

## **INDEPENDENT AUDITOR'S REPORT To The Members of TS Alloys Limited Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of TS Alloys Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 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 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 31<sup>st</sup> March, 2017, and its profit, total comprehensive income, 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 we report, to the extent applicable that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - 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 31<sup>st</sup> March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 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:



- 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. The Company did not have any holdings or dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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



**Abhijit Bandyopadhyay**  
Partner  
(Membership No. 054785)

Kolkata, April 21, 2017

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT  
(Referred to in paragraph 1 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 **TS Alloys 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 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 AUDITORS' REPORT  
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
  - (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
  - (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
  - (v) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
  - (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been



made and maintained We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

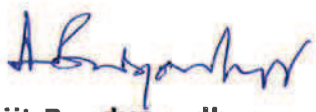
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has been has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, , Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 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:

<b>Name of Statute</b>	<b>Nature of Dues</b>	<b>Forum where Dispute is Pending</b>	<b>Period to which the Amount Relates</b>	<b>Amount (In Rs. lacs)</b>
Central Excise Act, 1944	Excise Duty	Commissioner Central Excise	2006-07	248.33
Central Excise Act, 1944	Excise Duty	Commissioner Central Excise	2011-12 to 2012-13	20.96
Odisha Value Added Tax Act, 2004	Sales Tax	Deputy Commissioner of Commercial Taxes	2010-11	9.22
Income-tax Act, 1961	Income Tax	Commissioner Appeals	2011-12, 2012-13 and 2014-15	326.43

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable. \*
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

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

  
**Abhijit Bandyopadhyay**  
Partner  
(Membership No. 054785)

Kolkata, April 21, 2017



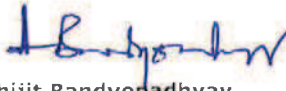
## Balance Sheet as at March 31, 2017

Amount in INR (Lakhs)

	Note No.	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>(I) ASSETS</b>				
<b>(1) Non-current assets</b>				
(a) Property, Plant and Equipment	05	5,683.33	6,142.62	6,708.17
(b) Capital work-in-progress	05	108.81	254.56	282.09
		<b>5,792.14</b>	<b>6,397.18</b>	<b>6,990.26</b>
(c) Financial assets				
(i) Other non-current investments	06	1,626.45	2,710.75	2,087.44
(ii) Other financial assets	07	1,644.85	1,636.50	1,636.50
(d) Retirement benefit assets	08	21.57	22.37	13.06
(e) Other non-financial assets	09	630.55	637.64	644.84
(f) Non current tax asset		891.25	711.83	540.60
		<b>10,606.81</b>	<b>12,116.27</b>	<b>11,912.70</b>
<b>(2) Current assets</b>				
(a) Inventories	10	1,233.33	978.69	986.95
(b) Financial assets				
(i) Trade receivables	11	1,709.71	587.62	537.39
(ii) Cash and cash equivalents	12	60.55	5.50	11.41
(iii) Other financial assets	07	128.46	144.50	144.12
(c) Other non financial assets	09	596.36	103.17	75.68
		<b>3,728.41</b>	<b>1,819.48</b>	<b>1,755.55</b>
<b>TOTAL ASSETS</b>		<b>14,335.22</b>	<b>13,935.75</b>	<b>13,668.25</b>
<b>(II) EQUITY AND LIABILITIES</b>				
<b>(1) Equity</b>				
(a) Equity Share Capital	13	6,570.76	6,570.76	5,947.45
(b) Other equity				
(i) Retained earnings	14	4,707.80	4,636.95	4,512.88
		<b>11,278.56</b>	<b>11,207.71</b>	<b>10,460.33</b>
<b>(2) Non-current liabilities</b>				
(a) Long term provisions	15	32.89	15.42	10.50
(b) Deferred tax liabilities	16	1,045.57	1,083.80	1,171.72
		<b>1,078.46</b>	<b>1,099.22</b>	<b>1,182.22</b>
<b>(3) Current liabilities</b>				
(a) Financial liabilities				
(i) Short term borrowings	17	-	407.33	363.61
(ii) Trade payables				
- Total outstanding dues of micro enterprises and small enterprises	18	10.97	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	18	1,801.37	950.70	1,284.12
(iii) Other financial liabilities	19	130.89	126.78	341.01
(b) Short term provisions	15	0.23	128.57	0.09
(c) Other non-financial liabilities	20	34.74	15.44	36.87
		<b>1,978.20</b>	<b>1,628.82</b>	<b>2,025.70</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>14,335.22</b>	<b>13,935.75</b>	<b>13,668.25</b>

See accompanying notes 1 - 40 forming an integral part of the financial statements.

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

  
**Abhijit Bandyopadhyay**  
Partner



Kolkata, April 21, 2017

For and on behalf of the Board of Directors

  
**M Srinivas**  
Chief Financial Officer

  
**B D Nanda**  
Managing Director

  
**P.K. Biswal**  
Company Secretary

  
**Manikanta Naik**  
Director



Bhubaneswar, April 21, 2017

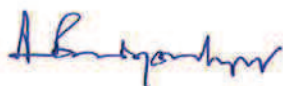
Statement of Profit & Loss for the year ended March 31, 2017

Amount in INR (Lakhs)

	Note No.	Year ended March 31, 2017	Year ended March 31, 2016
I Revenue from operations	21	15,548.09	12,281.49
II Other Income	22	184.72	155.82
<b>III Total Revenue (I + II)</b>		<b>15,732.81</b>	<b>12,437.31</b>
<b>IV EXPENSES</b>			
(a) Raw materials consumed	23	1,487.71	1,087.23
(b) Changes in stock of work-in-progress	24	24.78	(5.64)
(c) Employee benefits expense	25	757.02	585.37
(d) Finance costs	26	114.98	86.94
(e) Depreciation expense	05	652.97	653.84
(f) Purchase of power		10,796.05	8,300.81
(g) Other expenses	27	1,848.91	1,681.59
<b>Total Expenses (IV)</b>		<b>15,682.42</b>	<b>12,390.14</b>
<b>V Profit/(loss) before tax (III - IV)</b>		<b>50.39</b>	<b>47.17</b>
<b>VI Tax Expense</b>	16		
(1) Current tax		-	-
(i) Current tax			
MAT		7.68	-
Less: MAT Credit		(7.68)	-
(ii) Current tax relating to previous years			
(2) Deferred tax		(34.04)	(91.73)
(i) Deferred tax		(34.04)	(91.73)
<b>Total tax expense</b>		<b>(34.04)</b>	<b>(91.73)</b>
<b>VII Profit/(loss) after tax for the year (V - VI)</b>		<b>84.43</b>	<b>138.90</b>
<b>VIII Other comprehensive income</b>		(13.58)	(14.83)
Items that will not be reclassified to profit or loss			
Remeasurement gains / (losses) on defined benefit plans		(10.09)	(11.02)
Income tax relating to items that will not be reclassified to profit or loss		3.49	3.81
<b>IX Total comprehensive income for the period (VII + VIII)</b>		<b>70.84</b>	<b>124.07</b>
<b>X Earnings per equity share:</b>			
Basic and Diluted		0.13	0.22

See accompanying notes 1 - 40 forming an integral part of the financial statements.

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



**Abhijit Bandyopadhyay**  
Partner

Kolkata, April 21, 2017



For and on behalf of the Board of Directors



**M. Brinivas**  
Chief Financial Officer



**P.K. Biswal**  
Company Secretary



**B D Nanda**  
Managing Director



**Manikanta Naik**  
Director

Bhubaneswar, April 21, 2017



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

Amount in INR (Lakhs)

## A Equity share capital

Balance as on April 01, 2015	Changes during the period	Balance as on March 31, 2016
5,947.45	623.31	6,570.75
Balance as on April 1, 2016	Changes during the period	Balance as on March 31, 2017
6,570.75	-	6,570.75

## B Other equity

Amount in INR (Lakhs)

## Reserves &amp; Surplus

Retained earnings	As at March 31, 2017	As at March 31, 2016
<b>As at beginning of year</b>	4,636.95	4,512.88
Profit / (Loss) for the year	84.43	138.90
Other Comprehensive income for the year	(13.58)	(14.83)
Total comprehensive income for the year	<b>70.84</b>	<b>124.07</b>
<b>As at end of year</b>	<b>4,707.80</b>	<b>4,636.95</b>


See accompanying notes 1 - 40 forming an integral part of the financial statements.

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

  
**Abhijit Bandyopadhyay**  
Partner

Kolkata, April 21, 2017


For and on behalf of the Board of Directors

  
**M Srinivas**  
Chief Financial Officer

  
**P.K. Biswal**  
Company Secretary

Bhubaneswar, April 21, 2017

  
**B D Nanda**  
Managing Director

  
**Manikanta Naik**  
Director



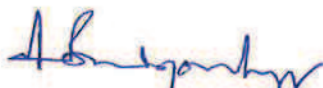
## Statement of Cash Flow for the year ended March 31, 2017

Amount in INR (Lakhs)

	Year ended March 31, 2017	Year ended March 31, 2016
<b>A. Cash Flow from Operating activities:</b>		
<b>Profit before taxes</b>	50.39	47.17
<i>Adjustments for:</i>		
Depreciation	652.97	653.84
Provision for impairment of Property Plant and Equipment	-	47.96
Provision for loss due to fire	-	128.49
Impairment of Capital work-in-progress	132.29	-
(Profit)/Loss on sale of investment	(11.43)	-
Net (Profit)/Loss on sale of Property Plant and Equipment	(14.86)	11.87
Finance cost	114.98	86.94
Interest Income	(114.09)	(154.45)
Provision for retirement benefits	(10.09)	(11.02)
<b>Operating profit before working capital changes</b>	<b>800.16</b>	<b>810.80</b>
<i>Adjustments for:</i>		
Movements in trade and other receivables	(1,616.03)	(79.84)
Movements in inventories	(254.65)	8.26
Movements in trade and other payables	769.82	(351.83)
<b>Cash generated from operations</b>	<b>(300.70)</b>	<b>387.39</b>
Direct taxes paid	(187.10)	(171.23)
<b>Net cash (utilised in)/from operating activities</b>	<b>(487.80)</b>	<b>216.16</b>
<b>B. Cash Flow from Investing activities:</b>		
Capital expenditure on Property Plant and Equipment including capital advances	(188.70)	(164.74)
Proceeds from sale of Property Plant and Equipment	23.35	0.03
Purchase of investments	-	(623.31)
Sale of investments	1,095.73	-
Interest received from deposits	130.42	154.08
<b>Net cash utilised in investing activities</b>	<b>1,060.80</b>	<b>(633.93)</b>
<b>C. Cash Flow from Financing activities:</b>		
Proceeds from Issue of equity shares	-	623.31
Proceeds from borrowings from banks	-	43.72
Repayment of borrowings from banks	(407.33)	(166.67)
Interest paid to bank and others	(110.62)	(88.50)
<b>Net cash from financing activities</b>	<b>(517.95)</b>	<b>411.86</b>
<b>Net increase or decrease in cash or cash equivalents</b>	<b>55.05</b>	<b>(5.91)</b>
<b>Cash &amp; cash equivalents as at 1st April</b>	<b>5.50</b>	<b>11.41</b>
<b>Cash &amp; cash equivalents as at 31st March</b>	<b>60.55</b>	<b>5.50</b>

See accompanying notes 1 - 40 forming an integral part of the financial statements.

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



**Abhijit Bandyopadhyay**  
Partner

Kolkata, April 21, 2017



For and on behalf of the Board of Directors



**M Srinivas**  
Chief Financial Officer



**B D Nanda**  
Managing Director



**P.K. Biswal**  
Company Secretary



**Manikanta Naik**  
Director

Bhubaneswar, April 21, 2017





**01 - Corporate Information**

T S Alloys Limited ("the Company") is a wholly owned subsidiary of Tata Steel Limited. The Company primarily acts as a conversion agent/ external processing agent for conversion of ferro chrome from chrome ore and coke supplied by Tata Steel Limited.

The functional and presentation currency of the Company is Indian Rupee ("INR") which is the currency of the primary economic environment in which the Company operates.

**02 - Basis for preparation and measurement**

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 01, 2016.

The transition from previous GAAP (i.e., I GAAP) to Ind AS has been accounted for in accordance with Ind AS 101 "First Time Adoption of Indian Accounting Standards", with April 01, 2015 as the transition date. In accordance with Ind AS 101 "First time adoption of Indian Accounting Standard", the Company has presented a reconciliation from the presentation of financial statements under accounting standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of Balance Sheet, Total Equity as at April 1, 2015 & March 31 2016 and of Statement of Profit & Loss, Total Comprehensive Income, Statement of Cash Flow for the year ended March 31, 2016.

**03 - Use of estimates and critical accounting judgments**

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

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

Significant judgments and estimates relating to the carrying amounts of assets and liabilities include useful lives of property, plant and equipment, impairment of property, plant and equipment, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

**04 - Significant Accounting Policies**

The significant accounting policies applied by the Company in preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements and in preparing the opening Ind AS statement of financial position as at April 01, 2015 for the purpose of transition to Ind AS, unless otherwise indicated.

**(a) 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 de-recognised. Where a tangible fixed asset comprises major components having different useful lives, these components are accounted for as separate items.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Trial run expenses (net of revenue) are capitalised. Borrowing costs during the period of construction is added to the cost of eligible tangible assets.

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.





**(b) Depreciation of property, plant and equipment**

Depreciation is provided so as to write off, on the basis of remaining useful lives prescribed in schedule II of Companies act, 2013, the cost of property, plant and equipment, including those held under finance leases to their residual value. These charges are commenced from the dates the assets are available for their intended use and are spread over their estimated useful economic lives or, in the case of leased assets, over the lease period if shorter. The estimated useful lives of assets and residual values are reviewed regularly and, when necessary, revised. No further charge is provided in respect of assets that are fully written down but are still in use.

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

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

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

Freehold land is not depreciated.

**(c) Impairment**

At each balance sheet date, the Company reviews the carrying amounts of its property, plant and equipment 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.

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.

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 in the statement of profit and loss immediately.

**(d) Lease**

The Company determines whether an arrangement contains a lease by assessing whether the fulfilment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset to the Company in return for payment. Where this occurs, the arrangement is deemed to include a lease and is accounted for either as finance or operating lease.

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

**The Company as lessee**

**i) Operating lease** – Rentals payable under operating leases are charged to the statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

**ii) Finance lease** – Finance leases are capitalised at the commencement of lease, at the lower of the fair value of the property or the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income over the period of the lease.



**(e) 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.

**Financial assets**

**Cash and bank balances**

Cash and bank balances consist of:

**i) Cash and cash equivalents** - which include cash in hand, deposits held at call with banks and other short term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have maturities of less than one year from the date of such deposits. These balances with banks are unrestricted for withdrawal and usage.

**ii) Other bank balances** - which include balances and deposits with banks that are restricted for withdrawal and usage.

**Financial assets at amortized cost**

Financial assets are subsequently measured at amortized 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.

The Company in respect of equity investments (other than in joint arrangements and associates) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Company on an instrument by instrument basis at the time of initial recognition of such equity investments.

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

**Impairment of financial assets**

Loss allowance for expected credit losses is recognized for financial assets measured at amortized cost and fair value through other comprehensive income.

The Company recognises life time expected credit losses for all trade receivables that do not constitute a financing transaction.

For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.



**De-recognition of financial assets**

The Company de-recognises 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 recognizes 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 recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

**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 where the time value of money is significant.

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 the statement of profit and loss.

**De-recognition of financial liabilities**

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

**(f) Employee benefits**

**Defined contribution plans**

Payments to defined contribution plans are charged as an expense as they fall due. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

**Defined benefit plans**

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.

**Compensated absences**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised based on actuarial valuation at the present value of the obligation as on the reporting date.



**(g) Inventories**

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

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

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

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

**(h) 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.

**(i) Income taxes**

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 or substantively enacted in India.

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.

Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and they are in the same taxable entity and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction.

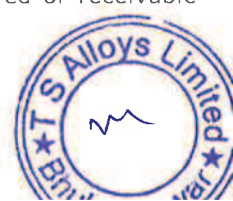
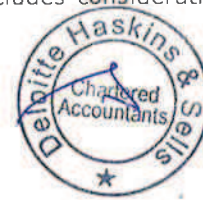
Current and deferred tax are recognised as an expense or income in the statement of profit and loss, except when they relate to items credited or debited either in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity.

**(j) 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 net of discounts, taking into account contractually defined terms and excluding taxes or duties collected on behalf of the government.

**Sale of goods**

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





**Conversion Income**

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

**Interest income**

Interest income is recognised on time proportion basis based on the amount outstanding and the rate applicable.

**(k) Foreign currency transactions and translation**

Transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the retranslation or settlement of other monetary items are included in the statement of profit and loss for the period.

**(l) 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 recognised the statement of profit or loss.

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

**(m) Adoption of Ind AS**

Ind AS 101 'First Time Adoption of Indian Accounting Standards' permits companies adopting Ind AS for the first time to take certain exemptions from the full retrospective application of the IND AS in the transition period. The Company on transition to Ind AS has availed the following key exemptions:

**(i) Property, Plant and Equipment**

The Company has elected to treat previous GAAP (I-GAAP) carrying amount for all of its property, plant and equipment as deemed cost on transition to Ind AS.

**(ii) Financial Instruments**

The Company has elected to designate financial assets or liability at fair value (with fair values taken through the statement of profit or loss or other comprehensive income) as on the date of transition rather than the date of initial recognition.





TS ALLOYS LTD  
Notes to Financial Statements

05 - Property, Plant & Equipment and Capital Work-In-Progress

Amount in INR (Lakhs)  
As at March 31, 2017      As at March 31, 2016      As at April 01, 2015

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>Carrying amounts of:</b>			
Freehold Land	11.81	11.81	11.81
Buildings	1,369.71	1,437.61	1,512.81
Plant and Machinery	4,252.85	4,646.66	5,112.33
Furniture, Fixtures & Office Equipment	31.00	37.10	59.47
Vehicles	17.96	9.44	11.75
<b>Sub-total</b>	<b>5,683.33</b>	<b>6,142.62</b>	<b>6,708.17</b>
Capital work-in-progress	241.10	254.56	282.09
Less: Impairment of Capital work-in-progress	(132.29)	-	-
<b>Sub-total</b>	<b>108.81</b>	<b>254.56</b>	<b>282.09</b>
<b>Total</b>	<b>5,792.14</b>	<b>6,397.18</b>	<b>6,990.26</b>

As at March 31, 2017	Freehold Land (incl Roads)	Freehold Buildings	Owned Plant and Machinery	Furniture, Fixt. & Office Equipments	Vehicles	Total Tangible Assets
Cost at beginning of the year	11.81	1,514.96	5,240.17	65.74	11.75	6,844.43
Additions	-	9.63	159.46	13.92	19.16	202.17
Disposals	-	-	(47.97)	-	(8.49)	(56.46)
<b>Cost at end of the year</b>	<b>11.81</b>	<b>1,524.59</b>	<b>5,351.66</b>	<b>79.66</b>	<b>22.42</b>	<b>6,990.14</b>
Impairment at beginning of the year	-	-	47.97	-	-	47.97
Disposals	-	-	(47.97)	-	-	(47.97)
<b>Impairment at end of the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation at beginning of the year	-	77.35	545.54	28.64	2.31	653.84
Charge for the year	-	77.53	553.27	20.02	2.15	652.97
Disposals	-	-	-	-	-	-
<b>Depreciation at end of the year</b>	<b>-</b>	<b>154.88</b>	<b>1,098.81</b>	<b>48.66</b>	<b>4.46</b>	<b>1,306.81</b>
<b>Net book value at beginning of the year</b>	<b>11.81</b>	<b>1,437.61</b>	<b>4,646.66</b>	<b>37.10</b>	<b>9.44</b>	<b>6,142.62</b>
<b>Net book value at end of the year</b>	<b>11.81</b>	<b>1,369.71</b>	<b>4,252.85</b>	<b>31.00</b>	<b>17.96</b>	<b>5,683.33</b>



**TS ALLOYS LTD**

**Notes to Financial Statements**

**05 - Property, Plant & Equipment and Capital Work-In-Progress (contd...)**

<b>As at March 31, 2016</b>	<b>Freehold Land (incl Roads)</b>	<b>Freehold Buildings</b>	<b>Owned Plant and Machinery</b>	<b>Furniture, Fixt. &amp; Office Equipments</b>	<b>Vehicles</b>	<b>Total Tangible Assets</b>
Cost at beginning of the year	11.81	1,512.81	5,112.33	59.47	11.75	<b>6,708.17</b>
Additions		2.15	139.74	6.27		<b>148.16</b>
Disposals		-	(11.90)	-		<b>(11.90)</b>
<b>Cost at end of the year</b>	<b>11.81</b>	<b>1,514.96</b>	<b>5,240.17</b>	<b>65.74</b>	<b>11.75</b>	<b>6,844.43</b>
Impairment at beginning of the year						-
Charge for the year			47.97			<b>47.97</b>
<b>Impairment at end of the year</b>	<b>-</b>	<b>-</b>	<b>47.97</b>	<b>-</b>	<b>-</b>	<b>47.97</b>
Depreciation at beginning of the year						-
Charge for the year		77.35	545.54	28.64	2.31	<b>653.84</b>
<b>Depreciation at end of the year</b>	<b>-</b>	<b>77.35</b>	<b>545.54</b>	<b>28.64</b>	<b>2.31</b>	<b>653.84</b>
<b>Net book value at beginning of the year</b>	<b>11.81</b>	<b>1,512.81</b>	<b>5,112.33</b>	<b>59.47</b>	<b>11.75</b>	<b>6,708.17</b>
<b>Net book value at end of the year</b>	<b>11.81</b>	<b>1,437.61</b>	<b>4,646.66</b>	<b>37.10</b>	<b>9.44</b>	<b>6,142.62</b>

**Notes:**

- (i) During the year, the Company has written off Capital Work in Progress amounting to Rs. 132.29 lakhs, as the management has decided to discontinue it's expansion plan of setting up two more furnaces.
- (ii) During the previous year ended March 31, 2016, the Company had recognised an impairment charge of Rs. 47.97 lakhs against property, plant and equipment as one of the transformers was damaged due to fire accident at the plant during the month of January 2016.
- (iii)
- |  | <b>As at<br/>March 31, 2017</b> | <b>As at<br/>March 31, 2016</b> | <b>As at<br/>April 1, 2015</b> |
|--|---------------------------------|---------------------------------|--------------------------------|
| (a) The net carrying amount of land comprises                |                                 |                                 |                                |
| Freehold land  | 11.81                           | 11.81                           | 11.81                          |
| (b) The net carrying amount of building comprises            |                                 |                                 |                                |
| Freehold Building  | 1,369.71                        | 1,437.61                        | 1,512.81                       |
| (c) The net carrying amount of plant and machinery comprises |                                 |                                 |                                |
| Owned assets   | 4,252.85                        | 4,646.66                        | 5,112.33                       |
- iv) Included in the carrying value of property, plant and equipment are asset amounting to Rs. 4,301.82 lakhs (2016 Rs. 4,693.21 lakhs and 2015 Rs. 5183.56 lakhs) which are pledged as collateral against borrowings.



**TS ALLOYS LTD**  
**Notes to Financial Statements**

**06- Other non-current investments:**

	Amount in INR (Lakhs)		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
(a) Investment in Joint Venture			
Investments in Equity Instruments			
Bhubaneswar Power Private Limited	1,626.45	2,710.75	2,087.44
Equity shares of Rs. 10 each fully paid up in			
16,264,484 shares (As at March 31, 2016: 27,107,473)			
(As at March 31, 2015: 20,874,406)			
	<b>1,626.45</b>	<b>2,710.75</b>	<b>2,087.44</b>

(ii) The carrying amount of unquoted investments is as follows:

	Amount in INR (Lakhs)		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
(a) Unquoted*	1,626.45	2,710.75	2,087.44
	<b>1,626.45</b>	<b>2,710.75</b>	<b>2,087.44</b>

\* The fair value of unquoted investments cannot be reliably measured as the variability in the range of fair value estimates is significant & the probabilities of the various estimates cannot be reasonably assessed.

**Notes:**

Bhubaneswar Power Private Limited (BPPL), is a Joint Venture between the Company, Tata Steel Limited and Jasper Industries Private Limited and T S Alloys Limited. The investment is carried at cost as per Ind AS 27.

Out of the above shares, 97.59 lakh (As at March 31, 2016: 162.64 lakh, As at March 31, 2015: 54.27 lakh) equity shares of Rs. 10/- each has been pledged with the Power Finance Corporation and Rural Electrification Corporation Ltd. for availing Rupee Term Loan by the Bhubaneswar Power Private Limited, the joint venture company.



**07 - Other financial assets- Non-current**

Amount in INR (Lakhs)

	As at March 31,2017	As at March 31, 2016	As at April 01, 2015
<b>(a) Security deposits</b>			
Unsecured, considered good *	1,637.51	1,636.50	1,636.50
Unsecured, considered doubtful	-	-	-
Less: Provision for bad & doubtful loans & advances	-	-	-
	<u>1,637.51</u>	<u>1,636.50</u>	<u>1,636.50</u>
<b>(b) Interest accrued on deposits, loans and advances</b>			
Unsecured, considered good	-	-	-
Unsecured, considered doubtful	26.90	26.90	26.90
Less: Provision for bad & doubtful loans	26.90	26.90	26.90
	<u>-</u>	<u>-</u>	<u>-</u>
<b>(c) Unrestricted Non-current Cash and bank balances</b>			
Fixed Deposits with maturity of more than a year	7.34	-	-
	<u>7.34</u>	<u>-</u>	<u>-</u>
<b>Total other non-current financial assets</b>	<u><b>1,644.85</b></u>	<u><b>1,636.50</b></u>	<u><b>1,636.50</b></u>

\* Security Deposit amounting to Rs. 7.90 lakhs includes FD and NSC pledged with Government Authorities.

	As March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>Other financial assets- current</b>			
<b>(a) Security deposits</b>			
Unsecured, considered good	1.57	1.28	1.28
Unsecured, considered doubtful	-	-	-
Less: Provision for bad & doubtful loans & advances	-	-	-
	<u>1.57</u>	<u>1.28</u>	<u>1.28</u>
<b>(b) Interest accrued on deposits, loans and advances</b>			
Unsecured, considered good	126.89	143.22	142.84
Unsecured, considered doubtful	-	-	-
Less: Provision for bad & doubtful loans	-	-	-
	<u>126.89</u>	<u>143.22</u>	<u>142.84</u>
<b>Total other current financial assets</b>	<u><b>128.46</b></u>	<u><b>144.50</b></u>	<u><b>144.12</b></u>



**TS ALLOYS LTD**  
**Notes to Financial Statements**

**08 - Non- Current retirement benefit assets:**

	Amount in INR (Lakhs)		
	As at March 31,2017	As at March 31, 2016	As at April 01, 2015
(i) Retiring gratuities	21.57	22.37	13.06
Total Retirements benefit asset	<b>21.57</b>	<b>22.37</b>	<b>13.06</b>

**Note :** Included in plan assets as at March 31, 2017 is a Fixed Deposit amounting to Rs. 12.80 Lakhs which would be deposited in the Gratuity Fund by the Company

**09 - Other Non-financial assets**

Amount in INR (Lakhs)

**I. Other Non-current non-financial assets**

	Amount in INR (Lakhs)		
	As at March 31,2017	As at March 31, 2016	As at April 01, 2015
(i) Capital advances	56.13	56.13	56.13
(ii) Advance with public bodies	13.19	13.19	13.19
(iii) Prepaid rentals for operating leases	561.13	568.32	575.52
(iv) Other non-financial assets	0.10	-	-
	<b>630.55</b>	<b>637.64</b>	<b>644.84</b>

**II. Other current non-financial assets**

	Amount in INR (Lakhs)		
	As at March 31,2017	As at March 31, 2016	As at April 01, 2015
(i) Advance with public bodies	540.16	51.77	43.56
(ii) Prepaid rentals for operating leases	7.19	7.19	7.19
(iii) Other non-financial assets			
Advance to Vendors	49.02	44.62	27.01
Less: Provision for bad & doubtful advances	0.01	0.41	2.08
	49.01	44.21	24.93
	<b>596.36</b>	<b>103.17</b>	<b>75.68</b>

(i) Prepaid lease payment relates to payment made against land leases





**10 -Inventories**

Amount in INR (Lakhs)

	As at March 31,2017	As at March 31, 2016	As at April 01, 2015
(a) Raw materials	342.43	239.42	223.31
(b) Work-in-progress	3.37	28.15	22.51
(c) Stores and spares	887.53	711.12	741.13
	<b>1,233.33</b>	<b>978.69</b>	<b>986.95</b>

**11 - Trade receivables**

Amount in INR (Lakhs)

	As at March 31,2017	As at March 31, 2016	As at April 01, 2015
Unsecured considered good	1,709.71	587.62	537.39
Unsecured considered doubtful	-	-	-
	<b>1,709.71</b>	<b>587.62</b>	<b>537.39</b>
Current trade receivables	1,709.71	587.62	537.39
	<b>1,709.71</b>	<b>587.62</b>	<b>537.39</b>

i. The average credit period on provision of services 30 days. No interest is charged on any amount receivable from trade debtors even for the period beyond the credit period.

ii. Trade receivables are further analysed as follows

Amount in INR (Lakhs)

**As at March 31,2017**

	Gross credit risk	Impairment provision	Net credit risk
Amounts not yet due	1,502.08	-	1,502.08
One month overdue	124.16	-	124.16
Two months overdue	41.04	-	41.04
Three months overdue	42.43	-	42.43
Between three to six months overdue	-	-	-
Greater than six months overdue	-	-	-
	<b>1,709.71</b>	<b>-</b>	<b>1,709.71</b>

**As at March 31, 2016**

	Gross credit risk	Impairment provision	Net credit risk
Amounts not yet due	577.09	-	577.09
One month overdue	0.12	-	0.12
Two months overdue	-	-	-
Three months overdue	10.41	-	10.41
Between three to six months overdue	-	-	-
Greater than six months overdue	-	-	-
	<b>587.62</b>	<b>-</b>	<b>587.62</b>

**As at April 1, 2015**

	Gross credit risk	Impairment provision	Net credit risk
Amounts not yet due	532.84	-	532.84
One month overdue	2.94	-	2.94
Two months overdue	-	-	-
Three months overdue	-	-	-
Between three to six months overdue	1.61	-	1.61
Greater than six months overdue	-	-	-
	<b>537.39</b>	<b>-</b>	<b>537.39</b>

iii There are no outstanding debts due from directors or other officers of the Company.



**TS ALLOYS LTD**  
**Notes to Financial Statements**

**12 - Cash and cash equivalents**

**Amount in INR (Lakhs)**

	<b>As at March 31,2017</b>	<b>As at March 31, 2016</b>	<b>As at April 01, 2015</b>
(i) Cash in hand	0.04	0.03	0.02
(ii) Unrestricted Balances with banks	60.51	5.47	11.39
(i) In Current Account	60.51	5.47	11.27
(ii) In Deposit Account	-	-	0.12
<b>Total cash and cash equivalents as per Balance Sheet</b>	<b>60.55</b>	<b>5.50</b>	<b>11.41</b>



**13 - Share capital**

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>Authorised:</b>			
70,000,000 Ordinary Shares of Rs. 10 each (March 31, 2016: 70,000,000 Ordinary Shares of Rs. 10 each) (April 01, 2015: 70,000,000 Ordinary Shares of Rs. 10 each)	7,000.00	7,000.00	6,500.00
	<b>7,000.00</b>	<b>7,000.00</b>	<b>6,500.00</b>
<b>Issued, Subscribed and Paid Up:</b>			
6,57,07,544 Ordinary Shares of CU Rs. 10 each (March 31, 2016: 65,707,544 Ordinary Shares of Rs. 10 each) (April 01, 2015: 5,94,74,477 Ordinary Shares of Rs. 10 each)	6,570.76	6,570.76	5,947.45
	<b>6,570.76</b>	<b>6,570.76</b>	<b>5,947.45</b>

**A. The movement in subscribed and paid up share capital is set out below:**

	As at March 31, 2017	As at March 31, 2016
Ordinary shares of Rs. 10 each		
At beginning of the year	6,57,07,544.00	5,94,74,477.00
Shares allotted during the year		62,33,067.00
	<b>6,57,07,544.00</b>	<b>6,57,07,544.00</b>

**B. Shareholders holding more than 5 percent shares in the Company:**

Name of shareholders	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of ordinary shares	%	No. of ordinary shares	%	No. of ordinary shares	%
(a) Tata steel Limited	6,57,07,544.00	100%	6,57,07,544.00	100%	5,94,74,477.00	100%

**C. Rights, preferences and and restrictions attached to shares**

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

**14 - Other Equity**

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Retained earnings	4,707.80	4,636.95	4,512.88
	<b>4,707.80</b>	<b>4,636.95</b>	<b>4,512.88</b>

**14.1 Retained earnings**

	Year ended March 31, 2017	Year ended March 31, 2016
Balance at beginning of year	4,636.95	4,512.88
Profit / (Loss) for the year	84.43	138.90
Other Comprehensive income arising from remeasurement of defined benefit obligation net of income tax	(13.58)	(14.83)
<b>Balance at end of year</b>	<b>4,707.80</b>	<b>4,636.95</b>

Retained Earnings represents the undistributed profits of the Company.



**TS ALLOYS LTD**  
**Notes to Financial Statements**

**15 - Provisions**

Amount in INR (Lakhs)

**I - Non-Current Provisions**

	As at March 31,2017	As at March 31, 2016	As at April 01, 2015
(a) Provision for employee benefits			
(1) Other long-term employee benefits			
Compensated absences [Refer Note 32]	32.89	15.42	10.50
	<b>32.89</b>	<b>15.42</b>	<b>10.50</b>

**II - Current Provisions**

	As at March 31,2017	As at March 31, 2016	As at April 01, 2015
(a) Provision for employee benefits			
(1) Other long-term employee benefits			
Compensated absences [Refer Note 32]	0.23	0.09	0.09
(b) Other Provisions			
Provision for loss due to fire	-	128.48	-
	<b>0.23</b>	<b>128.57</b>	<b>0.09</b>



(i) Income tax expenses recognised in the statement of profit or loss are analysed as below:

	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015
Current taxes			
Deferred taxes	(34.04)	(91.73)	(29.80)
	<b>(34.04)</b>	<b>(91.73)</b>	<b>(29.80)</b>

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

	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Profit before tax</b>	50.39	47.17
Income tax expense at tax rates applicable to individual entities	7.68	16.33
Effect of expenses that are not deductible in determining taxable profit	-	7.85
Utilization/credit of unrecognised tax losses, unabsorbed depreciation and other tax benefits	-	(115.91)
Previously recognized deferred tax assets actualised during the year	(30.55)	-
Adjustments to current tax in respect of prior periods	(3.49)	-
Others	(7.68)	-
<b>Income tax expense reported</b>	<b>(34.04)</b>	<b>(91.73)</b>

(iii) Significant component of deferred tax assets and liabilities for the year ended March 31, 2017 is as follows :

Amount in INR (Lakhs)				
	Opening balance	Deferred tax expense/ (income recognised in profit and loss)	Deferred tax expense/ (income recognised in other comprehensive income)	Closing balance
<b>Deferred tax assets</b>				
Other un-used tax credits	21.31	7.68	-	28.99
Provisions	-	(45.18)	-	(45.18)
Retirement benefit assets/ liabilities	-	0.50	3.49	3.99
<b>Total</b>	<b>21.31</b>	<b>(37.00)</b>	<b>3.49</b>	<b>(12.20)</b>
<b>Deferred tax liabilities</b>				
Tangible fixed assets	1,157.22	(69.36)	-	1,087.86
Retirement benefit assets/ liabilities	2.38	(2.38)	-	-
<b>Total</b>	<b>1,159.60</b>	<b>(71.74)</b>	<b>-</b>	<b>1,087.86</b>
<b>Net Deferred tax assets/(liabilities)</b>	<b>(1,138.29)</b>	<b>34.74</b>	<b>3.49</b>	<b>(1,100.06)</b>

Significant component of deferred tax assets and liabilities for the year ended March 31, 2016 is as follows :

	Opening balance	Deferred tax expense/ (income recognised in profit and loss)	Deferred tax expense/ (income recognised in other comprehensive income)	Closing balance
<b>Deferred tax assets</b>				
Other un-used tax credits	21.31	-	-	21.31
Provisions	9.85	44.64	-	55.99
<b>Total</b>	<b>31.16</b>	<b>44.64</b>	<b>-</b>	<b>75.80</b>
<b>Deferred tax liabilities</b>				
Tangible fixed assets	1,202.04	(44.82)	-	1,157.22
Retirement benefit assets/ liabilities	0.84	(2.27)	3.81	2.38
<b>Total</b>	<b>1,202.88</b>	<b>(47.09)</b>	<b>3.81</b>	<b>1,159.60</b>
<b>Net Deferred tax assets/(liabilities)</b>	<b>(1,171.72)</b>	<b>91.73</b>	<b>(3.81)</b>	<b>(1,159.60)</b>

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.





17 - Short term borrowings

Amount in INR (Lakhs)

	As at March 31,2017	As at March 31, 2016	As at April 01, 2015
<b>Secured Borrowings</b>			
Repayable on Demand			
From Banks			
Cash Credit	-	407.33	363.61
	<u>-</u>	<u>407.33</u>	<u>363.61</u>

**Note:**

Loans from banks

The Company has taken loan for Working Capital on floating interest rate (BBR plus 45 bps) . Present Interest Rate is 9.95% p.a.

The maturity of the gross borrowings of the group at the end of the period is as follows:

	As at March 31,2017	As at March 31, 2016	As at April 01, 2015
Total short-term borrowings	-	407.33	363.61
Total current maturities of long-term borrowings	-	-	166.67
<b>Total Borrowings</b>	<u>-</u>	<u>407.33</u>	<u>530.28</u>

18 - Trade payable

Amount in INR (Lakhs)

	As at March 31,2017	As at March 31, 2016	As at April 01, 2015
Current trade payable			
(a) Creditors for supplies and services			
Total outstanding dues of micro enterprises and small enterprises	10.97	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,670.50	832.93	1,125.62
(b) Creditors for accrued wages and salaries	130.87	117.77	158.50
	<u>1,812.34</u>	<u>950.70</u>	<u>1,284.12</u>

**Note:**

(i) Trade payables are non-interest bearing and are normally settled in 0-45 days.

(ii) There are no amount outstanding in relation to Micro, Small or Medium enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006, as at the end of the year other than those disclosed above, based on the information available with the Company. There are no interest payable to MSMED Creditors as the Company does timely payment to MSMED Vendors.



**19 - Other current financial liabilities**

**Amount in INR (Lakhs)**

	<b>As at March 31,2017</b>	<b>As at March 31, 2016</b>	<b>As at April 1, 2015</b>
(a) Current maturities of long-term debt	-	-	166.67
(b) Interest payable			
Interest accrued but not due on borrowings	4.36	-	1.56
Interest accrued and due on borrowings	55.83	55.83	55.83
(c) Creditors for other liabilities			
Creditors for capital supplies/services	70.70	70.70	114.80
Other credit balances	-	0.25	2.15
	<b>130.89</b>	<b>126.78</b>	<b>341.01</b>

**20 - Other current non-financial liabilities**

**Amount in INR (Lakhs)**

	<b>As at March 31,2017</b>	<b>As at March 31, 2016</b>	<b>As at April 1, 2015</b>
(a) Advances received from customers	11.42	5.14	30.20
(b) Employee recoveries and employer contributions	5.48	5.81	3.33
(c) Statutory Dues (Excise duty, service tax, sales tax, TDS, Royalty, cess etc)	17.84	4.49	3.34
	<b>34.74</b>	<b>15.44</b>	<b>36.87</b>



**TS ALLOYS LTD****Notes to Financial Statements****21 - Revenue from operations**

Amount in INR (Lakhs)

	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>(a) Services rendered</b>		
Conversion Income	15,332.69	12,238.53
<b>(b) Other operating income</b>		
Sale of slags and scraps	15.05	42.96
Operation and maintenance services	200.35	-
<b>Total Revenue from operations</b>	<b>15,548.09</b>	<b>12,281.49</b>

**22 - Other income**

Amount in INR (Lakhs)

	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>(a) Interest from:</b>		
(i) Deposits with utilities	108.91	142.06
(ii) Term deposits	1.10	0.01
(iii) Income tax refund	-	12.38
(iv) Other Interest Income	4.08	-
(b) Provisions / Liabilities no longer required written back	41.81	-
(c) Income from sale of Investment	11.43	-
(d) Net gain on foreign currency transactions	2.53	1.13
(e) Net Profit on sale of fixed assets	14.86	-
(f) Other miscellaneous income	-	0.24
<b>Total Other income</b>	<b>184.72</b>	<b>155.82</b>



**TS ALLOYS LTD**

**Notes to Financial Statements**

**23 - Raw material consumed**

Amount in INR (Lakhs)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Opening stock	239.42	223.31
Add: Purchase	1,590.72	1,103.34
Less: Closing stock	(342.43)	(239.42)
<b>Total Raw material consumed</b>	<b>1,487.71</b>	<b>1,087.23</b>

**Material consumed comprises:**

Chrome ore and coke	-	-
Furnace oil	101.28	66.38
Lime	257.15	226.95
Molasses	497.38	304.55
Carbon Paste	338.74	297.98
Quartz	210.38	162.68
Others	82.78	28.69
<b>Total</b>	<b>1,487.71</b>	<b>1,087.23</b>

**24 - Changes in stock of work-in-progress**

Amount in INR (Lakhs)

	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Stock at the beginning of the year</b>		
Work in progress	28.15	22.51
<b>Stock at the end of the year</b>		
Work in progress	3.37	28.15
<b>Net (increase) / decrease in stock of work in progress</b>	<b>24.78</b>	<b>(5.64)</b>



**TS ALLOYS LTD****Notes to Financial Statements****25 - Employee benefits expense****Amount in INR (Lakhs)**

	<b>For the year ended March 31, 2017</b>	<b>For the year ended March 31, 2016</b>
(a) Salaries and wages, including bonus	679.41	526.15
(b) Contribution to provident and other funds [Refer Note 32]		
Provident Fund	35.25	41.94
Employees State Insurance	11.32	5.62
Gratuity	5.04	2.73
(c) Staff welfare expenses	26.00	8.93
<b>Total Employee benefits expense</b>	<b>757.02</b>	<b>585.37</b>

**26 Finance costs****Amount in INR (Lakhs)**

	<b>For the year ended March 31, 2017</b>	<b>For the year ended March 31, 2016</b>
(a) <b>Interest expense</b>		
(a) Interest on borrowings		
- On term loans	-	5.24
- On cash credits	114.94	81.67
(b) Interest on others	0.04	0.03
<b>Total Finance costs</b>	<b>114.98</b>	<b>86.94</b>





**T S Alloys Limited**  
**Notes to Financial Statements**

**27 Other expenses**

**Amount in INR (Lakhs)**

	<b>For the year ended March 31, 2017</b>	<b>For the year ended March 31, 2016</b>
(a) Repairs to buildings	61.04	37.98
(b) Repairs to machinery	239.11	176.71
(c) Rent	3.82	0.45
(d) Rates and taxes	38.87	23.63
(e) Insurance charges	7.64	6.94
(f) Stores and spares consumed	464.99	467.41
(g) Jigging, breaking and sizing expenses	407.96	283.82
(h) Other expenses		
(1) Auditors remuneration and out-of-pocket expenses		
(i) As auditors - statutory audit#	6.90	6.90
(ii) For other services #	1.80	0.86
(iii) Auditors out-of-pocket expenses	0.14	0.24
(2) Legal and other professional costs	18.80	18.12
(3) Advertisement, promotion & selling expenses	0.24	0.26
(4) Travelling and conveyance expenses	50.06	21.62
(5) Net loss on sale of tangible assets	-	11.87
(6) Impairment of Capital Work-in-Progress	132.29	-
(7) Security charges	76.84	64.40
(8) Provision for loss due to fire	-	128.49
(9) Provision for impairment of tangible assets	-	47.96
(10) Corporate Social Responsibility Expenses [Refer Note below]	22.44	22.69
(11) Other general expenses	315.97	361.24
<b>Total Other expenses</b>	<b>1,848.91</b>	<b>1,681.59</b>

# Amount is exclusive of Service tax

**Note:**

Revenue expenditure charged to the Statement of Profit and Loss in respect of Corporate Social Responsibility (CSR) activities undertaken during the year is amounting to Rs. 22.44 Lakhs (Rs. 0.94 lakhs has been paid in cash and Rs. 21.50 lakhs is yet to be paid in cash) as compared to Rs. 22.69 (Rs. 6.01 lakhs had been paid in cash and Rs. 16.68 lakhs was yet to be paid in cash) lakhs for the year ended 31st March, 2016. The amounts are spent on purposes other than Construction / Acquisition of any asset.



28 Contingent liabilities

	Amount in INR (Lakhs)		
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Contingent liabilities not provided for			
(a) Excise duty	290.92	290.23	269.28
(b) Sales tax	20.96	20.96	20.96
(c) Water cess	99.92	76.78	49.69
(d) Income tax	326.43	324.07	-

29 Commitments

- (a) Estimated amounts of contracts remaining to be executed on capital account and not provided for : **Rs. 19.04 Lakhs** (As at March 31, 2016: Rs. 43.00 lakhs and March 31, 2015: Rs. 46.00 Lakhs) net of advances of Nil (As at March 31, 2016 and April 1, 2015 : Nil)
- (b) The Company along with Tata Steel Limited (Promoters) has given an undertaking to Power Finance Corporation Limited (PFC) and Rural Electrification Corporation Limited (REC) (Lenders) not to dispose off /transfer their equity holding of 26% of total equity in Bhubaneswar Power Private Limited (BPPL) without prior written approval of lenders. Such shareholding of promoters may be transferred to the Company or its affiliates subject to compliance of applicable laws. The Company along with Tata Steel Limited has pledged 60% of their equity contribution in BPPL to PFC and REC.

30 Earnings per share

	Amount in INR (Lakhs)	
	Year ended March 31, 2017	Year ended March 31, 2016
(a) Profit after tax attributable to ordinary shareholders - for Basic and Diluted EPS	84.43	138.90
(b) Weighted average no. of Ordinary Shares for Basic and Diluted EPS	Nos. 6,57,07,544	Nos. 6,30,30,773
(c) Nominal value of Ordinary Shares (Rs.)	10.00	10.00
(d) Basic and Diluted Earnings per Ordinary Share (Rs.)	0.13	0.22

31 Related party transaction

(a) List of Related Parties and Relationship

Name of the Related Party	Relationship
(i) Tata Steel Limited	Holding Company
(ii) Tata Steel Processing and Distribution Limited	Fellow Subsidiary
(iii) Tata Pigments Limited	Fellow Subsidiary
(iv) Bhubaneswar Power Private Limited	Joint Venture Company
(v) Mr. Sandeep Kumar Tanwar, Ex-Managing Director	Key Managerial Person (till June 15, 2016)
(vi) Mr. Prasant Kumar Mallick, Ex-Managing Director	Key Managerial Person
(vii) Mr. Bibhu Dutta Nanda, Managing Director	Key Managerial Person (with effect from June 16, 2016)
(viii) Mr. P K Biswal, Company Secretary	Key Managerial Person
(ix) Mr. M Srinivas, Chief Financial Officer	Key Managerial Person

(b) Related party transactions

Name of the related party	Nature of transactions	Amount in INR (Lakhs)		
		Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015
Tata Steel Limited	Conversion income	15,333.04	12,238.54	6,631.21
	Sale of Investment	1,096.23	-	-
	Other reimbursement	537.41	2,143.72	396.79
	Purchase of goods	-	6.56	-
	Rendering Service	553.62	-	-
	Receiving of service	31.88	14.64	-
	Finance received (Equity)	-	623.30	994.01
Bhubaneswar Power Private Limited	Reimbursement of expense	4.21	71.42	84.13
	Sale of land	-	-	28.33
	Purchase of power	-	-	-
	Interest Income	4.08	-	-
	Finance provided (Short term loan)	-	-	-
Tata Steel Processing and Distribution Limited	Finance provided (Equity)	-	623.31	994.01
Tata Pigments Limited	Purchase of goods	9.72	-	-
Key Management Personnel	Purchase of goods	-	1.80	-
	<b>Remuneration:</b>			
	Mr. Sandeep Kumar Tanwar (Ex-MD)	36.67	62.60	44.20
	Mr. Bibhu Dutta Nanda (MD)	37.00	-	-
	Mr. Prasant Kumar Mallick (Ex-MD)	-	-	12.35
Mr. M Srinivas (CFO)	25.62	14.94	-	
Mr. Pradeep Kumar Biswal (CS)	12.78	12.03	9.55	
Name of the related party	Nature of balances	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Tata Steel Limited	Amount receivable	1,709.75	587.65	537.39
	Amount payable	58.08	58.07	55.83
Tata Steel Processing and Distribution Limited	Amount payable	0.07	-	-
Tata Pigments Limited	Amount payable	-	0.47	-
Bhubaneswar Power Private Limited	Amount payable	827.29	-	-
	Amount receivable	-	0.56	8.17

32 Employee benefits

(a) Defined contribution plans

The Company provides Provident Fund benefit to all and superannuation benefit to selected employees. Under these schemes fixed contributions are paid to a separate trust managed by the trustees appointed by the Company. The company has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay employee benefits. The company has made the following contributions which are recognised as expense in the profit and loss account for year in which the services are rendered by employees.





9. Sensitivity Analysis

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:

Gratuity Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1%, decrease by 1%	Decrease by 14%, increase by 17%
Salary escalation	Increase by 1%, decrease by 1%	Increase by 17%, decrease by 14%

Leave

Assumption	Change in assumption	Impact on Defined Benefit Obligation
Discount rate	1% Increase in Discount Rate	(3.88)
	1% Decrease in Discount Rate	4.65
Salary escalation	1% Increase in Discount Rate	4.70
	1% Decrease in Discount Rate	(3.98)

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.

10. The Company expects to contribute Rs.21.57 lakhs to the funded retiring gratuity plans in financial year 2018.

11 a) The Gratuity scheme is a final salary Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal.

b) The Leave scheme is a final salary Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal.

The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The Plan design means the risks commonly affecting the liabilities and the financial results are expected to be:

**Interest rate risk :** The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

**Salary Inflation risk :** Higher than expected increases in salary will increase the defined benefit obligation

**Demographic risk :** This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

**Change in Leave Balances :** This is the risk of variability of results due to a significant variation from expected accumulation of leave balances. All other aspects remaining same, higher than expected increase in the leave balances will increase the defined benefit obligation.

33 - Operating Lease

The Company had taken land under operating leases. The following is the summary of future minimum lease rental payments under non-cancellable operating leases entered into by the Company:

	Amount in INR (Lakhs)		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Operating lease payments			
Not later than one year	0.63	0.63	0.63
Later than one year but not later than five years	2.51	2.51	2.51
Later than five years	46.45	47.08	47.71
Total minimum lease commitments	49.59	50.22	50.85

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

Country of Incorporation	Percentage of Holding	Assets	Liabilities	Contingent Liabilities	Capital Commitment	Income	Expenditure
India	As at March 31, 2017 Amount in INR (Lakhs)					Year ended March 31, 2017 Amount in INR (Lakhs)	
	7.06%	6,952.24	5,528.98	-	-	2,159.28	2,328.98
	As at March 31, 2016 Amount in INR (Lakhs)					Year ended March 31, 2016 Amount in INR (Lakhs)	
	11.77%	11,785.88	9,130.62	-	-	-	25.96
As at March 31, 2015 Amount in INR (Lakhs)					Year ended March 31, 2015 Amount in INR (Lakhs)		
11.77%	9,533.35	7,475.45	33.07	736.99	-	21.74	





### 35. Disclosures on financial instruments

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

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 04 to the financial statements.

#### (A) Financial assets and liabilities

The following table presents carrying amount and fair value of each category of financial assets and liabilities as at March 31, 2017.

As at March 31, 2017	Amount in INR (Lakhs)					
	Amortised cost	Fair value through other comprehensive income	Fair value through profit & loss	Others	Total Carrying Value	Total Fair Value
<b>Financial assets</b>						
Investments (Refer Note i)	-	-	-	1,626.45	1,626.45	1,626.45
Trade receivables	1,709.71	-	-	-	1,709.71	1,709.71
Other financial assets	1,773.31	-	-	-	1,773.31	1,773.31
Cash and bank balances	60.56	-	-	-	60.56	60.56
<b>Total financial assets</b>	<b>3,543.58</b>	<b>-</b>	<b>-</b>	<b>1,626.45</b>	<b>5,170.03</b>	<b>5,170.03</b>
<b>Financial liabilities</b>						
Trade payables	1,812.34	-	-	-	1,812.34	1,812.34
Other financial liabilities	130.90	-	-	-	130.90	130.90
<b>Total financial liabilities</b>	<b>1,943.24</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,943.24</b>	<b>1,943.24</b>
<b>Total</b>	<b>1,600.34</b>	<b>-</b>	<b>-</b>	<b>1,626.45</b>	<b>3,226.79</b>	<b>3,226.79</b>
<b>As at March 31, 2016</b>						
<b>Financial assets</b>						
Investments (Refer Note i)	-	-	-	2,710.75	2,710.75	2,710.75
Trade receivables	587.62	-	-	-	587.62	587.62
Other financial assets	1,781.00	-	-	-	1,781.00	1,781.00
Cash and bank balances	5.50	-	-	-	5.50	5.50
<b>Total financial assets</b>	<b>2,374.12</b>	<b>-</b>	<b>-</b>	<b>2,710.75</b>	<b>5,084.87</b>	<b>5,084.87</b>
<b>Financial liabilities</b>						
Borrowings	407.33	-	-	-	407.33	407.33
Trade payables	950.70	-	-	-	950.70	950.70
Other financial liabilities	126.78	-	-	-	126.78	126.78
<b>Total financial liabilities</b>	<b>1,484.81</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,484.81</b>	<b>1,484.81</b>
<b>Total</b>	<b>889.31</b>	<b>-</b>	<b>-</b>	<b>2,710.75</b>	<b>3,600.06</b>	<b>3,600.06</b>
<b>As at April 01, 2015</b>						
<b>Financial assets</b>						
Investments (Refer Note i)	-	-	-	2,087.44	2,087.44	2,087.44
Trade receivables	537.39	-	-	-	537.39	537.39
Other financial assets	1,780.62	-	-	-	1,780.62	1,780.62
Derivative financial assets	-	-	-	-	-	-
Cash and bank balances	11.41	-	-	-	11.41	11.41
<b>Total financial assets</b>	<b>2,329.42</b>	<b>-</b>	<b>-</b>	<b>2,087.44</b>	<b>4,416.86</b>	<b>4,416.86</b>
<b>Financial liabilities</b>						
Borrowings	363.61	-	-	-	363.61	363.61
Derivative financial liabilities	-	-	-	-	-	-
Trade payables	1,284.12	-	-	-	1,284.12	1,284.12
Other financial liabilities	341.01	-	-	-	341.01	341.01
<b>Total financial liabilities</b>	<b>1,988.74</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,988.74</b>	<b>1,988.74</b>
<b>Total</b>	<b>340.68</b>	<b>-</b>	<b>-</b>	<b>2,087.44</b>	<b>2,428.12</b>	<b>2,428.12</b>

#### Note :

i. Investment represents invest in Joint Venture and hence is carried at cost as per Ind AS - 27.

The fair value of unquoted investments cannot be reliably measured as the variability in the range of fair value estimates is significant & the probabilities of the various estimates cannot be reasonably assessed.

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





**(B) Financial risk management**

The Company's principal financial instruments comprise financial liabilities and financial assets. The Company's principal financial liabilities comprises of trade payable and other financial liabilities. The main purpose of these financial instruments is to manage short-term cash flow and generate finance for the Company's capital expenditure program. The Company has various financial assets such as trade receivable, long term deposits, short-term deposits and cash, which arise directly from its operations.

**Risk exposures and responses**

The Company manages its exposure to key financial risks in accordance in the direction of board of directors. The main risks that could adversely affect the Company's financial assets, liabilities or future cash flows are market risks, foreign currency risk and liquidity risk and credit risk. Management reviews and agrees policies for managing each of these risks which are summarised below.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

**(i) 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. The Company's financial instrument mainly effected in market prices risk comprises of three types of risk: currency risk, interest rate risk and other price risk which include equity price risk and commodity price risk. Financial instruments affected by market risk include loans, trade receivables, other financial assets, trade payables and other financial liabilities.

The sensitivity analysis have not been prepared as there is no amount outstanding as debt, having either fixed or floating interest rates, no derivatives financial instruments and no financial instruments in foreign currencies.

**(a) Foreign currency risk management**

The Company undertakes transactions denominated in foreign currencies for importing it's raw material, consequently, exposures to exchange rate fluctuations arise.

The sensitivity analysis have not been prepared as there is no amount outstanding as debt in foreign currencies as at March 31, 2017, March 31, 2016 and April 01, 2015.

**(b) Interest rate risk management**

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates. As the Company have only short term borrowings in the nature of Cash Credits from banks, there is no significant exposure to the interest rate risk but only to the extent of recognition of interest portion of financial instrument classified at amortised cost. The Company manages it interest risk exposure relating to the financial instrument classified at amortised cost by using the market interest rate as the effective interest rate and the changes in the assets liabilities is accounted for as interest income/expenses with respect to financial assets/financial liabilities respectively.

However, as there is no primary exposure to the interest rate risk the sensitivity analysis has not been performed by the Company.

**(c) Equity price risk:**

Equity Price Risk is related to the change in market reference price of the investments in equity securities. The Company holds investment for strategic rather than trading purposes.

The Company's does not have any investment in the equity shares apart from the investment in Bhubaneswar Power Private Limited which is a Joint Venture and is carried on cost in the separate financial statement and is not susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk by placing limits on individual and total equity instruments which is made subject to the approval of Board of Directors. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to unlisted equity securities was Rs. 1,626.45 lakhs in joint venture, which is carried at cost.

**(ii) Credit risk management**

Credit risk is the risk of financial loss arising from the counter party failure to repay or service debt according to the contractual terms and obligations, credit risk encompasses both the direct risk of default and the risk of deterioration of the credit worthiness as well as concentration risks.

Financial instruments that are subjected to concentration of credit risk principally consists of investments, trade receivables, loans. None of the financial instruments of the Company results in the material concentration of the credit risk.

Risk relating to trade receivables in shown under Note No. 11 of financial statements.

**(iii) Liquidity risk management**

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 cash credit facilities with IDBI bank. The Company invests its surplus funds in bank fixed deposit, which carry no/low mark to market risk and has sufficient owned funds to finance its existing and continuing commitments.

The table below provides details regarding the contractual maturities of financial liabilities as at March 31, 2017, March 31, 2016 and April 01, 2015.

	Amount in INR (Lakhs)	
	Less than 1 year	Carrying Amount
<b>March 31, 2017</b>		
Borrowings including interest thereon		
a) Trade payables	1,812.34	1,812.34
b) Other financial liabilities	130.89	130.89
<b>March 31, 2016</b>		
Borrowings including interest thereon		
a) Trade payables	950.70	950.70
b) Other financial liabilities	534.11	534.11
<b>April 01, 2015</b>		
Borrowings including interest thereon		
a) Trade payables	1,284.12	1,284.12
b) Other financial liabilities	704.62	704.62



36. - First-time Ind AS adoption reconciliations

36.1 Effect of Ind AS adoption on the balance sheet as at March 31, 2016 and April 01, 2015

The Company has adopted Indian Accounting Standard (referred to as "Ind AS") with effect from April 01, 2016.

	Notes	I-GAAP As at March 31, 2016	Effect of Transition to Ind AS	Ind AS As at March 31, 2016	I-GAAP As at April 01, 2015	Amount in INR (Lakhs) Effect of Transition to Ind AS	Ind AS As at April 01, 2015
<b>(I) ASSETS</b>							
<b>(1) Non-current assets</b>							
(a) Property, Plant and Equipment	@	6,718.15	(575.53)	6,142.62	7,290.88	(582.71)	6,708.17
(b) Capital work-in-progress		254.56	-	254.56	282.09	-	282.09
(c) Financial assets		<b>6,972.71</b>	<b>(575.53)</b>	<b>6,397.18</b>	<b>7,572.97</b>	<b>(582.71)</b>	<b>6,990.26</b>
(i) Other non-current investments		2,710.75	-	2,710.75	2,087.44	-	2,087.44
(ii) Other financial assets		1,636.50	-	1,636.50	1,636.50	-	1,636.50
(d) Retirement benefit assets		22.37	-	22.37	13.06	-	13.06
(e) Other non-financial assets	@, #	90.61	547.03	637.64	90.63	554.21	644.84
(f) Non current tax asset		711.83	-	711.83	540.60	-	540.60
<b>(2) Current assets</b>		<b>12,144.77</b>	<b>(28.50)</b>	<b>12,116.27</b>	<b>11,941.20</b>	<b>(28.50)</b>	<b>11,912.70</b>
(a) Inventories		978.69	-	978.69	986.95	-	986.95
(b) Financial assets		587.62	-	587.62	537.39	-	537.39
(i) Trade receivables		5.50	-	5.50	11.41	-	11.41
(ii) Cash and cash equivalents		144.50	-	144.50	144.12	-	144.12
(iii) Other financial assets		95.98	7.19	103.17	68.49	7.19	75.68
(c) Other non-financial assets	@	1,812.29	7.19	1,819.48	1,748.36	7.19	1,755.55
<b>TOTAL ASSETS</b>		<b>13,957.06</b>	<b>(21.31)</b>	<b>13,935.75</b>	<b>13,689.56</b>	<b>(21.31)</b>	<b>13,668.25</b>
<b>(II) EQUITY AND LIABILITIES</b>							
<b>(1) Equity</b>							
(a) Equity Share Capital		6,570.76	-	6,570.76	5,947.45	-	5,947.45
(b) Other equity		4,636.95	-	4,636.95	4,512.88	-	4,512.88
(i) Retained earnings		<b>11,207.71</b>	-	<b>11,207.71</b>	<b>10,460.33</b>	-	<b>10,460.33</b>
<b>(2) Non-current liabilities</b>		<b>1,120.53</b>	<b>(21.31)</b>	<b>1,099.22</b>	<b>1,203.53</b>	<b>(21.31)</b>	<b>1,182.22</b>
(a) Long term provisions		15.42	-	15.42	10.50	-	10.50
(b) Deferred tax liabilities	#	1,105.11	(21.31)	1,083.80	1,193.03	(21.31)	1,171.72
<b>(3) Current liabilities</b>		<b>1,628.82</b>	<b>-</b>	<b>1,628.82</b>	<b>2,025.70</b>	<b>-</b>	<b>2,025.70</b>
(a) Financial liabilities		407.33	-	407.33	363.61	-	363.61
(i) Short term borrowings		950.70	-	950.70	1,284.12	-	1,284.12
(ii) Trade payables		126.78	-	126.78	341.01	-	341.01
(iii) Other financial liabilities		128.57	-	128.57	0.09	-	0.09
(b) Short term provisions		15.44	-	15.44	36.87	-	36.87
(c) Other non-financial liabilities		1,628.82	-	1,628.82	2,025.70	-	2,025.70
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>13,957.06</b>	<b>(21.31)</b>	<b>13,935.75</b>	<b>13,689.56</b>	<b>(21.31)</b>	<b>13,668.25</b>

Note:

@ Under previous GAAP, Leasehold land was classified under Property Plant and Equipment. Under Ind AS, it has been classified as Other Non-Financial Asset. This has impacted in reduction of balance of Property Plant and Equipment by Rs. 575.43 lakhs as on March 31, 2016 and Rs. 582.71 lakhs as on April 01, 2015. Correspondingly, Other Non-Financial Asset has increased by Non-Current : Rs. 568.34 lakhs, Current : Rs. 7.19 lakhs as at March 31, 2016 and by Non-Current : Rs. 575.52 lakhs, Current : Rs. 7.19 lakhs as at April 01, 2015.

# Under previous GAAP, MAT Credit entitlement was classified under Other Non-Financial Assets (Non-Current). Under Ind AS, it has been classified as Deferred Tax Liabilities. This has impacted in reduction in balance of Other Non-Financial Assets (Non-Current) by Rs. 21.31 lakhs as on March 31, 2016 and April 01, 2015. Correspondingly, Deferred Tax Liabilities has also decreased by Rs. 21.31 lakhs as at March 31, 2016 and April 01, 2015.

36.2 Reconciliation of total equity as at March 31, 2016 and April 01, 2015

	Amount in INR (Lakhs)	
	As at March 31, 2016	As at April 01, 2015
(a) Equity as per IGAAP	11,207.71	10,460.33
(b) Effect of Transition to Ind AS	-	-
(c) Equity as per Ind AS	<b>11,207.71</b>	<b>10,460.33</b>



36.3 Effect of Ind AS adoption on the statement of profit and loss for the year ended March 31, 2016

Amount in INR (Lakhs)

	Notes	I-GAAP Year ended March 31, 2016	Effect of transition to Ind AS	Ind AS Year ended March 31, 2016
I	Revenue from operations	12,281.49	-	12,281.49
II	Other Income	155.82	-	155.82
<b>III</b>	<b>Total Revenue (I + II)</b>	<b>12,437.31</b>	<b>-</b>	<b>12,437.31</b>
<b>IV</b>	<b>EXPENSES</b>			
	(a) Raw materials consumed	1,087.23	-	1,087.23
	(b) Changes in stock of finished goods, work-in-progress and stock-in-trade	(5.64)	-	(5.64)
	(c) Employee benefit expense	@ 596.39	(11.02)	585.37
	(d) Finance costs	86.94	-	86.94
	(e) Depreciation Expense	# 661.03	(7.19)	653.84
	(f) Purchase of power	8,300.81	-	8,300.81
	(g) Other expenses	# 1,674.40	7.19	1,681.59
	<b>Total Expenses (IV)</b>	<b>12,401.16</b>	<b>(11.02)</b>	<b>12,390.14</b>
<b>V</b>	<b>Profit/(loss) before tax (III - IV)</b>	<b>36.15</b>	<b>11.02</b>	<b>47.17</b>
<b>VI</b>	Tax Expense			
	(1) Current tax	-	-	-
	(2) Deferred tax	@ (87.92)	(3.81)	(91.73)
	(i) Deferred tax	(87.92)	(3.81)	(91.73)
	<b>Total tax expense</b>	<b>(87.92)</b>	<b>(3.81)</b>	<b>(91.73)</b>
<b>VII</b>	<b>Profit/(loss) after tax for the year (V - VI)</b>	<b>124.07</b>	<b>14.83</b>	<b>138.90</b>
<b>VIII</b>	<b>Other comprehensive income</b>	@	(14.83)	(14.83)
	Items that will not be reclassified to profit or loss			
	• Remeasurement gains / (losses) on defined benefit plans	-	(11.02)	(11.02)
	• Income tax relating to items that will not be reclassified to profit or loss	-	3.81	3.81
<b>IX</b>	<b>Total comprehensive income for the period (VII + VIII)</b>	<b>124.07</b>	<b>-</b>	<b>124.07</b>

@ Under previous GAAP, there was no concept of other comprehensive income. Under Ind AS, specified items of income, expenses, gains, or losses are required to be presented in other comprehensive income.

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 / asset 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. The actuarial gains for the year ended March 31, 2016 were Rs. 11.02 lakhs and the tax effect thereon Rs. 3.81 lakhs. This change does not affect total equity, but there is a increase in profit before tax of Rs. 11.02 lakhs, and in profit after tax of Rs. 14.83 lakhs for the year ended March 31, 2016.

# Under previous GAAP, Leasehold land was classified under Property Plant and Equipments and it's depreciation over the term of lease was classified as Depreciation. Under Ind AS, Leasehold land has been classified as Other Non-Financial Asset and is charged off as expense over the remaining term of the lease. This has impacted a reduction in the amount of Depreciation by Rs. 7.19 lakhs as on March 31, 2016 and an increase in amount of Other expenses by the same amount. This change does not affect profit before tax of the Company.



**36.4 Reconciliation of total comprehensive income for the year ended March 31, 2016**

	Note	Amount in INR (Lakhs) Year ended March 31, 2016
(1) Net Profit as per previous GAAP		124.07
(2) Increase/ (decrease) in defined benefit cost	@	11.02
(3) Tax effect on above adjustments	@	3.81
(4) Profit after tax as per Ind AS (1+2+3)		138.90
(5) Other Comprehensive Income as per Ind AS (net of tax)	@	(14.83)
(6) Total Comprehensive Income as per Ind AS (4+5)		124.07

@ The income on defined benefit plan assets has been recognised based on the discount rate applicable on plan obligation. The figures above primarily represent the difference between the expected rate of return on plan assets recognised under I-GAAP and such discount rates and recognition of plan administration cost in the profit and loss account. Other Comprehensive Income primarily includes impact of re-measurement gains/losses on actuarial valuation of post-employment defined benefits.

**36.5 Effect of Ind AS adoption on the statement of cash flows for the year ended March 31, 2016**

	Previous GAAP	Effect of Transition to Ind AS	Ind AS
(1) Net cash from operating activities	216.17	-	216.17
(2) Net cash from investing activities	(633.94)	-	(633.94)
(3) Net cash from financing activities	411.86	-	411.86
(4) Net increase or decrease in cash or cash equivalents	(5.91)	-	(5.91)
(5) Cash & cash equivalents at the beginning of the year	11.41	-	11.41
(6) Cash & cash equivalents at the end of the year	5.50	-	5.50





37 As per Notification G.S.R. 308(E) dated March 30, 2017, issued by Ministry of Corporate Affairs, the details of Specified Bank Notes (SBN) held and transacted during the period November 08, 2016 and December 30, 2016 are:

	Amount in INR (Lakhs)		
	SBNs	Other denominati on notes	Total
Closing cash in hand as on 08-Nov-2016	-	0.06	0.06
Add: Permitted receipts	-	0.41	0.41
Less : Permitted payments	-	0.37	0.37
Less: Amount deposited into Bank	-	-	-
Closing cash in hand as on 30-Dec-2016	-	0.10	0.10

38 The Company primarily acts as a conversion agent to Tata Steel Limited for conversion of Ferro Chrome from chrome ore supplied by Tata Steel Limited and hence conversion of High Carbon Ferro Chrome is the only reportable segment in accordance with Indian Accounting Standard 108 - Operating Segments.

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

40 The financial statements were approved for issue by the Board of Directors on April 21, 2017

For and on behalf of the Board of Directors

  
**M Srinivas**  
 Chief Financial Officer

  
**P.K. Biswal**  
 Company Secretary

  
**B D Nanda**  
 Managing Director

  
**Manikant Naik**  
 Director

Bhubaneswar, April 21, 2017

