,182.05	-	-	5,182.05
Derivatives - foreign currency forward contracts	-	441.45	-	-	441.45
Interest rate swaps	-	44.08	-	-	44.08
Other financial liabilities	-	979.45	-	-	979.45
	832.75	17,156.84	26,511.20	-	44,500.79

The Company has pledged its receivables in order to fulfil the collateral requirements for secured borrowings and secured working capital limits. At 31 March 2017, 31 March 2016 and 1 April 2015, the fair values of the receivables pledged were Rs. 18,812.77 lakhs, Rs. 17,065.53 lakhs and Rs. 12,470.81 lakhs, respectively. There are no other significant terms and conditions associated with the use of collateral.

Deloitte Haskins & Sells Chartered Accountants

TATA METALIKS KOLKATA

41. Financial Instruments

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3.7 to the financial statements

(a) Financial assets and liabilities

The carrying value of financial instruments by categories as of March 31, 2017 is as follows:

Rs in Lakhs

	Derivative instruments not in hedging relationship	Amortised cost	Total carrying value	Total fair value
Assets:				
Trade receivables	-	18,792.04	18,792.04	18,792.04
Investments	-	1.52	1.52	1.52
Cash and cash equivalents	-	216.12	216.12	216.12
Other financial assets	-	2,106.43	2,106.43	2,106.43
Total	-	**21,116.11**	**21,116.11**	**21,116.11**
Liabilities:				
Borrowings	-	33,080.33	33,080.33	33,080.33
Trade payables	-	17,065.73	17,065.73	17,065.73
Other financial liabilities	552.18	27,116.18	27,668.36	27,668.36
Total	**552.18**	**77,262.24**	**77,814.42**	**77,814.42**

The carrying value of financial instruments by categories as of March 31, 2016 is as follows:

	Derivative instruments not in hedging relationship	Amortised cost	Total carrying value	Total fair value
Assets:				
Trade receivables	-	17,065.53	17,065.53	17,065.53
Investments		1.52	1.52	1.52
Cash and cash equivalents	-	150.10	150.10	150.10
Other financial assets	1.82	1,356.73	1,358.55	1,358.55
Total	**1.82**	**18,573.88**	**18,575.70**	**18,575.70**
Liabilities:				
Borrowings	-	30,670.80	30,670.80	30,670.80
Trade payables	-	24,872.97	24,872.97	24,872.97
Other financial liabilities	418.86	14,843.43	15,262.29	15,262.29
Total	**418.86**	**70,387.20**	**70,806.06**	**70,806.06**

The carrying value of financial instruments by categories as of April 1, 2015 is as follows:

	Derivative instruments not in hedging relationship	Amortised cost	Total carrying value	Total fair value
Assets:				
Trade receivables	-	12,470.81	12,470.81	12,470.81
Investments		1.52	1.52	1.52
Cash and cash equivalents	-	349.12	349.12	349.12
Other financial assets	41.31	1,359.19	1,400.50	1,400.50
Total	**41.31**	**14,180.64**	**14,221.95**	**14,221.95**
Liabilities:				
Borrowings	-	27,343.95	27,343.95	27,343.95
Trade payables	-	28,847.83	28,847.83	28,847.83
Other financial liabilities	441.45	13,190.03	13,631.48	13,631.48
Total	**441.45**	**69,381.81**	**69,823.26**	**69,823.26**

Deloitte Haskins & Sells Chartered Accountants

TATA METALIKS LTD. TATA KOLKATA

Fair value hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

• Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;

• Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

• Level 3 inputs are unobservable inputs for the asset or liability.

The investments included in Level 2 of fair value hierarchy have been valued using quotes available for similar assets and liabilities in the active market. The investments included in Level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value. The cost of unquoted investments approximate the fair value because there is a range of possible fair value measurements and the cost represents estimate of fair value within that range

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosure are required):

As at March 31, 2017		Level 1	Level 2	Level 3
Financial Assets:				
	Derivative Financial Assets	-	-	-
Total		-	-	-
Financial Liabilities:				
	Derivative Financial Liabilities	-	552.18	-
Total		-	**552.18**	-

As at March 31, 2016		Level 1	Level 2	Level 3
Financial Assets:				
	Derivative Financial Assets	-	1.82	-
Total		-	1.82	-
Financial Liabilities:				
	Derivative Financial Liabilities	-	418.86	-
Total		-	418.86	-

As at April 1, 2015		Level 1	Level 2	Level 3
Financial Assets:				
	Derivative Financial Assets	-	41.31	-
Total		-	41.31	-
Financial Liabilities:				
	Derivative Financial Liabilities	-	441.45	-
Total		-	441.45	-

Notes

i The short-term financial assets and liabilities are stated at amortized cost which is approximately equal to their fair value.

ii Derivatives are fair valued using market observable rates and published prices together with forecast cash flow information where

iii Investments are stated at amortized cost which is approximately equal to their fair value..

iv There have been no transfers between level 1 and level 2 for the years ended March 31, 2017 and 2016.

Tata Metaliks Limited

Notes to the Financial Statements

42. Employee benefits

1. Defined Contribution Plan

The Company participates in a number of defined contribution plans on behalf of relevant personnel. Any expense recognised in relation to these schemes represents the value of contributions payable during the period by them at rates specified by the rules of those plans. The only amounts included in the balance sheet are those relating to the prior month's contributions that were not due to be paid until after the end of the reporting period.

The total cost charged to statement of profit and loss in 31st March, 2017 amounted to Rs. 556 lakhs (2016: Rs 463 lakhs).

The defined contribution plans operated by company and its subsidiaries in India are as below:

i) Provident fund

In accordance with Indian law, eligible employees of Tata Metaliks Limited are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees" salary (currently 12% of employees" salary).

The contributions, as specified under the law, are made to the provident fund and pension fund set up as an irrevocable trust by the company to respective Regional Provident Fund Commissioner and the Central Provident Fund under the State Pension scheme.

ii) Superannuation fund

The company have a superannuation plan. Employees who are members of the defined benefit superannuation plan are entitled to benefits depending on the years of service and salary drawn.

Separate irrevocable trusts are maintained for employees covered and entitled to benefits. The company contribute up to 15% or ₹100000, whichever is lower, of the eligible employees" salary to the trust every year. Such contributions are recognized as an expense when incurred. The company have no further obligation beyond this contribution.

iii. Others

Others consist of company and employee contribution to:

i. Employees" Pension Scheme
ii. Employees State Insurance

2. Defined benefit plans

i) Retiring gratuity

The company have an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The company make annual contributions to gratuity funds established as trusts . Tata Metaliks Limited account for the liability for gratuity benefits payable in the future based on an actuarial valuation. The Company is exposed to actuarial risk and investment risk with respect to this plan.

The following table sets out the the amounts recognized in the financial statements for the retiring gratuity plans in respect of company.

Rs. In Lakhs

	Change in defined benefit obligation	For the year ended March 31, 2017	For the year ended March 31, 2016
a	Obligation as at the beginning of the year	1,140.31	943.50
b	Current service cost	125.45	107.10
c	Interest cost	85.11	73.34
d	Employees' Contributions	-	-
e	Remeasurement (gains)/losses	232.06	41.92
f	Exchange rate variation	-	-
g	Benefits paid	(84.31)	(25.55)
h	Past Service costs	-	-
i	Obligations of new companies acquired	-	-
j	Obligations of companies disposed off	-	-
k	Settlements	-	-
l	Curtailments	-	-
	Obligation as at the end of the year	**1,498.61**	1,140.31

Change in plan assets

a	Fair value of plan assets as at beginning of the year	954.54	780.68
b	Interest income	73.81	65.55
c	Remeasurement gains/(losses)	-	6.87
d	Employers' Contributions	80.11	126.99
r	Employees' Contributions	-	-
f	Exchange rate variation	-	-
g	Benefits paid	(84.31)	(25.55)
h	Assets of new companies acquired	-	-
i	Assets of companies disposed off	-	-
j	Settlements	-	-
	Fair value of plan assets as at end of the year	**1,024.14**	954.54

	Amount recognised in the balance sheet consists of	**As at March 31, 2017**	As at March 31, 2016
a	Fair value of plan assets as at end of the year	1,024.14	954.54
b	Present value of obligation as at the end of the year	1,498.61	1,140.31
	Net Asset/(liability)	(474.47)	(185.78)
	Retirement benefit asset - Current	-	-
	Retirement benefit asset - Non current	-	-
	Retirement benefit liability - Current	-	-
	Retirement benefit liability - Non current	(474.47)	(185.78)

	Cost recognised in the statement of profit and loss	**For the year ended March 31, 2017**	For the year ended March 31, 2016
a	Service cost		
	Current service cost	125.45	107.10
	Past Service Cost	-	-
b	Net interest expense	11.29	7.80
		136.74	114.89

Cost recognised in the statement of other comprehensive income

a	The return on plan assets (excluding amounts included in net interest expense)	-	(6.87)
b	Actuarial gains and losses arising from changes in demographic assumption	-	-
c	Actuarial gains and losses arising from changes in financial assumption	128.41	15.65
d	Actuarial gains and losses arising from changes in experience adjustments	103.66	26.27
		232.06	35.05
	Total cost recognised in the statement of profit and loss	368.80	149.94

The assumptions used in accounting for the retiring gratuity plans are set out below:

		For the year ended March 31, 2017	For the year ended March 31, 2016
a	Discount rate	7.00%	7.75%
b	Rate of escalation in salary	7.50%	7.50%

The weighted average duration of the defined benefit obligation as at March 31, 2017 is *15 years* (2016: *16 years*)

The Company expects to contribute Rs. 475 lakhs to the funded retiring gratuity plans in financial year 2018.

The fair value of Company's plan asset as of March 31, 2016 and 2015 by category are as follows:

	Investment details (%)	**As at March 31, 2017**	As at March 31, 2016	As at March 31, 2015
a	Other assets	100%	100%	100%
		100%	100%	100%

Deloitte Haskins & Sells Chartered Accountants

TATA METALIKS LIMITED TATA KOLKATA

Notes to the Financial Statements

The table below outlines the effect on the service cost, the interest cost and the defined benefit obligation in the event of a decrease/increase of 1% in the assumed rate of discount rate, salary escalation and inflation cost:

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1% -> 11.19%, decrease by 1% -> 13.35%	Decrease by 11.57%, increase by 12.62%
Salary escalation	Increase by 1% -> 12.88%, decrease by 1% -> 11.18%	Increase by 12.53%, decrease by 11.62%

The above sensitivities may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

ii. Pension Plan - Ex- Managing Director (Mr. Harsh K Jha)

Tata Metaliks Limited accounts for post-retirement defined benefit arrangements using Ind AS 19 'Employee Benefits', with independent actuaries being used to calculate the costs, assets and liabilities to be recognised in relation to these schemes. The present value of the defined benefit obligation, the current service cost and past service costs are calculated by these actuaries using the projected unit credit method. However, the ongoing funding arrangements of each scheme, in place to meet their long term pension liabilities, are governed by the individual scheme documentation and national legislation. The accounting and disclosure requirements of Ind AS 19 do not affect these funding arrangements.

The following table sets out the disclosure pertaining to pension benefits of Mr Harsh K Jha

	Change in defined benefit obligation	For the year ended March 31, 2017	For the year ended March 31, 2016
a	Obligation as at the beginning of the year	197.15	198.01
b	Current service cost	-	-
c	Interest cost	14.37	14.86
d	Employees' Contributions	-	-
e	Remeasurement (gains)/losses	55.46	4.08
f	Exchange rate variation	-	-
g	Benefits paid	(23.48)	(19.80)
h	Past Service costs	-	-
i	Obligations of new companies acquired	-	-
j	Obligations of companies disposed off	-	-
k	Settlements	-	-
l	Curtailments	-	-
	Obligation as at the end of the year	243.49	197.15
	Change in plan assets		
a	Fair value of plan assets as at beginning of the year	-	-
b	Interest income	-	-
c	Remeasurement gains/(losses)	-	-
d	Employers' Contributions	-	-
r	Employees' Contributions	-	-
f	Exchange rate variation	-	-
g	Benefits paid	-	-
h	Assets of new companies acquired	-	-
i	Assets of companies disposed off	-	-
j	Settlements	-	-
	Fair value of plan assets as at end of the year	-	-

	Amount recognised in the balance sheet consists of	As at March 31, 2017	As at March 31, 2016
a	Fair value of plan assets as at end of the year	-	-
b	Present value of obligation as at the end of the year	243.49	197.15
	Net Asset/(liability)	243.49	197.15
	Retirement benefit asset - Current		
	Retirement benefit asset - Non current		
	Retirement benefit liability - Current	22.70	19.07
	Retirement benefit liability - Non current	220.79	178.07

Deloitte Haskins & Sells Chartered Accountants

TATA METALIKS KOLKATA

Tata Metaliks Limited

Notes to the Financial Statements

Cost recognised in the statement of profit and loss	For the year ended March 31, 2017	For the year ended March 31, 2016
a Service cost		
Current service cost	-	-
Past Service Cost		
b Net interest expense	14.37	14.86
	14.37	14.86

Cost recognised in the statement of other comprehensive income		
a The return on plan assets (excluding amounts included in net interest expense)	-	-
b Actuarial gains and losses arising from changes in demographic assumption	-	-
c Actuarial gains and losses arising from changes in financial assumption	13.56	2.23
d Actuarial gains and losses arising from changes in experience adjustments	41.90	1.85
	55.46	4.08
Total cost recognised in the statement of profit and loss	**69.83**	18.94

The assumptions used in accounting for the retiring gratuity plans are set out below:

	For the year	For the year
a Discount rate	7.00%	7.75%

The Company expects to contribute ₹ 243 lakhs to the funded retiring gratuity plans in financial year 2018.

The table below outlines the effect on the service cost, the interest cost and the defined benefit obligation in the event of a decrease/increase of 1% in the assumed rate of discount rate, salary escalation and inflation cost:

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1% -> 7%, decrease by 1% -> 8%	Decrease by 7.36%, increase by 7.89%

The above sensitivity may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

iii. Post retirement medical benefits

Under this unfunded scheme, employees of the company receive medical benefits subject to certain limits on amounts of benefits, periods after retirement and types of benefits, depending on their grade and location at the time of retirement. Separated from the Company as part of an Early Separation Scheme, on medical grounds or due to permanent disablement are also covered under the scheme. The company account for the liability for post-retirement medical scheme based on an actuarial valuation.

Deloitte Haskins & Sells Chartered Accountants

TATA METALIKS LIMITED TATA KOLKATA

	Change in defined benefit obligation	**For the year ended March 31, 2017**	For the year ended March 31, 2016
a	Obligation as at the beginning of the year	19.91	20.00
b	Current service cost	-	-
c	Interest cost	1.54	1.58
d	Employees' Contributions	-	-
e	Remeasurement (gains)/losses	(0.72)	(1.67)
f	Exchange rate variation	-	-
g	Benefits paid	-	-
h	Past Service costs	-	-
i	Obligations of new companies acquired	-	-
j	Obligations of companies disposed off	-	-
k	Settlements	-	-
l	Curtailments	-	-
	Obligation as at the end of the year	**20.74**	19.91

	Change in plan assets		
a	Fair value of plan assets as at beginning of the year	-	-
b	Interest income	-	-
c	Remeasurement gains/(losses)	-	-
d	Employers' Contributions	-	-
r	Employees' Contributions	-	-
f	Exchange rate variation	-	-
g	Benefits paid	-	-
h	Assets of new companies acquired	-	-
i	Assets of companies disposed off	-	-
j	Settlements	-	-
	Fair value of plan assets as at end of the year	-	-

	Amount recognised in the balance sheet consists of	**As at March 31, 2017**	As at March 31, 2016
a	Fair value of plan assets as at end of the year	-	-
b	Present value of obligation as at the end of the year	20.74	19.91
	Net Asset/(liability)		
	Retirement benefit asset - Current	-	-
	Retirement benefit asset - Non current	-	-
	Retirement benefit liability - Current	1.93	1.93
	Retirement benefit liability - Non current	18.80	17.99

	Cost recognised in the statement of profit and loss	**For the year ended March 31, 2017**	For the year ended March 31, 2016
a	Service cost		
	Current service cost	-	-
	Past Service Cost	-	
b	Net interest expense	1.54	1.58
		1.54	1.58

	Cost recognised in the statement of other comprehensive income		
a	The return on plan assets (excluding amounts included in net interest expense)	-	-
b	Actuarial gains and losses arising from changes in demographic assumption	(1.87)	(1.89)
c	Actuarial gains and losses arising from changes in financial assumption	1.15	0.23
d	Actuarial gains and losses arising from changes in experience adjustments	-	-
		(0.72)	(1.67)
	Total cost recognised in the statement of profit and loss	**0.82**	(0.09)

The assumptions used in accounting for the retiring gratuity plans are set out below:

		For the year ended March 31, 2017	For the year ended March 31, 2016
a	Discount rate	7.00%	7.75%

The Company expects to contribute ₹ 21 lakhs to the funded retiring gratuity plans in financial year 2018.

43 Reconciliation of total equity as at March 31, 2016 and April 1, 2015

Rs. in Lakhs

	Note Reference	As at 31.03.2016	As at 01.04.2015
Total equity (shareholders' funds) under Previous GAAP		**19,302.94**	**8,743.50**
Redeemable preference shares classified as a liability under Ind AS	(a)	(10,000.00)	(10,000.00)
Equity Dividend	(e)	505.76	-
Tax on Equity Dividend	(e)	102.96	-
Deferred Premium written off as per Ind AS	(c)	(220.74)	(64.06)
Premium Amortised reversed as per Ind AS	(c)	745.36	-
Time value of Interest Rate Swaps	(c)	(5.45)	(50.26)
Unwinding of issue expenses on borrowings	(b)	(3.41)	-
Foreign Exchanges loss/(gain)	(c)	(142.87)	135.87
Adjustment of excess of loan issue expenses	(b)	20.64	20.64
Time value of forward element of forward contracts not designated in a hedging relationship	(c)	(401.13)	9.74
Total adjustment to equity		**(9,398.88)**	**(9,948.07)**
Total equity under Ind AS		**9,904.06**	**(1,204.57)**

Reconciliation of total comprehensive income

Rs. in Lakhs

	Note Reference	For the year ended 31.03.2016
Profit as per previous GAAP		**12,279.44**
Adjustments :		
Unwinding of issue expenses on borrowings	(b)	(3.40)
Remeasurement of Retirement Benefits as per Ind AS	(d)	30.49
Time value of forward element of forward contracts not designated in a hedging relationship	(c)	(318.90)
Deferred Premium written off as per Ind AS	(c)	(220.74)
Foreign Exchanges loss/(gain)	(c)	483.50
Preference Dividend	(a)	(850.00)
Tax on Preference Dividend	(a)	(173.04)
Total effect of transition to Ind AS		**(1,052.09)**
Profit for the year as per Ind AS		**11,227.35**
Other comprehensive income for the year (net of tax)		(30.49)
Total comprehensive income under Ind AS		**11,196.86**

44 Effect of Ind AS Adoption on the statement of cash flows for the period ended March 31, 2016

Rs. in Lakhs

	Year Ended March 31, 2016			
	Note Reference	Previous GAAP	Effect of Transition to Ind AS	Ind AS
Net cash flow from operating activities	(a), (b), (c)	8,820.29	262.99	9,083.28
Net cash flow from investing activities		(7,642.42)	(275.35)	(7,917.77)
Net cash flow from financing activities	(b)	(1,322.31)	12.36	(1,309.95)
Net increase/(decrease) in cash and cash equivalents		(144.44)	-	(144.44)
Cash and cash equivalents as at 1st April		-	-	-
Cash and cash equivalents as at 31st March		(144.44)	-	(144.44)

Deloitte Haskins & Sells Chartered Accountants

TATA METALIKS LIMITED KOLKATA TATA

Notes to the reconciliations

(a) Under previous GAAP, redeemable preference share were classified as part of total equity. Dividend paid on these preference shares were adjusted against retained earnings and not recognised as finance costs in profit and loss account. However under Ind AS, financial intruments are classified as a liability or equity according to the substance of the contractual arrangement and not its legal form. These preference share do not contain any equity component and hence, have been classified in their entirety as financial liability under Ind AS. The resultant dividend have been recognised as finance cost in profit & loss.

(b) Under previous GAAP, transaction costs incurred in connection with borrowings are charged upfront to Statement of Profit and Loss for the period/year. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to Statement of Profit and Loss using effective interest method.

(c) Under previous GAAP, the Company is required to mark to market valuation for outstanding derivatives as on reporting date. Under existing GAAP, only mark to market losses are required to be recognised and the mark to market gains are ignored. Under Ind-AS, as on transition date, the Company has done the mark to market valuation for all outstating derivative contracts and recognised the fair value loss in the statement of profit and loss.

(d) Under previous GAAP, actuarial gains and losses were recognised in profit or loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of profit or loss.

(e) Under previous GAAP, proposed dividends including DDT are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the company (usually when approved by shareholders in a general meeting) or paid.
In case of the Company, the liability relating to proposed dividend (including dividend distribution tax) has been derecognised against retained earnings as at 1 April 2015. The proposed dividend for the year ended on March 31, 2016 has been recognized under Indian GAAP, has been reduced from short term provisions and with a corresponding impact in the retained earnings.

Deloitte Haskins & Sells Chartered Accountants

TATA METALIKS LIMITED KOLKATA TATA

Tata Metaliks Limited
Notes to the Financial Statements

45. Demonetisation - Transaction of Specified Bank Notes

Rs. in Lakhs

	SBNs	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	0.89	0.30	1.19
Permitted Receipts	-	0.41	0.41
Permitted payments	-	(0.38)	(0.38)
Amount deposited in Banks during November 8, 2016 to December 30, 2016	(0.89)	-	(0.89)
Closing cash in hand as on December 30, 2016	-	**0.33**	**0.33**

Deloitte Haskins & Sells Chartered Accountants

Tata Metaliks Ltd. Kolkata

46. The Committee of Board of Directors of the Company in their meeting held on 17 May 2016 has approved withdrawal of merger proposal with the parent company i.e., Tata Steel Limited and decided to file a fresh merger proposal with Tata Metaliks DI Pipes Ltd (TMDIPL) (wholly owned subsidiary company). The company have already received the requisite clearance from Securities and Exchange Board of India (SEBI). TMDIPL being the transferor company has filed requisite application with Hon'ble High Court, Calcutta on 1 September 2016 pursuant to section 391 to 394 of the Companies Act 1956. The filing of a separate application and petition by Tata Metaliks Limited, the transferee company is dispensed with vide order dated 19 September 2016 by Hon'ble High Court, Calcutta.
Pursuant to the sanction of the Hon'ble High Court of Calcutta dated 7 November 2016 to the scheme of Amalgamation, the assets and liabilities of the erstwhile Tata Metaliks DI Pipes Ltd (TMDIPL) whose principal business was of carrying of business of manufacturing Ductile Iron Pipe has been merged with the company. Consequent to the Order and subsequent approval of SEBI and the filing of the final certified order with Registrar of the Companies, Kolkata, the scheme has become effective on December 22, 2016 with effect from the appointed date of April 01, 2016.
As this is a common control transaction, the amalgamation has been accounted using the 'pooling of interest' method and figures for the previous period have been recast as if the amalgamation had occurred from the beginning of the preceding period in accordance with the requirements of Appendix C of Ind AS 103 on Business Combinations. Accordingly, the assets, liabilities and reserves of the erstwhile TMDIPL as on the appointed date have been merged with the Company at their book values. The net impact of the merger on assets, liabilities and reserves as on the appointed date is given below.

	Rs. in Lakhs
(I) EQUITY AND LIABILITIES	
(1) Equity	
(a) Equity Share capital (Note 1)	17,940.00
(b) Other Equity	(11,661.70)
	6,278.30
(2) Non-current liabilities	
(a) Financial Liabilities	5,095.52
(includes Non-Cumulative Preference Shares of Rs. 420,000,000) (Note 1)	
(b) Provisions	328.66
	5,424.18
(3) Current liabilities	
(a) Financial Liabilities	
(i) Borrowings	1,151.27
(ii) Trade payables	26,566.68
(iii) Other financial liabilities	3,798.73
(b) Current tax liabilities (Net)	-
(c) Other current liabilities	899.11
(d) Provisions	242.76
	32,658.55
TOTAL EQUITY AND LIABILITIES	**44,361.03**
(II) ASSETS	
(1) Non-current assets	
(a) Property, Plant and Equipment	16,604.32
(b) Cal Tangible assets	4,468.50
(c) Otr Intangible assets	15.12
(d) Fin Capital work-in-progress	38.18
(e) Non current tax assets (Net)	86.60
(f) Other non-current assets	18.75
	21,231.47
(2) Current assets	
(a) Inventories	4,014.55
(b) Financial Assets	
(i) Trade receivables	14,178.01
(ii) Cash and cash equivalents	143.80
(iii) Other financial assets	1,166.37
(c) Other current assets	3,626.83
	19,115.01
	44,361.03

Note 1 - On amalgamation Equity share capital and Non-Cumulative Preference share capital have been eliminated against investments held by the Company in erstwhile Tata Metaliks DI Pipes Limited and the difference of Rs. 8,759.51 lakhs has been accounted for under Capital Reserve.

47. Corporate social responsibility expense

Gross amount required to be spent by the company during the year 2016-17 was Rs 204.69 lakhs. The details of the amount spent during the year CSR activity as covered under Schedule-VII to the Companies Act, 2013 is given below:

Particulars	In cash (Rs in lakhs)		Yet to be paid in cash (Rs in lakhs)		Total (Rs in lakhs)	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
(i) Construction /Acquisition of any asset	-	-	-	-	-	-
(ii) On purposes other than (i) above	204.69	107.17	-	-	204.69	107.17

48. The company have already transferred the proposed Karnataka project in favour of Tata Steel during 2013. The company had paid Rs.3,664.98 lakhs to Karnataka Industrial Area Development Board (KIADB) as advance for land for Karnataka project. Consequent to the withdrawal of merger with Tata Steel the said capital advance now been transferred to Tata Steel Ltd. The said Rs. 3,664.98 lakhs was funded by TSL in form of ICD of Rs. 2,200.00 lakhs and interest free advance of Rs.1,465.98 lakhs which has been squared off with the capital advance.

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

For and on behalf of the Board of Directors

Koushik Chatterjee
Chairman

Sanjiv Paul
Managing
Director

Subhra Sengupta
Chief Financial Officer

Sankar Bhattacharya
Company Secretary

Mumbai, 21 April, 2017

Deloitte Haskins & Sells
Chartered Accountants

TATA METALIKS LIMITED
TATA
KOLKATA