

TAYO ROLLS LIMITED
A **TATA** Enterprise



49th ANNUAL REPORT 2016 -17



Board of Directors

(As on 22.05.2017)



Anand Sen
(Chairman)



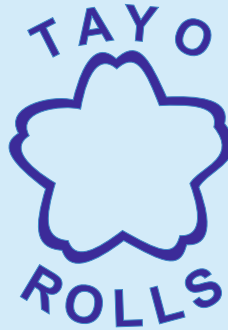
Dipak K. Banerjee



Prof. Ranjan Das



Sudev C. Das



V. S. N. Murty



Ramya Hariharan



Yoshikazu Miyasaka



K. Shankar Marar

Management Team

(As on 22.05.2017)

Mr. K. Shankar Marar	-	Managing Director
Mr. P. D. Mundhra	-	Vice President (Operations)
Mr. N. P. Singh	-	General Manager (M & S)
Mr. Suresh Padmanabhan	-	Dy. Chief Financial Officer
Mr. Yaswant K. Pandey	-	Dy. General Manager (HRM&A)
Mr. Prashant Kumar	-	Company Secretary & Compliance Officer

REGISTERED OFFICE

Annex-2, General Office
Tata Steel Limited, Bistupur
Jamshedpur - 831 001,
Jharkhand, India

BANKERS

Bank of India
IDBI Bank Ltd
State Bank of India
HDFC Bank Ltd
Axis Bank Ltd

STATUTORY AUDITORS

M/s Deloitte Haskins & Sells
Chartered Accountants

COST AUDITORS

M/s Dutta Ray & Co.
Cost Accountants

SECRETARIAL AUDITORS

M/s P. K. Singh & Associates
Company Secretaries

REGISTRAR & TRANSFER AGENTS

TSR Darashaw Limited
6-10 Haji Moosa Patrawala Industrial Estate
20, Dr. E.Moses Road
Mahalaxmi, Mumbai-400 011

INVESTORS' DEDICATED E-MAIL

investors_helpdesk@tayo.co.in

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Annual General Meeting is on Tuesday, July 18, 2017 at the Auditorium of Centre for Excellence, Jubilee Road, Bistupur, Jamshedpur 831 001 at 11.30 a.m. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the meeting.

Chairman's Statement

Dear Shareholders,

The steel industry globally, is facing unprecedented challenges. Subdued demand growth has resulted in an overcapacity situation. While steps are being taken to correct capacities, the situation continues to be challenging.

The Roll industry, which predominantly caters to the steel industry, is under severe stress. Few reputed Roll manufacturers have either closed their operations, or have been sold, while many are under tremendous financial stress. The situation in China & Russia is also challenging, as steel capacities are being rationalized.

The Indian Roll industry is also facing overcapacity, and extremely competitive imports from China and Russia. This has led to a price war, and prevalence of very adverse credit terms. The global reverse auction by a leading steel maker has added to the stress, as the prices have dropped significantly. Subdued demand and delayed realizations have resulted in a fragile cash position, leading to adverse performance of the Roll industry as a whole. The contributions have been drastically reduced, leading to adverse performance.

TAYO has been facing very challenging times. This is a cause of deep concern. The subdued growth in infrastructure sector, over-capacity situation in the Roll and Forging industries, delayed technology absorption for next generation Rolls, and severe cash constraints among customers, have led towards higher working capital requirement and high fixed cost. The adverse impact of high unabsorbed depreciation, interest costs, inability to meet future financial obligations, and continued cash loss had eroded the net worth of the Company.

As a result, your Company was referred to the Board for Industrial and Financial Reconstruction (BIFR) under First Proviso to Section 15(1) of Sick Industrial Companies (Special Provisions) Act, 1985. However, the Ministry of Finance issued Notifications S.O. 3568 (E) & S.O. 3569 (E) dated November 25, 2016 to the effect that SICA has been repealed with effect from 1.12.2016, and all the references or inquiry pending before the BIFR and/ or AAIFR shall stand abated.

Despite the relentless efforts, and continued support from all stakeholders, especially the Promoter(s), the changes in external environment, and continued sub optimal performance, has resulted in continuous losses. As on 31.03.2017, the accumulated losses is at Rs. 48,798 lakhs and the Company's current liabilities exceeded its current assets.

The Board of Directors has decided to close the operations of the Company, and the Company has filed Closure Application U/s 25-O of the Industrial Disputes Act, 1947 with the State Government Authorities. The Application was rejected, and the Company has filed a Writ Petition in the Honorable Jharkhand High Court against the rejection order, which is sub-judice.

Despite the above, through continuous engagement with the Promoter, your Company has been able to raise funds through preferential allotment of Non-cumulative Redeemable Preference Shares to Tata Steel Limited, the Promoter, to meet its financial obligations towards various stakeholders, to the extent possible.

I am grateful to our Promoter(s) for extending their unstinted financial and technical support. I also take this opportunity to express my sincere gratitude and heartfelt thanks of entire "Tayo Family" to our shareholders, customers, bankers, suppliers, employees, Tayo Workers Union, Board Members and other stakeholders, for their continued support to the Company and the Management.

Anand Sen
Chairman
(DIN: 00237914)

HIGHLIGHTS

				2016-17#	2015-16	2014-15
OPERATIONAL						
Production	-	Rolls	Tonnes	1205	6767	7719
	-	Pig Iron	Tonnes			
				9067	25281	17247
	-	Ingot	Tonnes	48	4413	3921
	-	Engineering Forging	Tonnes	172	707	474
Sales	-	Rolls	Tonnes	1274	6750	7805
	-	Pig Iron	Tonnes	9179	24474	12283
	-	Ingot	Tonnes	-	96	1077
	-	Engineering Forging	Tonnes	174	707	472
FINANCIAL						
Turnover (Gross)			Rs. lakhs	5266	14181	15756
Depreciation			Rs. lakhs	694	1676	1305
Profit Before Tax			Rs. lakhs	(8295)	(15684)	(6762)
Profit After Tax			Rs. lakhs	(8295)	(15684)	(6762)
Net Worth Per Share			Rupees	(411.95)	(331.12)	(177.64)
Transfer to General Reserve			Rs. lakhs	-	-	-
Shareholder's Funds			Rs. lakhs	(42265.72)	(33973)	(18225.43)
Capital Expenditure			Rs. lakhs	242	269	2757
Employee's Cost			Rs. lakhs	2206	3888	3865
Dividend			Percent	-	-	-
# Operations have been suspended since May 2016						

NOTICE

THE FORTY- NINTH ANNUAL GENERAL MEETING OF TAYO ROLLS LIMITED will be held at the Auditorium of Centre for Excellence, Jubilee Road, Bistupur, Jamshedpur – 831 001 on Tuesday, July 18, 2017 at 11:30 a.m. to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on March 31, 2017, Statement of Profit and Loss along with statement of changes in Equity for the year ended on that date together with reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. V. S. N. Murty (DIN- 00092348), who retires by rotation and, being eligible, offers himself for re-appointment.
3. Appointment of M/s AMK & Associates, Chartered Accountants, (Firm Registration Number: FRN 327817E), as the Statutory Auditors and to fix their remuneration.

“RESOLVED THAT pursuant to the provisions of Section 139, 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof), M/s AMK & Associates, Chartered Accountants, (Firm Registration Number: FRN 327817E), be and are hereby appointed as the Statutory Auditors of the Company {in place of M/s. Deloitte Haskins & Sells, Chartered Accountants, (Firm Registration No. 302009E), the existing Statutory Auditors of the Company retiring at the conclusion of this Annual General Meeting} from the conclusion of this 49th Annual General Meeting till the conclusion of next Annual General Meeting of the Company, at such remuneration as may be fixed by the Board of Directors of the Company on the recommendation of the Audit Committee.”

SPECIAL BUSINESS:

4. Ratification of Material Related Party Transactions for FY 2016-17:

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 (“Act”) read with the rules made there under and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange, approval be and is hereby given to ratify the contracts/ arrangements for availing Inter Corporate Deposits (ICDs) for an amount of Rs. 1500 lakh (Rupees fifteen crores) only from the Related Parties (as detailed in the explanatory statement to the Notice) which were carried out in the ordinary course of business and were also at arm’s length basis during the financial year 2016-17.”

5. Approval of Material Related Party Transactions for FY 2017-18:

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 (“Act”) read with the rules made there under and the provisions of SEBI (Listing Obligations and other Disclosure Requirements) Regulations, 2015 with the Stock Exchange, approval be and is hereby given to the transactions with the Related Parties (as detailed in the explanatory statement to the Notice) as per the existing contracts/ arrangements which are in the ordinary course of business and also at arm’s length basis for a sum not exceeding Rs. 17,000 lakhs for the financial year 2017-18.”

NOTES:

- I) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND, AND ON A POLL, TO VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM DULY COMPLETED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- II) The Register of Members and Share Transfer books of the Company will remain closed from Monday June 19, 2017 till Friday, June 23, 2017 (both days inclusive).
- III) As per Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, the cut off date for determining the eligibility for remote e-voting or vote at the Annual General Meeting is Wednesday, 12 July, 2017.



- IV) During FY'12, FY'14 and FY'15, your Company had issued Non-cumulative Redeemable Preference Shares to its Promoters (Tata Steel Limited & Yodogawa Steel Works Limited). Your Company has not been able to pay dividend on these shares for the financial years FY'13, FY'14, FY'15, FY'16 and FY'17. Therefore, according to the provision of Section 47 read with other relevant provisions of the Companies Act, 2013 and rules made thereunder, the preference shareholders shall have a right to vote on all the resolutions placed before the meeting, in the same proportion as the paid up capital in respect of equity shares bears to the paid up capital in respect of preference shares. Therefore, one preference share vote is equivalent to 10 equity shares vote. Accordingly, the Preference Shareholders are entitled to vote on all the resolutions as mentioned above.
- V) As per the provisions of the Companies Act, 2013, facility for making nomination is available to the shareholders in respect of the shares held by them. Nomination forms can be obtained from the Registered Office or the Registrar & Transfer Agents by the Members holding shares in physical form. Members holding shares in electronic form may obtain Nomination forms from their respective depository participants.
- VI) Shareholders holding shares in the physical form are requested to notify/ send the following to TSR Darashaw Limited, the Registrar & Transfer Agents to facilitate better services:
- (i) Any change in their address/ mandate/ bank details and;
 - (ii) Particulars of the bank account in which they wish their dividend to be credited, in case they have not furnished it earlier.
- VII) Members who still have their holdings in physical form are requested to convert them into dematerialized form (under ISIN No. INE895C01011).
- VIII) Pursuant to Section 205A of the Companies Act, 1956, all unclaimed / unpaid dividends up to the financial year ended March 31, 1996 have been transferred to the General Revenue Account of the Central Government. Shareholders, who have not yet encashed their dividend warrant(s) for the said period, are requested to forward their claims in prescribed Form to The Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978 to:

Office of the Registrar of Companies,
Bihar & Jharkhand,
Mourya Lok, 'A' Block (4th Floor),
Dak Bungalow Road,
Patna -800 001.

Consequent upon amendment to Section 205A of the Companies Act, 1956 and introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of dividend for the subsequent years remaining unpaid or unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company shall be transferred to the Investors Education and Protection Fund (IEPF) set up by the Government of India and no payments shall be made in respect of any such claims by the IEPF.

Accordingly, the Company has transferred to the IEPF all unclaimed / unpaid dividends in respect of the financial years 1995-96 to 2007-08. Currently the Company doesn't have any outstanding amount, which warrants transfer to the IEPF account.

- IX) SEBI vide its circular ref no. MRD/DoP/ Cir-05/2009 dated 20.05.2009 has clarified that for securities market transactions and off-market/ private transactions involving transfer of shares in physical form of listed companies, it shall be mandatory for the transferee(s) to furnish a copy of the PAN Card to the Company/ RTA for registration of such transfer of shares irrespective of the amount of such transaction.
- All intended transferee(s) are, therefore, requested to furnish a self- certified copy of their PAN Card along with the relevant transfer deed for registration of transfer of shares. Please note that the shares lodged for transfer without self- certified copy of PAN Card of the transferee(s) shall be returned under objection.
- X) Survivor(s) of the deceased shareholders are advised to forward their request with full details and supporting documents to the Registrar & Transfer Agents of the Company, for early transmission of Shares.
- XI) Members desirous of any additional information as regards the Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready at the meeting.
- XII) In accordance with Section 20 of the Companies Act, 2013 read with Rule 35 the Companies (Incorporation) Rules, 2014, the Annual Reports are sent by electronic mode to those members whose email-ids are registered with the Depository for communication purposes. The members holding shares in physical form and who have not registered their email –ids are requested to register the same with TSR Darashaw Limited, the Registrars and Transfer Agents of the Company.

XIII) Members are requested to bring the admission slips along with their copies of the Annual Report to the meeting.

XIV) Process for members opting for e-voting:

The instructions and the procedure for the e-voting are as follows:

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and read with Regulation 44 of SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015, the Company is pleased to provide to the members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting, shall be able to exercise their rights at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM, but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on Saturday, July 15, 2017 (9:00 am) and ends on Monday, July 17, 2017 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Wednesday, July 12, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
 - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
 - (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsd.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" of "Tayo Rolls Limited".
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to pratap_kr17@rediffmail.com with a copy marked to evoting@nsdl.co.in
 - B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:



- (i) Initial password is provided as below at the bottom of the Attendance Slip for the AGM :
- EVEN (Remote e-voting Event Number) USER ID PASSWORD/PIN
- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nSDL.com or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of Wednesday, July 12, 2017.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Wednesday, July 12, 2017, may obtain the login ID and password by sending a request at evoting@nSDL.co.in or dtambe@tsrdarashaw.com
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" option available on www.evoting.nSDL.com or contact NSDL at the following toll free no.: 1800-222-990.
- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only, shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII. Mr. Pratap Kumar Chakrabraty, Practicing Company Secretary, Partner, M/s P. K. Singh & Associates, Company Secretaries, has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV. The Chairman shall at the end of discussion on the resolutions on which voting is to be held at the AGM allow voting with the assistance of Scrutinizer, by use of "ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company at www.tayo.co.in and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

Kolkata

May 22, 2017

Registered Office:
Annex – 2, General Office Premises,
Tata Steel Limited, Bistupur,
Jamshedpur- 831 001

By Order of the Board of Directors

Prashant Kumar
Company Secretary & Compliance Officer

ANNEXURE TO NOTICE

Explanatory Statements pursuant to Section 102 of the Companies Act, 2013

As required under Section 102 of the Companies Act, 2013 ("Act") the following Explanatory Statements set out all material facts relating to the special business mentioned in Item Nos. 4 to 5.

Item No. 4:

As per Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the Companies (Meetings of Board and its Powers) Rules, 2014, all material related party transactions require approval of the shareholders. Transaction(s) with a related party shall be considered as material if the transaction(s) to be entered into individually or taken together with previous transaction(s) during the financial year exceeds 10 % of the annual consolidated turnover of the Company as per last audited financial statements of the Company.

During the financial year 2016-17, apart from other transactions, Tayo had received Inter Corporate Deposit for a sum of Rs. 1500 lakhs from Tata Steel Limited at an interest rate of 7%.

The approval of shareholders is sought by way of ordinary resolution to ratify the availment of Inter Corporate Deposits (ICDs) for a sum of Rs.1500 lakhs at an interest rate of 7%, as against the previously approved interest rate of 12.50% - 13.00%, as the lower interest rate is beneficial to the Company. The description of the transaction is as follows:

Sl	Description	Details
a.	Name of the related party	Tata Steel Limited
b.	Name of the Director or Key Managerial Person who is related, if any	None
c.	Nature of relationship	Tata Steel Ltd is a holding Company having 54.45% shares in the paid-up capital of the Company.
d.	Nature, material terms, monetary value and particulars of the contract or arrangement	<p>Inter Corporate Deposit :</p> <ul style="list-style-type: none"> ➤ Inter Corporate Deposit repayable on demand ➤ Value – Rs. 1500 Lakhs. ➤ At an interest rate of 7.00% , as against the previously approved interest rate of 12.50% - 13.00%
e.	Any other information relevant or important for the members to take decision on the resolution	Lower interest rate is beneficial to the Company.

According to the provisions of Section 188 of the Companies Act, 2013 read with Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all entities falling under the definition of "Related Party" under Section 2(76) of the Companies Act, 2013, irrespective of the fact whether the entity is a related party to the transaction or not, shall abstain from voting on resolution mentioned at Item No. 4 of the Notice.

The proposed resolution is in the interest of the Company and your Directors commend resolution at Item No. 4 for your approval. None of the Directors and the Key Managerial Personnel of the Company including their relatives are concerned or interested in aforesaid resolution.

Item No. 5:

As per Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the Companies (Meetings of Board and its Powers) Rules, 2014, all material related party transactions require approval of the shareholders. Transaction(s) with a related party shall be considered as material if the transaction(s) to be entered into individually or taken together with previous transaction(s) during the financial year exceeds 10 % of the annual consolidated turnover of the Company as per last audited financial statements of the Company. Accordingly, the turnover for FY'17 was approx. Rs. 5266 lakhs and 10% of which is equal to Rupees 527 lakhs.

The expected transactions during FY'18 with the following related parties are likely to be more than 10% of the consolidated turnover of the Company for FY'17. Hence, it is proposed to sought approval of the shareholders by way of ordinary resolution.

Sl. No.	Description	Details
a.	Name of related party	Tata Steel Limited
b.	Name of the Director or Key Managerial Person who is related, if any	None
c.	Nature of relationship	Tata Steel Ltd is a holding Company having 54.45% shares in the paid-up capital of the Company.
d.	Nature, material terms, monetary value and particulars of the contract or arrangement	<p>Services Availed:</p> <ul style="list-style-type: none"> ➤ Availing services towards Security/Township/Medical and Power including deputation of employees, etc. ➤ Value – Rs. 538 Lakhs ➤ Charges are uniform for all group companies. ➤ Tata Steel is the only reliable service provider in the area for the above services. <p>Issue of Redeemable Preference Shares:</p> <ul style="list-style-type: none"> ➤ Issue of Redeemable Preference Shares ➤ Value - Rs. 16225 Lakhs ➤ Coupon rate – not exceeding 9% ➤ Pari passu with any further issuance of preference shares, senior only to ordinary Share capital and any other securities at par with ordinary Share capital of the Issuer. ➤ Issuer shall redeem the preference shares together with all arrears of dividend, if any, in three equal instalments at the end of 8th year from the date of issue.
e.	Any other information relevant or important for the members to take decision on the resolution	<ul style="list-style-type: none"> ➤ Tayo is not in position to raise/obtain funds from any external sources, but it requires funds to discharge its financial commitments, to the extent possible, towards its various stakeholders. TSL, as the parent entity, has been requested to provide necessary funds as part of its shareholder service, solely in its capacity as the parent company.
Sl No.	Description	Details
a.	Name of related party	JUSCO Ltd
b.	Name of the Director or Key Managerial Person who is related, if any	None
c.	Nature of relationship	JUSCO Ltd is a 100% subsidiary of Tata Steel Limited.
d.	Nature, material terms, monetary value and particulars of the contract or arrangement	<ul style="list-style-type: none"> ➤ Availing Power from JUSCO. ➤ Value – Rs. 40 Lakhs. ➤ Company has entered into a power agreement for supply of electricity. ➤ JUSCO charges a rate as finalised by JSERC.
e.	Any other information relevant or important for the members to take decision on the resolution	JUSCO's quality of power supply is better and cheaper than the JSEB, the other licensee in the area.

Kolkata

May 22, 2017

Registered Office:
Annex – 2, General Office Premises,
Tata Steel Limited, Bistupur,
Jamshedpur- 831 001

By Order of the Board of Directors

Prashant Kumar
Company Secretary & Compliance Officer



Details of Directors seeking appointment / re-appointment in the forthcoming Annual General Meeting

(Pursuant to Regulation 36(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Name of Director	Mr. V. S. N. Murty
DIN	00092348
Date of birth	15.04.1951
Date of appointment	25.04.2013
Expertise in specific functional areas	Finance & Accounts
Qualifications	B.Com., Chartered Accountant
Directorship held in other Public Companies (excluding Foreign Companies) as on March 31, 2017	TRL Krosaki Limited
Chairmanship/Membership of committees of other Public Companies (includes only Audit Committee and Stakeholders Relationship Committee) as on March 31, 2017	TRL Krosaki Limited - Audit Committee, Chairman
Shareholding in the Company as on March 31, 2017	NIL
Relationship between Directors inter-se	None
Category	Promoter, Non- Independent, Non-Executive Director

Kolkata
May 22, 2017

Registered Office:
Annex – 2, General Office Premises,
Tata Steel Limited, Bistupur,
Jamshedpur- 831 001

By Order of the Board of Directors

Prashant Kumar
Company Secretary & Compliance Officer

Directors' Report

To the Members,

The Directors present the Forty- Ninth Annual Report on the business and operations of your Company along with the financial statements for the year ended March 31, 2017.

1. FINANCIAL RESULTS:

Particulars	Current Year* Rupees Lakhs	Previous Year Rupees Lakhs
Revenue from Operations	4,664	14,003
Other income	602	178
Total income	5,266	14,181
Expenses		
Cost of materials consumed	900	4,593
Changes in inventories of finished goods, stock in trade and work in progress	1,988	629
Excise duty on sale of goods	443	1,393
Employee benefits expenses	2,206	3,888
Depreciation and amortization expenses	695	1675
Consumption of stores	673	1875
Power and fuel	414	2221
Other expenses	2,037	3,317
Total expenses	9,356	19,591
Loss before finance cost, exceptional items and tax	(4,090)	(5,410)
Finance costs	1,686	1,360
Loss before Exceptional items and tax	(5,776)	(6,770)
Exceptional items	(2,519)	(8,914)
Loss before tax	(8,295)	(15,684)
Tax expenses	--	--
Loss for the year	(8,295)	(15,684)
Other comprehensive income/(loss)	2	(64)
Total comprehensive income/ (loss)	(8,293)	(15,748)
Paid up share capital	1,026	1,026
Other equity	(43,292)	(34,999)

*Operations have been suspended since May 2016

2. DIVIDEND:

The Directors have decided not to recommend any dividend for the year ended March 31, 2017 due to loss.

3. PREFERENTIAL ALLOTMENT OF REDEEMABLE PREFERENCE SHARES:

During the year 29,05,000 (twenty nine lakh five thousand only) Non-cumulative Redeemable Preference Shares of Rs. 100/- (Rupees one hundred each only) each has been allotted to Tata Steel Limited on preferential basis. After allotment of these Non-cumulative Redeemable Preference Shares, the paid up share capital of the Company is Rs. 2,90,31,13,567/- (Rupees two hundred ninety crore thirty one lakh thirteen thousand five hundred sixty seven only).

4. INCREASE IN AUTHORISED SHARE CAPITAL:

On April 19, 2017, the Board of Directors of your Company has approved for conducting Postal Ballot to seek approval of the shareholders to increase in the authorised share capital from the existing Rs. 3,50,00,00,000/- (Rupees three hundred fifty crore only) divided into 1,50,00,000 (one crore fifty lakh) Equity Shares of Rs. 10/- (Rupees ten only) each and 3,35,00,000 (three crore thirty five lakhs) Redeemable Preference Shares of Rs. 100/- (Rupees one hundred only) each to Rs. 4,55,00,00,000/- (Rupees four hundred fifty five crore only) divided into 1,50,00,000 (one crore fifty lakh) Equity Shares of Rs. 10/- (Rupees ten only) each and 4,40,00,000 (four crore forty lakh) Redeemable Preference Shares of Rs. 100/- (Rupees one hundred only) each, by creation of

additional 1,05,00,000 (one crore five lakh) Redeemable Preference Shares of Rs. 100/- (Rupees one hundred only) each. Consequently the Memorandum of Association and the Articles of Association of the Company were altered, accordingly. The non-cumulative Redeemable Preference Shares will be allotted on preferential basis to the Tata Steel Limited, the promoter, in one or more trenches. The result of Postal Ballot was declared on May 21, 2017. The same has been approved by the shareholders with requisite majority.

5. REFERENCE TO BIFR:

Based on the audited Q3 accounts as on 31.12.2015, the net worth of the Company became negative. Considering the negative net worth, the Board of Directors had referred the Company to the Board for Industrial and Financial Reconstruction (BIFR) as required under the First proviso of section 15 (1) of the Sick Industrial Companies (Special Provisions) Act, 1985 and the Company is registered with BIFR on 23 March, 2016. Meanwhile, the Ministry of Finance issued Notifications S.O. 3568 (E) & S.O. 3569 (E) dated 25 November, 2016 to the effect that SICA has been repealed with effect from 1 December, 2016 and all the references or inquiry pending before the BIFR and/or AAFIR shall stand abated.

6. OPERATION AND SALES:

Considering the future business prospects, the overcapacity situation in the roll industry, the challenges faced by the Company, the resources required to meet these challenges, the likely time taken for turnaround of the business, and the estimated low returns from the business on steady state basis, on May 26, 2016 the Board decided to suspend operations in a phased manner. The Company has also introduced Voluntary Separation Scheme (VSS) for its all employees. Thereafter, on September 5, 2016 the Board decided for closure of the Operations.

- (i) During the year under review, the revenue from operations of the Company was Rs. 4,664 lakhs as against Rs. 14,003 lakhs in the previous year.
- (ii) During the year under review, the Company has incurred a net loss of Rs. 8,295 lakhs as against the net loss of Rs. 15,684 lakhs in the previous year.

7. FINANCIAL AND WORKING CAPITAL MANAGEMENT:

The Promoter(s) have extended their financial and technical support from time to time to revive the Company but despite the best efforts, the desired results could not be achieved. Therefore, due to fragile liquidity position, your company had to suspend its operations.

8. FIXED DEPOSITS:

Your Company has not accepted / renewed any fixed deposit during the year.

9. AUDIT REPORT:

The Statutory Auditor's Report on Audited Annual Accounts for the financial year 2016-17 doesn't contain any qualification, reservation or adverse remarks which warrant comments from the Board of Directors.

The Secretarial Auditor's Report for the financial year 2016-17 doesn't contain any qualification, reservation or adverse remark which warrant comments from the Board of Directors. The Secretarial Audit Report as required under section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed to this report.

10. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

The particulars of Loans, Guarantees and Investments, if any, have been disclosed in the Financial Statements.

11. CONTINGENT LIABILITIES AND MAJOR LITIGATIONS:

- (i) Consequent to the order of the Hon'ble Supreme Court vide its order dated April 15, 2009, upholding the decision of the Hon'ble Patna High Court with a direction to BSEB to rework the rates of fuel surcharge. BSEB has adjusted Rs. 23.23 crore against the Coal Claims of Rs. 100 crore and modified the rate of fuel surcharge for the financial year 1998-99 to 158.79 P/ Kwh against the earlier notified rate of 164.83 P/ Kwh for the financial year 1998-99, thus giving a benefit of 6.04 P/ Kwh to the consumers. However, this benefit will be passed on to the consumers on receipt of Coal Claim of Rs. 100 crore by BSEB from the Coal Companies.

The Hon'ble Supreme Court has, however, given liberty to the consumers to approach High Court to challenge the correctness of this adjustment and the terms of such adjustment and also stated that the other pending issues on fuel surcharge can be taken up by the consumers before the High Court.

The Hon'ble Jharkhand High Court had passed its order against the Company. Thereafter, the Company has filed a Letters Patent Appeal (LPA) before the Division Bench of the Jharkhand High Court. The Division Bench in its Interim order, directed Company to pay the principal amount by August 31, 2015 (this was paid by Tayo even before the order) and 50% of DPS to be payable in 3 equal monthly installments beginning from August 31, 2015 and to furnish a Bank Guarantee for balance 50% of DPS. The Company also had to renew the Bank Guarantee of Rs. 3.72 crores which was given at the time of disconnection of electricity in the year 2013. Against the interim order, the Company has filed a Special Leave Petition (SLP) in the Hon'ble Supreme Court. The Supreme Court granted stay on the payment of DPS till final decision in LPA by the Jharkhand High Court. The matter is still sub-judice.

- (ii) In the year 2000, your Company had filed a writ petition in Hon'ble Jharkhand High Court challenging the applicability of 1999 Tariff schedule (HTSS category) to 1993 Electricity Tariff on Tayo. Hon'ble Jharkhand High Court on May 02, 2013, had

dismissed Company's Petition and confirmed the applicability of 1999 Tariff schedule on Tayo. Consequent to the adverse judgment of Hon'ble Jharkhand High Court, with regard to applicability of electricity tariff to the Company from January 2000 till March 2013, the Jharkhand State Electricity Board (JSEB) has issued a rectified energy bill dated June 10, 2013 for Rs. 272.03 crore, which includes delayed payment surcharge of Rs. 208.00 crore and fuel surcharge of Rs. 5.96 crore.

The Judgment dated May 2, 2013 was challenged on various legal grounds by way of LPA before the Hon'ble Jharkhand High Court which was admitted on merit. Meanwhile the Jharkhand State Electricity Board has initiated Certificate proceeding against the Company, Board of Directors and its Officers for recovery of Rs. 263.61 crore, which was challenged before the Certificate Officer. The Certificate order restrained the Company to transfer its immovable assets. On December 12, 2015, the Certificate Officer in his order absolved the Directors and Officers from their liability to the extent of Certificate amount and ordered the JSEB to raise fresh Bill within 15 days and the Company to pay the same. Pursuant to the order of Certificate Officer, the JSEB had raised a bill of Rs. 218 crore which was also challenged by the Company in the Hon'ble High Court. The High Court in its interim order mentioned that no coercive action shall be taken against the Company during pendency and final disposal of the LPA at High Court. These LPAs are still pending at Hon'ble Jharkhand High Court.

- (iii) Writ Petitions challenging the order of Jharkhand Government denying exemption from the operation of Employee State Insurance Act, 1948 are pending with Hon'ble Jharkhand High Court.
- (iv) During the year, your Company had applied to the Jharkhand Government seeking approval for closure of its operations with effect from December 5, 2016. The closure approval has been rejected. The Company has filed a Writ in the Jharkhand High Court challenging the rejection order. The matter is still sub-judice.

12. DIRECTORS & KEY MANAGERIAL PERSONNEL (KMP):

Dr. S. K. Bhattacharyya, (DIN- 00026534) has stepped down as Director of the Company with effect from February 13, 2017. The Board would like to place on record their sincere appreciation to the contribution made by Dr. Bhattacharyya during his tenure with the Company.

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with Article 146 of the Articles of Association of the Company, Mr. V. S. N. Murty (DIN- 00092348), Director retires by rotation and being eligible, offers himself for re-appointment.

Mr. K Shankar Marar was re-appointed as Managing Director of the Company for a period of three years with effect from August 11, 2016 till August 10, 2019. However, with effect from 22.03.2017, based on the recommendation of the Nomination and Remuneration Committee and approval of the Board, Mr. Marar has been transferred to Tata Steel Limited. Thereafter, he has been deputed to the Company on whole time deputation basis as the Managing Director and Key Managerial Personnel. With effect from 22.03.2017, remuneration and other emoluments to Mr. Marar is being paid by Tata Steel Limited.

13. DIRECTORS' SHAREHOLDING:

The shareholding of Managing Director and Non-Executive Directors in the Company is NIL.

14. NUMBER OF MEETINGS OF BOARD:

During the year, eight Board meetings were held wherein directors were present either physically or through Video Conferencing.

15. DECLARATION BY INDEPENDENT DIRECTORS:

All the Independent Directors have given declaration under Sec 149(6) of the Companies Act, 2013 read with Regulation 16 (b) of the SEBI (LODR) Regulations, 2015, regarding their independence.

16. INTERNAL FINANCIAL CONTROLS:

The Company has put in place internal financial controls with reference to financial statements. To further strengthen the existing system, an audit of the system and process was carried on by the auditors. The gaps, if any, in the system and process have been tightened to ensure adequacy of internal financial controls in the Company. However, during the year, no reportable material weakness in the design or operation was observed. The Audit Committee periodically reviews the internal financial control systems.

17. DIRECTORS RESPONSIBILITY STATEMENT:

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2016-17.

Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- 17.1 in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- 17.2 they have selected such accounting policies in consultation with the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit / loss of your Company for that period;
- 17.3 they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;

- 17.4 the Management has concluded that the going concern basis is not appropriate because of the financial condition of the Company and, therefore the Financial Statements have been prepared on non-going concern basis;
- 17.5 they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- 17.6 they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

18. BOARD MEMBERSHIP CRITERIA:

The Nomination and Remuneration Committee works with the Board to determine the appropriate characteristics, skills and experience for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience in business, government, education, and public service. Characteristics expected of all Directors include independence, integrity, high personal and professional ethics, sound business judgment, ability to participate constructively in deliberations and willingness to exercise authority in a collective manner.

In evaluating the suitability of individual Board members, the Nomination and Remuneration Committee considers many factors, including general understanding of marketing, finance, operations management, public policy, international relations, legal, governance and other disciplines relevant to the success of the Company in today's business environment; understanding of the Company's business; experience in dealing with strategic issues and long-term perspectives; maintaining an independent familiarity with the external environment in which the Company operates and especially in the Director's particular field of expertise; educational and professional background; personal accomplishment; and geographic, gender, age, and ethnic diversity.

The Board evaluates each individual in the context of the Board as a whole, with the objective of having a group that can best perpetuate the success of the Company's business and represent stakeholder's interests through the exercise of sound judgment, using its diversity of experience.

In determining whether to recommend a director for re-election, the Committee, also considers the director's past attendance at meetings, participation in meetings and contributions to the activities of the Board, and the results of the most recent Board self-evaluation.

Board members are expected to rigorously prepare for, attend and participate in all Board and applicable Committee meetings. Each member is expected to ensure that their other current and planned future commitments do not materially interfere with the responsibilities at the Company.

19. BOARD DIVERSITY POLICY:

The Company recognizes the importance of diversity in its success. It is essential that the Company has as diverse a Board as possible.

A diverse Board will bring in different set of expertise and perspectives. The combination of Board having different skill set, industry experience, varied cultural and geographical background and belonging to different race and gender will bring a variety of experience and viewpoints which will add to the strength of the Company.

While all appointments to the Board are made on merit, the diversity of Board in aggregate will be of immense strength to the Board in guiding the Company successfully through various geographies.

The Nomination and Remuneration Committee reviews and recommends appointments of new Directors to the Board. In reviewing and determining the Board composition, the Nomination and Remuneration Committee considers the merit, skill, experience, race, gender and other diversity of the Board. To meet the objectives of driving diversity and an optimum skill mix, the Nomination and Remuneration Committee may seek the support of Parent company.

20. CRITERIA FOR DETERMINING INDEPENDENCE OF DIRECTORS:

Independence Guidelines:

A Director is considered independent if the Board makes an affirmative determination after review of all the relevant information's. The Board has established the categorical standards to assist it in making such determinations. A Director to be considered independent:

- Shall not be Managing Director or a Whole time Director or a Nominee Director.
- Shall be, in the opinion of the Board, a person of integrity and shall possess relevant expertise and experience.
- Shall not be a Promoter of the Company or its holding, subsidiary or associate Company.
- Shall not be related to Promoters or Directors in the Company, its holding, subsidiary, or associate Company.
- Apart from receiving Director's remuneration, shall not have any pecuniary relationships with the Company, its holding, its subsidiaries, its associate companies, its Promoters, or Directors, during the current financial year or immediately preceding two financial years.
- Relatives should not have or had pecuniary relationships or transactions with the Company, its holding (s), subsidiary or associate Company, or their promoters, or Directors, amounting to 2% or more of its gross turnover or total income or Rupees 50 lakhs (Rupees fifty lakh) or such amount as the Company may prescribe, whichever is lower, during the two immediately preceding financial years or during the current financial year.
- Neither himself / herself nor any of his / her relatives shall hold or has held the position of a KMP or is or has been

employee of the Company or its holding, subsidiary or associate Company in any of the three financial years immediately preceding the financial year in which he / she is proposed to be appointed.

- Neither himself / herself nor any of his / her relatives shall or has been an employee or proprietor or a partner, in any of the 3 financial years immediately preceding the financial year, of :
 - a) a firm of Auditors or Company Secretaries in practice or Cost Auditors of the Company or its holding, subsidiary or associate Company;
 - b) any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate Company amounting to 10% or more of the gross turnover of such firm;
 - c) holds together with his relatives 2% or more of the total voting power of the Company (“Substantial Shareholder”);
 - d) a Chief Executive or Director, by whatever name called, of any non-profit organization that receives 25%, or more of its receipts from the Company, any of its Promoters, Directors or its holding, subsidiary or associate Company or that holds 2%, or more of the total voting power of the Company;
- Has not held office for more than two consecutive terms on the Board of the Company.
- Should not be a material supplier, service provider or customer or a lessor or a lessee of the Company.
- Shall not be less than 21 years of age.
- Possesses such other qualifications as may be prescribed by the Companies Act, 2013.

21. REMUNERATION POLICY:

The philosophy of remuneration of Directors, KMP and all other employees at Tayo Rolls Limited (‘Company’) is based on the commitment demonstrated by the Directors, KMPs and other employees towards the Company. The key principles governing the Remuneration Policy are as follows:

(i) Remuneration for Independent Directors and Non-Independent Non- Executive Directors:

- Overall remuneration should be reflective of the size of the company, complexity of the sector/ industry/ company's operations and the company's capacity to pay the remuneration and should be consistent with recognized best practices.
- Independent Directors (“ID”) and Non-Independent Non-Executive Directors (“NED”) may be paid sitting fees (for attending the meetings of the Board and Committees of which they may be members). Quantum of sitting fees and NED Commission may be subject to review on a periodic basis, as required.
- Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the Nomination and Remuneration Committee and approved by the Board.
- Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate Directors aligned to the requirements of the company.
- The aggregate commission payable to all the NEDs and IDs will be recommended by the Nomination and Remuneration Committee to the Board, based on company's performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters, as may be decided by the Board.
- The Nomination and Remuneration Committee will recommend to the Board, the quantum of commission for each Director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and committee meetings, individual contributions at the meetings and contributions made by Directors other than in meetings.
- In addition to the sitting fees and commission, the company may pay to any director such fair and reasonable expenditure, as may have been incurred by the director while performing his / her role as a Director of the company. This could include reasonable expenditure incurred by the director for attending Board / and its committee meetings, general meetings, court convened meetings, meetings with shareholders / creditors / management, site visits, induction and training (organized by the company for Directors) and in obtaining professional advice from independent advisors in the furtherance of his / her duties as a Director.

(ii) Remuneration for Managing Director (“MD”)/ Executive Directors (“EDs”)/ KMP/ rest of the employees:

The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be:

- Market competitiveness driven by the role played by the individual.
- Reflective of size of the company, complexity of the sector / industry / company's operations and the company's capacity to pay.
- Consistent with recognized best practices and aligned to any regulatory requirements.
- The remuneration mix for the MD / EDs is as per the contract approved by the shareholders. In case of any change, the same would again require the approval of the shareholders.
- Basic / fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.

In addition to the basic / fixed salary, the company may provide employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where ever possible. The company may

also provide all employees with a social security net (subject to limits) by covering medical expenses and hospitalization through re-imbursements or insurance cover and accidental death and dismemberment through personal accident insurance.

The company provides retirement benefits as applicable.

In addition to the basic / fixed salary, benefits, perquisites and allowances, the company may provide MD / EDs such remuneration by way of bonus / performance linked incentive and/or commission calculated with reference to the net profits of the company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Companies Act, 2013 read with Schedule V of the Act. The specific amount payable to the MD / EDs would be based on performance as evaluated by the Board or the Nomination and Remuneration Committee and approved by the Board.

The company may provide the rest of the employees a performance linked bonus and/or performance linked incentive. The performance linked bonus/performance linked incentive would be driven by the outcome of the performance appraisal process and the performance of the Company.

(iii) Remuneration payable to Director for services rendered in other capacity:

The remuneration payable to the Directors shall be inclusive of any remuneration payable for services rendered by such Director in any other capacity unless:

- The services rendered are of a professional nature; and
- The Nomination and Remuneration Committee is of the opinion that the director possesses requisite qualification for the practice of the profession.

22. PERFORMANCE EVALUATION OF BOARD:

Pursuant to the provisions of the Companies Act, 2013 and Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, Individual Directors as well as the evaluation of its various Committees.

The performance evaluation of the Independent Directors was carried out by the entire Board. The Independent Directors at their exclusive meeting separately reviewed the performance of Non- Independent Directors and the Board as a whole, performance of the Chairman of the Company and quality, quantity & timeliness of flow of information between the Company Management and the Board. The Directors expressed their satisfaction over the evaluation process.

23. LOAN TO DIRECTORS:

During the year, the Company has not advanced any loan nor given any guarantee nor provided any security in connection with any loan made to any of its Director/s or to any other person in whom the Director is interested as mentioned in Section 185 of the Companies Act, 2013 read with Rule 10 of the Companies (Meetings of Board and its Powers) Rules, 2014.

24. CORPORATE SOCIAL RESPONSIBILITY (CSR):

As per section 135 (1) of the Companies Act, 2013, every Company having a net worth of Rupees five hundred crores or more, or turnover of Rupees one thousand crores or more, or net profit of Rupees five crores or more, during any financial year is required to constitute a Corporate Social Responsibility Committee of the Board consisting of three or more Directors, out of which at least one Director shall be Independent Director.

Your Company is suffering losses since FY 2008-09 and doesn't fulfill any of the criterias as specified under section 135 (1) of the Companies Act, 2013, therefore, Corporate Social Responsibility Committee of the Board is not required, and as a result Company has not constituted a Corporate Social Responsibility Committee. Your Company has tried to meet its social obligations, wherever possible, with its limited resources.

25. RELATED PARTY TRANSACTIONS:

During the year under review, your Company has not entered into any contract/ arrangement which falls under the purview of Section 188 of the Companies Act, 2013. However, few related parties transactions are such which are covered under Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has also entered into material related party transactions for which approval of the shareholders has already been taken at 48th Annual General Meeting and approval for shortfall, if any, will be taken at the forthcoming meeting. Approval of shareholders is also being sought for likely related party transactions for FY'18, at the forthcoming Annual General Meeting. All the transactions with the related parties are at arm's length and in the ordinary course of business and have prior approval of the Audit Committee. The policy on materiality of Related Party Transaction is available on the website of the Company at www.tayo.co.in. As required under section 134 (3) (h) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, "Form AOC-2" is annexed with this report.

26. CORPORATE GOVERNANCE:

Management Discussion and Analysis, Corporate Governance, Managing Director's and Auditor's Certificates are made part of this Annual Report.

27. EXTRACT OF ANNUAL REPORT:

As required under section 134 (3) (a) of the Companies Act, 2013 read with Section 92(3) and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, "Form MGT-9" is annexed with this report.

28. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed-off during the period under review:

- No. of complaints received: NIL
- No. of complaints disposed-off: Not Applicable

29. PARTICULARS OF EMPLOYEES:

29. a As per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board Report shall include a statement showing the name of every employee of the company, who:

- (i) if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than rupees one crore two lakhs only;
- (ii) if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than rupees eight lakhs fifty thousand only per month;
- (iii) if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

During the financial year 2016-17, none of the employees are in receipt of remuneration as specified above. Therefore statement under Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not required.

29. b The Information required under section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is as under:

As on March 31, 2017, total number of employees on roll was 298. During the year under review, the ratio of remuneration of Whole Time Director ("WTD") to the median remuneration of employees is 16:1. The annual increment for officers is based upon the performance evaluation system and for other employees, it is governed as per the Wage Agreement. However due to loss, no increment was given to any of the Key Managerial Personnel (KMP) and other officers for FY' 17 by the Company.

The Key Managerial Personnel are holding strategic positions and are responsible for steering the performance of the Company and adhering to various statutory compliances as well as implementation of the strategies chalked out through the operational and management team. The median remuneration of employees' was decreased by approximately 0.68%. The reason for decrease in median remuneration of employees are retirement / superannuation / VSS as well as discontinuation of production incentive due to suspension of operations.

During the year, the Company has introduced Voluntary Separation Scheme (VSS), which has been availed by 336 employees.

In terms of shareholders' approval obtained at the Annual General Meeting held on July 18, 2012, the Non-Executive Directors are also paid commission at the rate not exceeding 1% of the net profits computed in accordance with section 309 of the erstwhile Companies Act, 1956 (equivalent to section 197 of the Companies Act, 2013) distributed on the basis of Board and various Committees meetings attended and chaired by the Non-Executive Directors. However, due to inadequacy of profits during the financial year 2016-17, commission will not be paid to the Non-Executive Directors.

Market Capitalization as on 31.03.2017 based upon the closing price of listed equity shares was approx Rs. 5531 lakhs as against approx Rs. 3909 lakhs as on 31.03.2016. Earnings Per Share (EPS) as on 31.03.2017 was Rs. (80.84) as against Rs. (152.89) on 31.03.2016. During the year the Percentage increase in the quoted price of shares is approximately 42 %. The previous Rights issue of the Company was in the financial year 2008-09 @ Rs. 116/- per share.

No employee is paid in excess of the Managing Director.

We confirm that the remuneration paid to the Director / Key Managerial Personnel and other employees are in accordance with the Remuneration policy approved by the Board of Directors on the recommendation of Nomination and Remuneration Committee. None of the employees of the Company are in receipt of remuneration in excess of Rs. 1.02 crores per annum.

30. ENERGY, TECHNOLOGY & FOREIGN EXCHANGE:

In terms of the Section 134(3) (m) of the Companies Act, 2013 read Rule 8(3) with Companies (Accounts) Rules, 2014, the particulars in respect of (a) Conservation of Energy (b) Technology Absorption and (c) Foreign Exchange Earnings and Outgo are furnished on page 19.

31. AUDITORS:

- i) The existing Statutory Auditors, M/s Deloitte Haskins & Sells (DHS), Kolkata, Chartered Accountants (ICAI Registration No.302009E) are retiring at the ensuing Annual General Meeting. Since they have completed the maximum permissible tenure as specified in the Companies Act, 2013 read with the relevant provisions of the Companies (Audit and Auditors) Rules, 2014, they have not offered for their re-appointment.

Your Company has received a certificate from M/s AMK & Associates, Chartered Accountants, (Firm Registration Number: FRN 327817E) to the effect that their appointment, if made, would be within the limits of Section 141(3) (g) of the Companies Act, 2013. Members are requested to appoint M/s AMK & Associates, Chartered Accountants, (Firm Registration Number: FRN 327817E) as the Statutory Auditors for the financial year 2017-18 at the Annual General Meeting and to authorize the Board of Directors to fix their remuneration based upon the recommendation of Audit Committee as mutually agreed upon between the Audit Committee/ Board and the Auditors.

- ii) Since the Operations of the Company is suspended, the Company is not required to appoint the Cost Auditors.

On behalf of the Board of Directors

Kolkata
May 22, 2017

Anand Sen
Chairman
DIN-00237914

ANNEXURE TO DIRECTORS' REPORT – INFORMATION UNDER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (ACCOUNTS) RULES, 2014 AND FORMING PART OF DIRECTORS REPORT.

(A) Conservation of energy (2016-17):

- i) The steps taken and its impact on conservation of energy, and
- ii) The steps taken by the Company to reduce electrical energy:
The Company has suspended its operations since May 2016, therefore the use of power and energy has been minimized.
- iii) The capital investment on energy conservation equipment : NIL

(B) Technology absorption(2016-17):

- i) **Efforts made towards technology absorption, and the benefits derived like product improvement, cost reduction, product development or imports substitution;**
The Company has suspended its operations since May 2016. Therefore, no initiatives were taken for product development.
- ii) **Information regarding imported technology (imported during the last three years): NIL**
- iii) **Expenditure on R&D:**

		Current Year 2016-17 (Rs. Lakhs)	Previous Year 2015-16 (Rs. Lakhs)
a)	Capital	---	---
b)	Recurring	---	26.26
c)	Total	---	26.26
d)	Total R&D expenditure as a percentage of total turnover	---	0.22%

(C) Foreign exchange earnings and outgo:

		Current Year (Rs. Lakhs) 2016-17	Previous Year (Rs. Lakhs) 2015-16
i)	Foreign Exchange Earnings	27.22	78.47
ii)	Foreign Exchange Outgo	---	231.79

MANAGEMENT DISCUSSION & ANALYSIS

BUSINESS REVIEW AND OUTLOOK:

The steel industry globally, is facing unprecedented challenges. Subdued demand growth has resulted in an overcapacity situation.

Globally, the roll industry is having its share of challenges. A number of roll manufacturing companies have closed their operations, due to severe financial stress.

The Indian Roll industry is also facing overcapacity, and extremely competitive imports from China and Russia. This has led to a price war and adverse credit terms. The global reverse auction by a leading steel maker has added to the stress, as the prices have dropped significantly. While costs have trended inflation, contributions have reduced drastically. Subdued demand and delayed realizations has resulted in a fragile cash position, leading to adverse performance of the roll industry as a whole.

OPPORTUNITIES AND THREATS:

Tayo has been a moderately profitable company since inception, manufacturing ICDP Cast Rolls for hot rolling. Since 2000, the profits from the Cast Roll business have been under pressure. At the same time, the cold rolling operations in India was gathering pace. In a bid to diversify the product portfolio, Tayo embarked on the forged roll project. The project faced time and cost overruns due to the global economic crisis in 2008.

Since 2009, the Company has been making losses mainly due to delay in the Forged Roll Project, subdued demand growth, pricing challenges, and consequent liquidity crunch. Poor quality performance due to poor workmanship also had a severe adverse effect on the financial performance.

The Promoter(s) have been extending their financial and technical support to the Company. Despite the relentless efforts, and continued support from all stakeholders, especially the Promoter(s), the changes in external environment, and continued sub optimal performance, has resulted in continuous losses.

The subdued growth in infrastructure sector, over-capacity situation in the Roll and Forging industries, delayed technology absorption for next generation rolls, severe cash constraints and continued cash loss etc have compelled the Company to write down value of its assets, which has eroded its net worth as on 31.12.2015. Moreover, there was an adverse impact of high unabsorbed depreciation and interest costs on the financials of the Company.

Based on the negative net-worth, the Company made a reference to the Board for Industrial and Financial Reconstruction (BIFR), which was registered with BIFR on March 23, 2016. However, the Ministry of Finance issued Notifications S.O. 3568 (E) & S.O. 3569 (E) dated November 25, 2016 to the effect that SICA has been repealed with effect from 1.12.2016 and all the references or inquiry pending before the BIFR and/ or AAIFR shall stand abated.

The Company's operating results continue to be materially affected by various factors, particularly high pricing pressures due to overcapacity in roll industry, general economic slowdown and unavailability of future financing. Considering these factors, the Company has suspended its operations since May 2016 in a phased manner and introduced Voluntary Separation Scheme (VSS) for the employees with effect from 1.06.2016. The Board of Directors at their meeting held on 5.09.2016 have decided to close the operations of the Company. Accordingly, on 6.09.2016 the Company has filed closure application U/s 25-O of the Industrial Disputes Act, 1947 with the State Government Authorities. The application was rejected on 27.10.2016. The Company has filed a Writ Petition in the Honourable Jharkhand High Court against the rejection order. The matter is sub-judice.

SEGMENTWISE PERFORMANCE:

The segment wise result is given in Page 82-85 of this Annual Report.

RISK AND CONCERNS:

The Company has been regularly reviewing its Risk Management Policy and has taken proactive steps to safeguard and minimize the adversity related to the Market, Technology, People, Environment/ Regulatory, Financial, Information Technology and Opportunity Risks. Wherever necessary, the Company took adequate insurance coverage of its assets for safeguarding from unforeseen risks.

INTERNAL CONTROL AND ADEQUACY:

The Company has adequate internal control system and well laid-down policies and procedures for all its operations and financial functions. The procedures are aligned to provide assurance for maintaining proper accounting controls, monitoring efficient and proper usage of all its assets and reliability of financial and operational reports. The internal control system is ably supported by the Internal Audit Department which carries out extensive audit of various functions throughout the Company. The Internal Audit Department functions independently and submits its findings to the Managing Director for corrective actions, if any. The Company's Board has an Audit Committee which comprises five members with majority being Independent Directors. The Audit Committee reviews significant findings of the internal audit.

The Audit Committee reviews the financial reporting process, internal financial control and control system the audit process and the Company's process for monitoring compliances with law and regulations and the Company's code of conduct. The Audit Committee also reviews with the Statutory Auditors the financial reports and ascertains their observation on issues of concern. The Committee monitors the implementation of internal audit recommendations as well as vigil Mechanism, as applicable.

HUMAN RESOURCES:

Considering the decision for suspension and closure of operations, FY'17 was very challenging year for your Company. The Company introduced Voluntary Separation Scheme (VSS) for employees.

The workforce of the Company stands at 298 as on 31.03.2017.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

The Company's operating results has been materially affected by various factors, particularly high pricing pressures due to overcapacity in roll industry, general economic slowdown and unavailability of future financing. Due to continuous losses, the Company had to suspend its operations. The Company also introduced employees Voluntary Separation Scheme for its employees. Meanwhile, the Company has also made application to the relevant authority seeking permission for closure of the operations, which has been rejected. The Company has filed a Writ against the rejection order in Jharkhand High Court, which is still sub-judice.

The total revenue (gross) was Rs. 4,664 lakhs against Rs. 14,003 lakhs in the previous year. The net loss was Rs. 8,265 lakhs against a net loss of Rs. 15,684 lakhs in the previous year.

CAUTIONARY STATEMENT:

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

Annexure to Directors' Report

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN as on financial year ended on 31.03.2017 Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014.					
i	CIN	L27105JH1968PLC000818			
ii	Registration Date	02.02.1968			
iii	Name of the Company	Tayo Rolls Limited			
iv	Category/Sub-category of the Company	Public Company Limited by shares			
v	Address of the Registered office & contact details	Annex 2, General Office, Tata Steel Limited, Bistupur, Jamshedpur, 831001 Phone no. 6508041/ 2227821			
vi	Whether listed company	Yes			
vii	Name , Address & contact details of the Registrar Transfer Agent, if any.	TSR Darashaw Limited, 6-10 Haji Moosa Patrawala & Industrial Estate, 20 Dr. E Moses Road Mahalaxmi, Mumbai - 400011 022-66568484			
II Principal Business Activities of the Company:					
All the business activities contributing 10% or more of the total turnover of the company shall be stated					
Sl. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company		
1	Cast Rolls	3371	41%		
2	Forge Rolls	3440	13%		
III Particulars of Holding, Subsidiary and Associate Companies:					
Sl. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	applicable section
1	Tata Steel Limited	L27100MH1907PLC000260	Holding	54.45	2 (87)

IV. Shareholding Pattern (Equity Share Capital break up as % to Total Equity)									
(i) Category wise shareholding:									
Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year			% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(a) Individuals / Hindu Undivided Family	0	0	0	0.00	0	0	0	0.00	0.00
(b) Central Government / State Governments(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c) Bodies Corporate	56,68,322	0	56,68,322	55.24	56,68,322	0	56,68,322	55.24	0.00
(d) Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e) Any Other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A) (1)	56,68,322	0	56,68,322	55.24	56,68,322	0	56,68,322	55.24	0.00
(2) Foreign									
(a) Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b) Bodies Corporate	18,44,045	0	18,44,045	17.97	18,44,045	0	18,44,045	17.97	0.00
(c) Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e) Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A) (2)	18,44,045	0	18,44,045	17.97	18,44,045	0	18,44,045	17.97	0.00
Total Shareholding of Promoter and Promoter Group (A)	75,12,367	0	75,12,367	73.21	75,12,367	0	75,12,367	73.21	0.00
(B) Public Shareholding									
(1) Institutions									
(a) Mutual Funds / UTI	0	150	150	0.00	0	150	150	0.00	0.00
(b) Financial Institutions / Banks	600	350	950	0.01	600	350	950	0.01	0.00
(c) Central Government / State Governments(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e) Insurance Companies	0	450	450	0.00	0	450	450	0.00	0.00
(f) Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	0.00
(g) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i) Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
(i) - (i) Foreign Portfolio Investors (Corp)	0	0	0.00	0	0	0.00	0.00	0.00	0.00
Sub-Total (B) (1)	600	950	1,550	0.02	600	950	1,550	0.02	0.00
(2) Non-Institutions									
(a) Bodies Corporate	1,70,757	5,201	1,75,958	1.71	1,49,616	5,201	1,54,817	1.51	-0.21
(b) Individuals -									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	15,47,387	4,00,041	19,47,428	18.98	16,19,592	3,92,471	20,12,063	19.61	0.63
(ii) Individual shareholders holding of nominal share capital in excess Rs. 1 lakh	6,23,432	0	6,23,432	6.08	5,79,938	0	5,79,938	5.65	-0.42
(c) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(d) Any Other									
(i) Trust	0	200	200	0.00	0	200	200	0.00	0.00
Sub-total (B) (2)	23,41,576	4,05,442	27,47,018	26.77	23,49,146	3,97,872	27,47,018	26.77	0.00
Total Public Shareholding	23,42,176	4,06,392	27,48,568	26.79	23,49,746	3,98,822	27,48,568	26.79	0.00
(B) = (B)(1)+(B)(2)									
TOTAL (A)+(B)	98,54,543	4,06,392	1,02,60,935	100.00	98,62,113	3,98,822	1,02,60,935	100.00	0.00
(C) Shares held by Custodians and against which Depository Receipts have been issued									
(1) Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
(2) Public	0	0	0	0.00	0	0	0	0.00	0.00
GRAND TOTAL (A)+(B)+(C)	98,54,543	4,06,392	1,02,60,935	100.00	98,62,113	3,98,822	1,02,60,935	100.00	0.00

(ii) Shareholding of Promoters:

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Tata Steel Limited	55,87,372	54.45	NIL	55,87,372	54.45	NIL	NIL
2	Yodogawa Steel Woks Limited	15,36,704	14.98	NIL	15,36,704	14.98	NIL	NIL
3	Sojitz Corporation	3,07,341	3.00	NIL	3,07,341	3.00	NIL	NIL
4	Rujuvalika Investments Limited	47,050	0.46	NIL	47,050	0.46	NIL	NIL
5	Ewart Investments Limited	30,200	0.29	NIL	30,200	0.29	NIL	NIL
6	Tata Industries Limited	3,700	0.04	NIL	3,700	0.04	NIL	NIL
	Total	75,12,367	73.21	NIL	75,12,367	73.21	NIL	NIL

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

Sl. No.		Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc)	THERE IS NO CHANGE IN PROMOTER HOLDING DURING THE FINANCIAL YEAR 2016-17			
	At the end of the year				

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

Sl. No.	Name of the Shareholder	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Gautam Chokhany [HUF]	01/04/2016	At the beginning of the year	87,700	0.85	87,700	0.85
			No Change	0	0.00	87,700	0.85
		31/03/2017	At the End of the year	87,700	0.85	87,700	0.85
2	Hasmukh Parekh	01/04/2016	At the beginning of the year	72,200	0.70	72,200	0.70
		24/03/2017	Increase	72,200	1.00	1,44,400	1.40
		24/03/2017	Decrease	-72,200	-0.70	72,200	0.70
		31/03/2017	At the End of the year	72,200	0.70	72,200	0.70
3	Tara Chand Jain	01/04/2016	At the beginning of the year	66,939	0.65	66,939	0.65
			No Change	0	0.00	66,939	0.65
		31/03/2017	At the End of the year	66,939	0.65	66,939	0.65
4	Smita N Navare	01/04/2016	At the beginning of the year	53,670	0.52	53,670	0.52
			No Change	0	0.00	53,670	0.52
		31/03/2017	At the End of the year	53,670	0.52	53,670	0.52
5	Rachana Amal Shah	01/04/2016	At the beginning of the year	2,185	0.02	2,185	0.02
		08/04/2016	Increase	243	0.00	2,428	0.02
		15/04/2016	Decrease	-4	0.00	2,424	0.02
		22/04/2016	Decrease	-1,279	-0.01	1,145	0.01
		29/04/2016	Increase	583	0.01	1,728	0.02
		13/05/2016	Increase	926	0.01	2,654	0.03
		20/05/2016	Decrease	-472	0.00	2,182	0.02
		03/06/2016	Increase	875	0.01	3,057	0.03

Sl. No.	Name of the Shareholder	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		10/06/2016	Decrease	-382	0.00	2,675	0.03
		17/06/2016	Decrease	-2,675	-0.03	0	0.00
		24/06/2016	Increase	819	0.01	819	0.01
		30/06/2016	Increase	6,280	0.06	7,099	0.07
		01/07/2016	Increase	200	0.00	7,299	0.07
		08/07/2016	Increase	404	0.00	7,703	0.08
		22/07/2016	Decrease	-2,754	-0.03	4,949	0.05
		29/07/2016	Increase	6,746	0.07	11,695	0.11
		19/08/2016	Decrease	-6,191	-0.06	5,504	0.05
		02/09/2016	Increase	494	0.00	5,998	0.06
		07/09/2016	Increase	850	0.01	6,848	0.07
		09/09/2016	Increase	2,222	0.02	9,070	0.09
		16/09/2016	Increase	482	0.00	9,552	0.09
		21/09/2016	Increase	5,938	0.06	15,490	0.15
		07/10/2016	Increase	3,786	0.04	19,276	0.19
		14/10/2016	Decrease	-2,635	-0.03	16,641	0.16
		28/10/2016	Increase	22,892	0.22	39,533	0.39
		04/11/2016	Increase	3,290	0.03	42,823	0.42
		11/11/2016	Increase	3,357	0.03	46,180	0.45
		25/11/2016	Increase	1,000	0.01	47,180	0.46
		31/12/2016	Increase	5,000	0.05	52,180	0.51
		06/01/2017	Increase	475	0.00	52,655	0.51
		10/02/2017	Decrease	-4,750	-0.05	47,905	0.47
		03/03/2017	Decrease	-228	0.00	47,677	0.46
		17/03/2017	Increase	75	0.00	47,752	0.47
		24/03/2017	Increase	25	0.00	47,777	0.47
		31/03/2017	At the end of the year	47,777	0.47	47,777	0.47
6	Kashi Prasad Purohit	01/04/2016	At the beginning of the year	49,000	0.48	49,000	0.48
		01/04/2016	Decrease	-1,000	-0.01	48,000	0.47
		10/02/2017	Decrease	-1,000	-0.01	47,000	0.46
		31/03/2017	At the End of the year	47,000	0.46	47,000	0.46
7	Nitika Chokhany	01/04/2016	At the beginning of the year	46,585	0.45	46,585	0.45
		20/01/2017	Increase	46,585	0.45	93,170	0.91
		20/01/2017	Decrease	-46,585	-0.45	46,585	0.45
		31/03/2017	At the end of the year	46,585	0.45	46,585	0.45
8	Narinder Bajaj	01/04/2016	At the beginning of the year	40,467	0.39	40,467	0.39
		31/12/2016	Decrease	-40,467	-0.39	0	0.00
		06/01/2017	increase	40,467	0.39	40,467	0.39
		31/03/2017	At the end of the year	40,467	0.39	40,467	0.39
9	Bhavna Kriti Shah	01/04/2016	At the beginning of the year	23,840	0.23	23,840	0.23
			No change	0	0.00	23,840	0.23
		31/03/2017	At the end of the year	23,840	0.23	23,840	0.23
10	Gautam Chokhany	01/04/2016	At the beginning of the year	22,204	0.22	22,204	0.22
			No change	0	0.00	22,204	0.22
		31/03/2017	At the end of the year	22,204	0.22	22,204	0.22
11	Alpana Phumbhra	01/04/2016	At the beginning of the year	20,136	0.20	20,136	0.20
		29/04/2019	Decrease	-1,000	-0.01	19,136	0.19
		29/04/2016	Increase	1,000	0.01	20,136	0.20
		31/03/2017	At the end of the year	20,136	0.20	20,136	0.20
12	Everett Consultants Pvt. Ltd.	01/04/2016	At the beginning of the year	25,157	0.25	25,157	0.25
		29/04/2016	Decrease	-2,004	-0.02	23,153	0.23
		20/05/2016	Decrease	-1,000	-0.01	22,153	0.22
		27/05/2016	Decrease	-6,194	-0.06	15,959	0.16
		17/06/2016	Decrease	-4,500	-0.04	11,459	0.11
		24/06/2016	Decrease	-5,706	-0.06	5,753	0.06
		22/07/2016	Decrease	-3,000	-0.03	2,753	0.03
		05/08/2016	increase	250	0.00	3,003	0.03
		10/08/2016	increase	1,249	0.01	4,252	0.04
		12/08/2016	increase	1,824	0.02	6,076	0.06

Sl. No.	Name of the Shareholder	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		19/08/2016	Decrease	-3,000	-0.03	3,076	0.03
		14/10/2016	Decrease	-1,700	-0.02	1,376	0.01
		21/10/2016	increase	1,483	0.01	2,859	0.03
		11/11/2016	increase	1,200	0.01	4,059	0.04
		18/11/2016	Decrease	-4,000	-0.04	59	0.00
		13/01/2017	increase	1,048	0.01	1,107	0.01
		20/01/2017	increase	2,255	0.02	3,362	0.03
		27/01/2017	increase	2,000	0.02	5,362	0.05
		03/02/2017	increase	500	0.00	5,862	0.06
		10/02/2017	increase	11,824	0.12	17,686	0.17
		17/02/2017	increase	500	0.00	18,186	0.18
		10/03/2017	increase	1,000	0.01	19,186	0.19
		31/03/2017	At the End of the year	19,186	0.19	19,186	0.19

(v) Shareholding of Directors & Key Managerial Personnel

Sl. No.	For Each of the Directors & Key Managerial Personnel	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/bonus/sweat equity etc)	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL

V Indebtedness:

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

	Secured Loans excluding deposits (In Rupees)	Unsecured Loans (In Rupees)	Deposits (In Rupees)	Total Indebtedness (In Rupees)
Indebtedness at the beginning of the financial year				
i) Principal Amount	82,73,65,934	43,63,00,000	0	1,26,36,65,934
ii) Interest due but not paid				
iii) Interest accrued but not due	35,43,395	1,62,57,700	0	1,98,01,095
iv) Preference share (classified as borrowing under Ind AS)		2,50,73,77,000		2,50,73,77,000
Total (i+ii+iii)	83,09,09,329	2,95,99,34,700	0	3,79,08,44,029
Change in Indebtedness during the financial year				
year Additions		52,52,22,075		52,52,22,075
Reduction	-162520228			-16252228
Net Change	-162520228	52,52,22,075	0	40,59,31,377
Indebtedness at the end of the financial year				
i) Principal Amount	66,48,73,559	60,00,00,000	0	1,26,36,65,934
ii) Interest due but not paid				
iii) Interest accrued but not due	35,15,542	8,67,47,215	0	9,02,62,757
iv) Preference Share (classified as borrowing)	0	2,79,84,09,560	0	2,79,84,09,560
Total (i+ii+iii)	66,83,89,101	3,48,51,56,775	0	4,15,35,45,876

VI Remuneration of Directors and Key Managerial Personnel:

A. Remuneration to Managing Director, Whole time director and/or Manager			
Sl. No.	Particulars of Remuneration	Name of the MD/WTD/Manager	Total Amount
1	Gross Salary	Mr. K. Shankar Marar Managing Director	In Rupees
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	29,36,708	29,36,708
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	5,00,849	5,00,849
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	NIL	NIL
2	Stock option	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission as % of profit	NIL	NIL
	others (specify)	NIL	NIL
5	Others (Retiral Benefits)	5,80,765	5,80,765
	Total (A)	40,18,322	40,18,322
	Ceiling as per the Act	84,00,000	84,00,000

upto 20.03.2017. thereafter on whole time deputation to Tayo

B. Remuneration to other directors:##							
Sl. No.	Particulars of Remuneration	Name of the Directors					Total Amount
1	Independent Directors	Dr. S.K. Bhattacharyya	Mr. Sudev C.Das	Mr. Dipak K.Banerjee	Mr. Prof. Das Ranjan	Mrs. Ramya Hariharan	
	(a) Fee for attending board/committee meetings	NIL	NIL	NIL	NIL	1,20,000	
	(b) Commission	NIL	NIL	NIL	NIL	NIL	
	(c) Others, please specify	NIL	NIL	NIL	NIL	NIL	
	Total (1)	NIL	NIL	NIL	NIL	1,20,000	1,20,000
2	Other Non Executive Directors	Mr. Anand Sen	Mr. V.S.N. Murty	Mr. Yoshikazu Miyasaka			
	(a) Fee for attending board committee meetings	NIL	NIL	NIL	NIL	NIL	
	(b) Commission	NIL	NIL	NIL	NIL	NIL	
	(c) Others, please specify.	NIL	NIL	NIL	NIL	NIL	
	Total (2)	NIL	NIL	NIL	NIL	NIL	NIL
	Total (B)=(1+2)	NIL	NIL	NIL	NIL	NIL	1,20,000
	Total Managerial Remuneration - A+B						41,38,322
	Overall Ceiling as per the Act.						84,00,000

Considering the financial position of the Company, majority of the Non-Executive Directors have decided not to take sitting fees for attending Board/Committee meetings

C.Remuneration to Key Managerial Personnel other than MD/Manager/WTD

1	Gross Salary	Deputy Chief Financial Officer Mr. Suresh Padmanabhan	Company Secretary Mr. Prashant Kumar	Total
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	17,63,938	7,27,432	24,91,370
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	1,04,631	58,424	1,63,055
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission	NIL	NIL	NIL
	as % of profit	NIL	NIL	NIL
	others, specify	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL
	Total	18,68,569	7,85,856	26,54,425

upto 20.03.2017. thereafter on whole time deputation to Tayo

Form No. AOC-2

Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014}

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188
NIL							

2. Details of material contracts or arrangement or transactions at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
<p>All related party transactions ("RPT") entered into during FY 2016-17 were on arm's length basis and in the ordinary course of business. All RPT were placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee was obtained on a yearly basis for the transactions which were foreseen and were repetitive in nature. The transactions entered into pursuant to the omnibus approval so granted were audited and a statement giving details of all RPTs was placed before the Audit Committee for its monitoring on quarterly basis. The details of transactions as per Ind AS-24 are disclosed in the Notes to Accounts for FY16-17.</p>					

On behalf of the Board of Directors

Kolkata
May 22, 2017

Anand Sen
Chairman
(DIN- 00237914)

SECRETARIAL AUDIT REPORT FORM NO. MR - 3

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

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

To,
The Members,
Tayo Rolls Limited
Annex-2, General Office,
Tata Steel Limited, Bistupur,
Jamshedpur.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Tayo Rolls Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in my opinion, the Company has, during the audit period covering the financial year ended March 31, 2017, complied with the statutory provisions and that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

Sl No.	Name of Act, Rules, Regulation
1	The Companies Act, 2013 (the Act) and the rules made thereunder;
2	The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3	The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
4	Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
5	The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
5(a)	The Securities and Exchange Board of India (Listing Obligation and Disclosure) Regulations, 2015;
5(b)	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2013;
5(c)	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
5(d)	The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
6	Employees Provident Fund and Miscellaneous Provisions Act, 1952
7	Employees State Insurance Act, 1948
8	Public Liability Insurance Act, 1991
9	Environment Protection Act, 1986
10	Water (Prevention and Control of Pollution) Act, 1974 and Water Cess Act, 1977
11	Air (Prevention and Control of Pollution) Act, 1981
12	Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
13	Factories Act, 1948
14	Contract Labour (Regulation and Abolition) Act, 1970
15	The Industrial Employment Standing Orders Act, 1946
16	Employees Compensation Act, 1923
17	Employment Exchange (Compulsory Notification of Vacancies) Act, 1961
18	Apprenticeship Act, 1961

19	Batteries management & Handling Rules, 2001
20	Indian Stamp Act, 1999
21	Industrial Disputes Act, 1947
22	Maternity Benefit Act, 1961
23	Minimum Wages Act, 1948
24	Payment of Bonus Act, 1965
25	Payment of Gratuity Act, 1972
26	Equal Remuneration Act, 1976
27	Payment of Wages Act, 1936

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above. Further it is observed that there were following specific events /actions having a major bearing on the Company affairs in pursuance of above referred laws, rules regulation, guidelines etc.

1. The Company has applied for closure of factory operations with the relevant authorities, which has been rejected. Against the rejection order, the Company has filed a writ in the Jharkhand High Court, and the same is still sub-judice.
2. The Company has applied for renewal of ESI exemption under Employees State Insurance Act, 1948; the decision on renewal of exemption has yet to be taken by the department.

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

We further report that during the audit period the company has allotted 26,75,000/- (Twenty six lakh seventy five thousand) 7.17% fully paid-up, Non Cumulative Redeemable Preference Shares on Preferential basis to its promoters in compliance to the provisions of the Companies Act, 2013.

We further report that:

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

All the decisions at board meetings and committee meetings are carried out in unanimously as recorded in the minutes of the meetings of the Board of Directors or the Committee of the Board, as the case may be.

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

We further report that during the audit period, there were no instances of:

- (i) Public / Rights / debentures / sweat equity.
- (ii) Redemption / buy-back of securities.
- (iii) Merger / amalgamation / reconstruction etc.
- (iv) Foreign technical collaborations.

For, P.K Singh & Associates
(Firm's Registration No. P2002JH045700)

Jamshedpur
May 22, 2017

(Rohit Prakash Prit)
(Partner)
ACS No.: 33602
C P No.: 16213

This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.



"Annexure - A"

To,
The Members
Tayo Rolls Limited
Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification is based on test basis to ensure the correct facts are reflected in audit records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and the appropriateness of the financial records and Books of Accounts of the company.
4. Wherever required we have obtained the Management Representation about the compliance of laws, rules and regulation and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination is limited to the verification procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company not of the efficacy of effectiveness with which the management has conducted the affairs of the Company.

For, P.K Singh & Associates
(Firm's Registration No. P2002JH045700)

Jamshedpur
May 22, 2017

(Rohit Prakash Prit)
(Partner)
ACS No.: 33602
C P No.: 16213



Certification by Managing Director /CEO & Dy. CFO

Pursuant to Regulation 17(8) read with Schedule II Part B of the SEBI (LODR) Regulations 2015, we, K. Shankar Marar, Managing Director and Suresh Padmanabhan, Deputy Chief Financial Officer hereby certify that:

1. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit committee:
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Kolkata
May 22, 2017

Suresh Padmanabhan
Deputy Chief Financial Officer

K. Shankar Marar
Managing Director
DIN – 06656658

Certification on Corporate Governance

TO THE MEMBERS OF

TAYOROLLS LIMITED

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

1. We, Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of TAYO ROLLS LIMITED ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March, 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

Managements' Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31 March, 2017.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

Alka Chadha
Partner
(Membership No. 93474)

Kolkata, 22 May, 2017



Corporate Governance Report for the year 2016 - 17

As required under Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

COMPANY PHILOSOPHY

The Corporate Governance framework of the Company ensures for a timely and accurate disclosure on all material matters regarding the Company, including the financial statements, performance, ownership, and governance of the Company. Corporate governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency, fairness, and reporting that conforms fully to the applicable laws, regulations & guidelines, and to promote ethical conduct throughout the Organization. This improves public understanding of the structure, activities and policies of the organization.

BOARD OF DIRECTORS

The Board of Directors of the Company ("Board") is entrusted with the ultimate responsibility of management, general affairs, direction and performance of the Company, and has been vested with the requisite powers and authorities. The Board members are having varied skills, experience and knowledge for the management of the Company. In accordance with the Articles of Association, the Board may have maximum 12 Directors. As on March 31, 2017 the total strength of the Board was eight, comprising of one Executive and seven Non-Executive Directors. The Company has a Non-Executive Non-Independent Chairman. The Board also comprises of a Woman Director. The composition of the Board is in compliance with the provisions of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, hereinafter called as SEBI (LODR) Regulations, 2015. An optimum combination of Independent and Non-Independent Directors in the Board ensures that the independence prevails at all times while transacting business at Board meetings. The Board reviews its policy from time to time to assess its relevance and suggest appropriate measures, if required.

None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees as specified in Regulation 26 of the SEBI (LODR), Regulations, 2015, across all the Public companies in which he was a Director. All the Directors have made necessary disclosures regarding Committee positions.

The Non - Executive Directors are paid sitting fees as per the relevant provisions of Companies Act, 2013. Apart from sitting fees, the Non -Executive Directors are eligible for commission not exceeding 1% of the net profit of the Company computed in accordance with Section 197 of the Companies Act, 2013. The payment of commission to Non-Executive Directors has been approved by the shareholders at the 44th Annual General Meeting held on July 18, 2012, for a period of 5 years with effect from April 1, 2012. However, due to loss, commission has not been paid to the Non-Executive Directors for the financial year 2015-16, and no Commission is proposed for the financial year 2016-17.

BOARD MEETINGS

The Board of Directors met eight times during the financial year 2016-17 and gap between two meetings did not exceed more than one hundred and twenty days. The dates on which the Board meetings were held are as follows:

(i) May 26, 2016 (ii) July 18, 2016 (iii) August 8, 2016 (iv) August 19, 2016 (v) September 5, 2016 (vi) October 19, 2016 (vii) February 13, 2017 and (viii) March 17, 2017.

The necessary quorum was present at all the meetings.

As per Regulation 25(3) of the SEBI (LODR), Regulations, 2015, the Independent Directors meeting was held on March 17, 2017, wherein Independent Directors were present without the participation of Non-Independent Directors and members of Management. Apart from other businesses, the Independent Directors at their meeting dealt with the Agenda as specified in the Companies Act, 2013 and SEBI (LODR), Regulations, 2015.

The Company has framed a familiarization policy for its Independent Directors to make them aware about the company and business scenario in which it operates including the roles, rights, responsibilities etc. of the Independent Directors. The details of such policy are available on the website of the Company at www.tayo.co.in

The names and categories of Directors on the Board, their attendance at the Board meetings during the year and at the last Annual General Meeting and their Directorships held and Committee Membership in other public companies and Shareholdings are given below:

Name	Category	No. of Board Meetings	Last AGM held on September 21, 2016	Other Public Companies			
				Directorship held as on 31.03.2017		Committees position held as on 31.03.2017	
		Attended	Attended	Member	Chairman	Member	Chairman
Mr. Anand Sen, Chairman DIN-00237914	Promoter, Non Independent, Non-Executive	7	Yes	3	Nil	1	Nil
Dr. S. K. Bhattacharyya# DIN-00026534	Independent, Non-Executive	4	Yes	Nil	Nil	Nil	Nil
Mr. Dipak K. Banerjee DIN-00028123	Independent, Non-Executive	7	Yes	9	Nil	4	4
Prof. Ranjan Das DIN-01738493	Independent Non-Executive	7	No	1	Nil	Nil	Nil
Mr. Sudev C. Das DIN-01072628	Independent, Non-Executive	6	Yes	1	Nil	Nil	1
Mr. V. S. N. Murty DIN-00092348	Promoter, Non Independent, Non-Executive	6	Yes	1	Nil	Nil	1
Mrs. Ramya Hariharan DIN- 06928511	Independent, Non - Executive	7	Yes	6	Nil	6	Nil
Mr. Yoshikazu Miyasaka DIN – 07125432	Promoter, Non Independent, Non-Executive	4	Yes	Nil	Nil	Nil	Nil
Mr. K. Shankar Marar DIN- 06656658	Non- Independent, Executive	8	Yes	Nil	Nil	Nil	Nil

upto 13.02.2017

Director's Shareholding in the Company- Nil

During the year Board Meetings were also held through Video Conferencing and other Audio Visual means in conformity with Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014.

Apart from the formal Board meetings, in case of urgency the Board also passes resolution through Circular resolution in accordance with the provisions of Section 175 of the Companies Act, 2013, read with Article 164 of the Articles of Association of the Company. However, during the year no circular resolution was passed by the Board.

The Board periodically reviews Compliance to all applicable Laws. The Audit committee reports to the Board on the same. The Managing Director submits a compliance certificate on quarterly basis at the meetings of the Board.

The 'Tata Code of Conduct', as adopted by the Company, is applicable to the Executive Director, Senior Management Personnel and other employees of the Company. The Company has received confirmation from the Managing Director as well as Senior Management Personnel regarding compliance to the Code during the year under review. The Company has laid down the 'Code of Conduct for Non-Executive Directors' of the Company. The Company has also received confirmations from the Non-Executive Directors regarding compliance of the code during the year under review. These codes are posted on www.tayo.co.in, the website of the Company. The Managing Director's declaration to the affirmation of the Code of Conduct is on page 46 of this report.

BOARD COMMITTEES

The Board has constituted Committee of Directors to monitor the activities and to deal with matters within the terms of reference of the Committees thereof:

(a) Audit Committee

A qualified and Independent Audit Committee was constituted in the year 1997.

The Company has complied with the requirements of Regulation 18 of the SEBI (LODR) Regulations, 2015 with regard to the composition of the Committee. The members of the Audit Committee are Non-Executive Directors, with majority of them being independent. The Chairman of the Committee is an Independent Director. The members bring with them vast experience in the field of operations, technical and finance. The Deputy Chief Financial Officer, Internal Auditor and Statutory Auditor attend the Audit Committee meetings. Other senior executives attend the meeting as and when invited by the Committee. The Company Secretary acts as the Secretary of the Audit Committee.

The role and review of information by the Audit Committee is as prescribed under Regulation 18 (3) read with Part C of Schedule II of the SEBI (LODR) Regulations, 2015 read with section 177 of the Companies Act, 2013. The broad terms of reference of the Audit Committee includes:

- Oversight of the company's financial reporting process and the disclosure of its financial information;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

- Evaluation of internal financial control and risk management systems;
- Discussion with internal auditors of any significant findings and follow up thereon;
- Discussions with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Reviewing with the management the annual/ quarterly financial statements and auditors report thereon before submission to the board for approval;
- To review the functioning of the Whistle Blower Mechanism and Insider Trading etc.
- Carrying out such other functions as mentioned in the terms of reference of the Audit Committee.

The Audit Committee reviews the financial statements with the statutory auditors and the management with reference to the accounting policies and practices, before recommending the same to the Board for approval. The Audit Committee also reviews and approves the statement of related party transactions and any subsequent modification of transactions of the Company with related parties, Internal Control weakness report issued by Internal Auditor and Statutory Auditors and also the Management Discussion & Analysis.

The Audit Committee met six times during the year on (i) May 25, 2016 (ii) July 18, 2016 (iii) August 8, 2016 (iv) October 19, 2016, (v) February 13, 2017 and (vi) March 17, 2017.

The necessary quorum was present at all the meetings.

Composition of Audit Committee and details of the meeting attended during the financial year 2016-17 are as follows:

Name	Category	No. of meetings attended
Dr. S. K. Bhattacharyya, Chairman #	Independent, Non-Executive	3
Mr. Sudev C. Das, Chairman##	Independent, Non-Executive	6
Mr. Dipak K. Banerjee	Independent, Non-Executive	6
Prof Ranjan Das	Independent, Non-Executive	4
Mr. V. S. N. Murty	Promoter, Non - Independent, Non - Executive	4

upto 13.02.2017

w.e.f. 13.02.2017

The Chairman of the Audit Committee was present at the last Annual General Meeting held on September 21, 2016.

Whistle Blower Policy

The Company has adopted the Whistle Blower Policy which provides a formal mechanism for all employees and directors of the Company to approach to the Ethics Counselor / Chairman of the Audit Committee of the Company and to make protective disclosure about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The Whistle Blower Policy is an extension of the Tata Code of Conduct, which requires every employee and director to promptly report to the Ethics Counselor / Chairman Audit Committee, any actual or suspected or possible violation of the Code or an event he becomes aware of, that could affect the business or reputation of the Company. Under the policy, each employee and director of the Company has an assured access to the Ethics Counselor/ Chairman of the Audit Committee.

The Whistle Blower Policy also provides for adequate safeguards against victimization of employees and directors who avail the vigil mechanism and also provides direct access to the Chairman of Audit Committee as and when required. The Audit Committee also reviews the functioning of Whistle Blower Mechanism.

The Company does not have any Subsidiary Company. The Company had laid down Risk Management Policy, which is available on the website of the Company at www.tayo.co.in

(b) Nomination and Remuneration Committee

To comply with the provisions of section 178(1) of the Companies Act, 2013 read with Regulation 19 of the SEBI (LODR) Regulations, 2015, the Board has constituted a Nomination and Remuneration Committee.

The Nomination and Remuneration Committee comprises Non-Executive Directors, majority of them being Independent Directors. The Chairman of the Nomination and Remuneration Committee is an Independent Director. The terms of reference of the Nomination and Remuneration Committee are formulation of the criteria for determining qualifications, positive attributes, independence of directors and recommend to the Board a policy relating to the remuneration of the directors, Key Managerial

Personnel and other employees, formulation of criteria for evaluation of Independent Directors and the Board, Board Diversity Policy and to identify the persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.

The Nomination and Remuneration Committee met four times during the year on (i) May 26, 2016 (ii) July 18, 2016 (iii) February 13, 2017 and (iv) March 17, 2017.

Composition of Nomination and Remuneration Committee and details of the meeting attended during financial year 2016 – 17 are as follows:

Name	Category	No. of meetings attended
Dr. S. K. Bhattacharyya, Chairman#	Independent, Non-Executive	2
Mr. Dipak K. Banerjee, Chairman##	Independent, Non-Executive	3
Mr. Anand Sen	Promoter, Non Independent, Non-Executive	4
Prof. Ranjan Das	Independent, Non-Executive	4

upto 13.02.2017

w.e.f. 13.02.2017

The Chairman of Nomination and Remuneration Committee was present at the last Annual General Meeting held on September 21 2016.

Remuneration Policy of Directors, KMPs and other Employees

The philosophy for remuneration of directors, key managerial personnel and all other employees of the Company is based on the commitment of fostering a culture of "Leadership with Trust". The remuneration policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 read with Regulation 19 (4) read with Part D of Schedule II of the SEBI (LODR) Regulations, 2015. While formulating the policy, Nomination and Remuneration Committee has considered the factors laid down under section 178(4) of the Act, which are as under:

- (1) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- (2) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (3) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

(i) Remuneration for Independent Directors ("ID") and Non-Independent Non-Executive Directors

Key principles governing the remuneration policy are as follows:

Overall remuneration should be reflective of the size of the Company, complexity of the sector/ industry/ Company's operations and the Company's capacity to pay the remuneration and should be consistent with recognized best practices.

Independent directors ("ID") and Non-Independent Non-Executive Directors ("NED") may be paid sitting fees (for attending the meetings of the Board and Committees of which they may be members). Quantum of sitting fees and NED Commission may be subject to review on a periodic basis, as required.

Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the NRC and approved by the Board.

Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the Company.

The aggregate commission payable to all the NEDs and IDs will be recommended by the NRC to the Board, based on Company's performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters, as may be decided by the Board.

The NRC will recommend to the Board, the quantum of commission for each director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and Committee meetings, individual contributions at the meetings and contributions made by directors other than in meetings.

In addition to the sitting fees and commission, the Company may pay to any director such fair and reasonable expenditure, as may have been incurred by the director while performing his/ her role as a director of the Company. This could include reasonable expenditure incurred by the director for attending Board and its committee meetings, general meetings, court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training (organized by the Company for directors) and in obtaining professional advice from independent advisors in the furtherance of his/ her duties as a director.



(i) **Remuneration for Managing Director (“MD”)/ Executive Directors (“EDs”)/ KMP/ rest of the employees**

The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be:

Market competitive (market for every role is defined as companies from which the Company attracts talent or companies to which the Company loses talent) and driven by the role played by the individual

Reflective of size of the Company, complexity of the sector/ industry/ company’s operations and the company’s capacity to pay.

Consistent with recognized best practices and aligned to any regulatory requirements.

The remuneration mix for the MD/ EDs is as per the contract approved by the shareholders. In case of any change, the same would require the approval of the shareholders.

Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.

In addition to the basic/ fixed salary, the Company may provide employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where possible. The Company may also provide all employees with a social security net (subject to limits) by covering medical expenses and hospitalization through reimbursements or insurance cover and accidental death and dismemberment through personal accident insurance.

The Company provides retirement benefits as applicable.

In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the Company may provide MD/ EDs such remuneration by way of bonus/performance linked incentive and/or commission calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Companies Act, 2013. The specific amount payable to the MD/ EDs would be based on performance as evaluated by the Board or the NRC and approved by the Board.

The Company may provide the rest of the employees a performance linked bonus and/or performance linked incentive. The performance linked bonus/performance linked incentive would be driven by the outcome of the performance appraisal process and the performance of the Company.

Remuneration payable to Director for services rendered in other capacity

The remuneration payable to the Directors shall be inclusive of any remuneration payable for services rendered by such director in any other capacity unless:

The services rendered are of a professional nature; and The Nomination and Remuneration Committee is of the opinion that the director possesses requisite qualification for the practice of the profession.

The Non-Executive Directors are paid remuneration by way of sitting fees and commission. The Company paid sitting fees of Rs. 15,000/- (Rupees fifteen thousand only) per meeting to its Non-Executive Directors, for attending Board meeting, Audit Committee and Nomination and Remuneration Committee meetings and Rs. 10,000/- (Rupees ten thousand only) per meeting for any other Committee meeting. However, considering financial position of the Company, majority of Directors have forgone their rights to receive the sitting fee. Total sitting fees paid to the Non-Executive Directors for attending meetings of the Board and Committees thereof during financial year 2016-17 was Rs. 1,20,000/- (Rupees one lakh twenty thousand only).

The Company has not granted any stock options to its Non-Executive Directors.

Details of remuneration paid to Non-Executive Directors towards sitting fees for attending the Board and Committee meetings during financial year 2016-17 are as follows:

Name of Director	(Amount in Rs.)
Mr. Anand Sen	---
Dr. S. K. Bhattacharyya	---
Mr. Dipak K. Banerjee	---
Mr. Osamu Nishimura	---
Prof. Ranjan Das	---
Mr. Sudev C. Das	---
Mr. V.S. N. Murty	---
Mrs. Ramya Hariharan	1,20,000
Mr. Yoshikazu Miyasaka	---
Total	1,20,000

Details of remuneration paid to the Managing Director during financial year 2016-17 is as follows:

Service Contract, Severance Fees and Notice Period:

Name	Salary	Allowances & Perquisites	Retiral Benefits	Performance Bonus/ Variable Pay	Stock Options
Mr. K. Shankar Marar, Managing Director	21.50	12.87	5.81	NIL	NIL

Service Contract, Severance Fees and Notice Period:

Period of Contract of Mr. K. Shankar Marar	: Three years (From 11.08.2016 to 10.08.2019). The contract may be terminated by either party, giving the other party six months' notice or the Company paying six months' salary in lieu thereof. With effect from 22.03.2017 based on the recommendation of the Nomination and Remuneration Committee and approval of the Board, Mr. Marar has been transferred to Tata Steel Limited. Thereafter, he has been on whole time deputation basis as Managing Director and Key Managerial Personnel at Tayo. With effect from 22.03.2017, remuneration and other emoluments of Mr. Marar is being paid by Tata Steel Limited. There is no separate provision for payment of severance fees.
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Performance Evaluation Criteria for Board/Committee(s)/Director(s)

Pursuant to the provisions of the Companies Act, 2013 and Chapter IV read with the provisions of Schedule II of SEBI (LODR) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and other Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

c) Stakeholders Relationship Committee

The Board has a Stakeholders Relationship Committee in confirmation with the requirements of section 178(5) of the Companies Act, 2013 read with Regulation 20 of SEBI (LODR) Regulations, 2015. The terms of reference of the Stakeholders Relationship Committee are to resolve the grievances of the security holders of the company including complaints related to transfer of shares, non-receipt of annual report etc. Company Secretary acts as Compliance Officer for this purpose.

Stakeholders Relationship Committee met once during the year 2016-17.

The Composition of Stakeholders Relationship Committee is as follows:

Name	Category	No of meeting attended
Mr. Anand Sen, Chairman	Promoter, Non-Independent, Non-Executive	1
Mr. Sudev C. Das	Independent, Non-Executive	1
Mr. K. Shankar Marar	Promoter, Non-Independent, Managing Director	1

During the year under review the Company has received few correspondences from its shareholders relating to non-receipt of dividend, non-receipt of shares sent for transfer, enquiry for dematerialization, split/transmission, change in address etc. No correspondence was pending as on 31.03.2017. However, during the period under review, only one complainant was lodged with SCORE, which has been resolved to the satisfaction of complainant.

d) Share Transfer Committee: Constituted in the year 1969.

Share Transfer Committee was constituted for approving transfer, sub-division of shares and issue of fresh share certificates with the following members, with the authority to act individually. The Committee met as and when required.

Name	Category
Mr. Anand Sen, Chairman	Promoter, Non-Independent, Non-Executive
Mr. K. Shankar Marar	Promoter, Non_Independent, Managing Director
Mr. Prashant Kumar	Company Secretary & Compliance Officer

e) Corporate Social Responsibility (CSR) Committee:

As per section 135 (1) of the Companies Act, 2013, every Company having a net worth of Rupees five hundred crore or more, or turnover of Rupees one thousand crore or more or a net profit of Rupees five crore or more during any financial year shall constitute a CSR Committee of the Board consisting of three or more Directors, out of which at least one Director shall be Independent Director.

The Company has been suffering loss since 2008-09 and doesn't fulfill any of the basic criteria as mentioned under section 135 (1) of the Companies Act, 2013 therefore CSR Committee of the Board is not required. Hence Company has not constituted a CSR Committee of the Board.

The Company is not required to constitute Risk Management Committee.

Other than the above Committees, the Board also constitutes Committee for specific purposes as and when required.

Name, Designation & address of Compliance Officer:

Mr. Prashant Kumar,
Company Secretary & Compliance Officer,
Tayo Rolls Limited,
Office of the Company Secretary,
Large Scale Industrial Estate,
P.O. Gamharia – 832108
Dist: Seraikella- Kharsawan, Jharkhand
Tel.No.0657-6508041/2227821
E-mail :tayoregd@tayo.co.in
investors_helpdesk@tayo.co.in

GENERAL BODY MEETING DETAILS:

General body meetings:

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

Year	Date	Time	Venue
2016*	21.09.2016	11:30 a.m.	Auditorium of Centre for Excellence, Jubilee Road, Bistupur, Jamshedpur 831001
2015*	20.08.2015	11:30 a.m.	Auditorium of Centre for Excellence, Jubilee Road, Bistupur, Jamshedpur 831001
2014*	29.08.2014	3:00 p.m.	Auditorium of Centre for Excellence, Jubilee Road, Bistupur, Jamshedpur 831001

*E-voting facility was provided to the shareholders in accordance with the provisions of Companies Act, 2013 read with SEBI (LODR) Regulations, 2015; and erstwhile Listing Agreement with Stock Exchange.

Special Resolution passed during previous three years at Annual General Meetings:

The Special Resolutions passed during previous three Annual General Meetings are as under:

AGM Date	Special Resolutions Passed
21.09.2016	- Re-appointment of Managing Director for a period of three years
20.08.2015	- Ratification of Material Related Party transactions for FY 2014 -15 -Approval of Material Related Party transactions for FY 2015-16
29.08.2014	- Fixing borrowing limits of the Board of Directors under section 180 (1) (c) of the Companies Act, 2013 -authorizing the Board of Directors to create charge, mortgages and hypothecations on the assets of the Company under section 180 (1) (a) of the Companies Act, 2013

During the aforesaid Annual General Meetings, e-voting facility was provided to the shareholders.

One postal Ballot was done during the financial year 2016-17. No extra-ordinary General Meeting was conducted during the year. The Board of Directors of the Company (the "Board") had appointed Mr. P. K. Chakrabaty, Practicing Company Secretary, as the Scrutinizer for conducting the Postal Ballot and remote e-voting process in a fair and transparent manner.

According to regulation 36(3) of the SEBI (Listing obligations and Disclosure Requirement) Regulations, 2015, particulars of Directors seeking appointment / reappointment are given in the Annexure to the Notice.

Disclosures

- i) None of the Directors are related to each other.
- ii) Disclosures on related party transactions are as per the approved policy on dealing with related party transactions and all material related party transactions have been reported to the Stock Exchange on quarterly basis along with the compliance report on corporate governance.
- iii) The details of related party transactions are given in the notes on the Balance Sheet and statement of Profit and Loss at Page 90-94.
- iv) The Company has formulated a policy on materiality of related party transactions and also on dealing with Related Party Transactions. All the related party transactions have prior approval of the Audit Committee of the Company. In case of repetitive nature of transactions, omnibus approval of the Audit Committee may be obtained. In case of material related party transactions, shareholders approval will be obtained as and when applicable.
The detailed policy on dealings with Related Party transactions is available on the website of the Company at www.tayo.co.in
- v) There are no instances of non-compliance by the Company or strictures imposed by the Stock Exchanges, SEBI or any other regulatory authority on any matter related to capital markets, during the last three years.
- vi) The Board has adopted the Risk Management policy and framework, and the same is being periodically reviewed.
- vii) In preparation of financial statements, all the applicable Ind AS have been followed.
- viii) Management Discussion and Analysis Report forms a part of the Director's Report.
- ix) The relevant disclosures on the remuneration of directors have been included under "Remuneration Policy" in this Report.
- x) None of the Directors of the Company is holding any shares in the Company.
- xi) Senior management team has not entered into any material financial and commercial transaction, where they have any potential interest that may have a potential conflict with the interest of the Company at large.
- xii) The Company allotted 26,75,000 (twenty six lakh seventy five thousand) Non-Cumulative Redeemable Preference Shares of Rs. 100/- (Rupees one hundred only) each to Tata Steel Limited on preferential basis. The Audit Committee is monitoring the utilization and deployment of the funds raised by these issues as well as earlier issues of Redeemable Preference Shares.
- xiii) The Statement on Investor Complaints (Regulation 13), Corporate Governance Report (Regulation 27), Shareholding Pattern (Regulation 31), and Financial Results (Regulation 33) have also been uploaded on listing.bseindia.com as well as on the Company Website.

- xiv) The Company is complying with the requirements of Regulation 34 read with Schedule V Clause C of SEBI (LODR) Regulations, 2015, relating to Corporate Governance Report.
- xv) The Details of adoption/non-adoption of the Discretionary requirements as specified in Regulation 27 (1) read with Schedule II Part E of SEBI (LODR) Regulations, 2015 are as under:

Details of Compliance/ Adoption of the Non-Mandatory requirements under the SEBI (LODR) Regulations, 2015.

Sl. No.	Particulars	Status
1.	The Board	
	Non-executive Chairman may be titled to maintain a Chairperson 's office at the company's expenses and also allowed reimbursement of expenses incurred for performance of his duties	Not Adopted
2.	Shareholder Rights	
	A half yearly declaration of financial performance including summary of the significant events in the last 6 (six) months should be sent to each household of shareholders.	Not Adopted
3.	Modified opinion(s) in audit report	
	The Company may move towards a regime of financial statements with unmodified audit opinion.	Not Adopted
4.	Separate posts of Chairperson and Chief Executive Officer	
	The Company may appoint separate persons to the post of Chairperson and Managing Director or Chief Executive Officer	Adopted
5.	Reporting of Internal Auditor	
	The Internal Auditor may report directly to the Audit Committee	Adopted

RECONCILIATION OF SHARE CAPITAL AUDIT

A qualified Practicing Company Secretary carried out the Share Capital Reconciliation audit to reconcile the total issued and paid up capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) with the total issued and listed capital. The audit confirms that the total issued/ paid up capital is in agreement with the total number of Shares in the physical form and the total number of dematerialized shares held with NSDL and CDSL.

CEO/CFO CERTIFICATION

The Managing Director and Deputy Chief Financial Officer, who heads the Finance function, have submitted the required Certificate to the Board at its meeting held on May 22, 2017, wherein the Audited Accounts of the Company for the financial year 2016-17 were considered.

MEANS OF COMMUNICATION

The quarterly and annual results along with the segmental report are generally published in Business Standard (in English) and Prabhat Khabar, Hindustan & Uditvani (in Hindi) and also been posted on the Company's Web site www.tayo.co.in shortly after its submission to the Stock Exchange.

GENERAL SHAREHOLDER INFORMATION

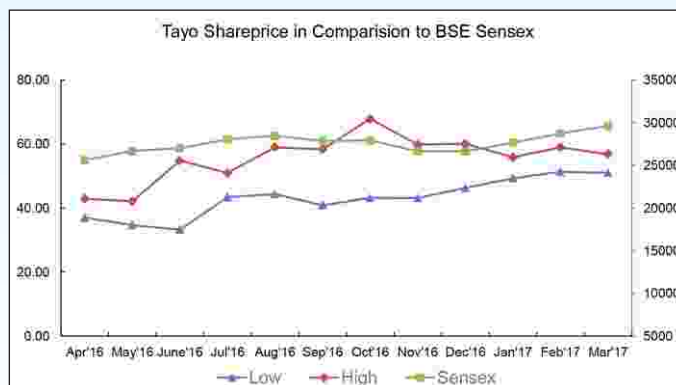
- i) AGM: Date, time and venue : Tuesday, July 18, 2017 at 11:30 a.m. at the Auditorium of Centre for Excellence, Jubilee Road, Bistupur, Jamshedpur - 831001
- ii) Particulars of Directors seeking appointment/ re-appointment are annexed to the Notice of the Annual General Meeting to be held on Tuesday, July 18, 2017.
- iii) Financial Calendar : April to March
- Annual General Meeting : Tuesday, July 18, 2017
- Reviewed Financial Results :
- Quarter 1, 2017-18 - 3rd week of July, 2017
- Quarter 2, 2017-18 - 3rd week of October 2017
- Quarter 3, 2017-18 - 3rd week of January 2018
- Audited Financial Results
- Quarter 4, 2017-18 - 4th week of April 2018



- iv) Date of book closure : Monday, June 19, 2017 till Friday, June 23, 2017 (both days inclusive)
- v) Cut off date for e-voting : Wednesday, July 12, 2017
- vi) Remote e-voting period : From 9.00 a.m. of Saturday, July 15, 2017 till 5.00 p.m. of Monday, July 17, 2017
- vii) Dividend Payment date : The directors have not recommended any dividend for the financial year 2016-17.
- viii) Listing on Stock Exchange : The Company's shares are listed on the Bombay Stock Exchange Ltd. (BSE)
The Company has paid the annual listing fees to the Stock Exchange where its shares are listed for the financial year 2016-17.
- ix) Stock Code : 504961 (BSE)
- x) Market Information:
Market Price Data: High, Low (based on the closing prices) and volume during each month in last financial year, as under:

	Bombay Stock Exchange		
	High (Rs.)	Low (Rs.)	Volume (No. of Shares)
Apr'16	42.85	37.00	45,254
May'16	42.10	34.70	72,323
June'16	54.80	33.20	1,91,929
July'16	50.95	43.40	1,91,392
Aug'16	58.95	44.35	1,77,310
Sept'16	58.35	40.85	1,11,008
Oct'16	67.85	43.15	3,08,715
Nov'16	59.80	43.10	59,602
Dec'16	60.05	46.30	90,352
Jan'17	55.85	49.30	52,285
Feb'17	58.95	51.30	71,280
Mar'17	56.80	51.00	49,582

- xi) Performance of Company's Share Price
The performance of the Company's share prices in comparison to the BSE Sensex during the financial year 2016-17, was as under:
- xi) Performance of Company's Share Price
The performance of the Company's share prices in comparison to the BSE Sensex during the financial year 2016-17, was as under:



xii) **Registrar & Transfer Agents:**

TSR Darashaw Limited
6-10, Haji Moosa Patrawala Ind Estate, (Near Famous Studio) 20, Dr. E. Moses Road, Mahalaxmi, Mumbai – 400 011
Tel. no. : (022) 6656-8484
Fax no. : (022) 6656-8494/96
E-mail: csg-unit@tsrdarashaw.com
Website: www.tsrdarashaw.com

Branch Offices of TSR Darashaw Ltd

TSR Darashaw Limited Bungalow No-1, "E" Road, Northern Town, Bistupur, Jamshedpur- 831 001 Phone : 0657-2426616 Fax : 0657- 2426937 E-mail : tsrdljsr@tsrdarashaw.com	TSR Darashaw Limited Tata Centre, 1st Floor, 43, Jawahar Lal Nehru Road, Kolkata- 700 071 Phone : 033-22883087 Fax : 033-22883062 Email : tsrdlcal@tsrdarashaw.com
TSR Darashaw Limited 503, Barton Centre, (5th Floor), 84, M.G.Road, Bangalore- 560 001 Phone : 080-25320321 Fax : 080-25580019 E-mail : tsrdlbgang@tsrdarashaw.com	TSR Darashaw Limited 2/42, Sant Vihar, Ansari Road Daryaganj, New Delhi- 110 002 Phone : 011-23271805 Fax : 011- 23271802 E-mail : tsrdldel@tsrdarashaw.com

Agent of TSR Darashaw Limited:

Shah Consultancy Services Limited
Sumatinath Complex, 2nd Dhal Pritam Nagar, Ellis Bridge, Ahmedabad -380 006
Telefax : 079- 26576038
E-mail : Shahconsultancy@hotmail.com

Investor Relation Assistance:

Mr. Prashant Kumar Company Secretary & Compliance Officer Tayo Rolls Limited Office of the Company Secretary, Large Scale Industrial Estate, P.O. Gamharia – 832108 Dist: Seraikella- Kharsawan Tel.No. : 0657-6508041/2227821 Fax No. : 0657-2227821 E-mails : tayoregd@tayo.co.in Investors_helpdesk@tayo.co.in	Mr. Deepak Tambe Senior Associate TSR Darashaw Ltd 6-10 Haji Moosa Patrawala Ind Estate, 20, Dr. E. Moses Road, Mumbai- 400 011 Phone : 022- 66568484 Fax : 022- 66568494/96 E-mail : dtambe@tsrdarashaw.com Website : www.tsrdarashaw.com
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xiii) **Share transfer system:**a) **Physical Form:**

The Board has authorized a few Directors and the Company Secretary severally to approve the transfer of share.

Share transfer in physical form can be lodged either at the Registered Office of the Company or with TSR Darashaw Limited, the Registrar & Transfer Agents, at the above-mentioned address or any of their branch offices, addresses of which are available on their website.

Transfers are normally processed within 15 days from the date of receipt, provided the documents are complete in all respect. Certain executives (including the Managing Director) are severally empowered to approve transfers.

b) **D-mat Form:**

The Company has made arrangements to dematerialize its shares through National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and Company's ISIN No. is INE895C01011. The shares of the Company are actively traded in the Stock Exchange where they are listed. As on March 31, 2017, 96.11% shares of the Company were in Dematerialized form.

xiv) a) Distribution of shareholdings as on 31.03.2017:

No. of Equity Shares held	Shareholders			Share Amount	
	No. of Holders	No. of Shares	% to total	Rs.	% to total
1 - 500	7,393	10,10,939	91.20	1,01,09,390	9.85
501 - 1000	388	3,08,396	4.79	30,83,960	3.01
1001 - 2000	175	2,59,732	2.16	25,97,320	2.53
2001 - 3000	47	1,19,705	0.58	11,97,050	1.17
3001 - 4000	28	1,00,155	0.35	10,01,550	0.98
4001 - 5000	18	81,842	0.22	8,18,420	0.80
5001 - 10000	34	2,44,153	0.42	24,41,530	2.38
10001 and above	23	81,36,013	0.28	8,13,60,130	79.29
TOTAL	8,106	1,02,60,935	100.00	10,26,09,350	100.00

b) Shareholding pattern as on 31.03.2017:

Sl. No.	Category	No. of Shares	%
I.	Promoters/Associate companies, etc.	75,12,367	73.21
II.	Financial Institutions	1,550	0.02
III.	Other Bodies Corporate/Trusts	1,55,017	1.51
IV.	Directors & Relatives	---	—
V.	General Public	25,92,001	25.26
	TOTAL	10,260,935	100.00

c) Top five equity shareholders as on 31.03.2017:

Sl. No.	Category	No. of Shares	%
I.	Tata Steel Limited	55,87,372	54.45
II.	Yodogawa Steel Works Limited	15,36,704	14.98
III.	Sojitz Corporation	3,07,341	3.00
IV.	Gautam Chokhany	87,700	0.85
V.	Hasmukh Parekh	72,200	0.70
	TOTAL	7,591,317	73.98



- xv) The Company has no outstanding GDR/ADR/Warrants or any convertible instruments.
- xvi) Plant location : TAYO Works, Gamharia,
Dist: Seraikella- Kharsawan, Jharkhand.
- xvii) Registered Office Address : Annex -2, General Office Premises,
Tata Steel Limited,
P.O. & P.S. Bistupur,
Jamshedpur – 831 001
Tel.: (0657) 6508041/2227821
E-mail: tayoregd@tayo.co.in
Web-site: www.tayo.co.in

A Certificate from the Auditors of the Company, M/s. Deloitte Haskins & Sells, Chartered Accountants, regarding due Compliance of conditions stipulated in Regulation 34(3) read with Schedule V Clause E the SEBI (LODR) Regulations, 2015 is annexed hereto.

On Behalf of Board of Directors

Anand Sen
Chairman
(DIN-00237914)

DECLARATION

I, K. Shankar Marar, Managing Director of Tayo Rolls Limited, on the basis of confirmation received from the Board Members and Senior Management personnel, hereby declare that all the Board Members and Senior Management personnel, have affirmed compliance with the Code of Conduct for Non-Executive Directors and the Tata Code of Conduct respectively for the financial year 2016-17.

Kolkata
May 22, 2017

(K. Shankar Marar)
Managing Director
(DIN-06656658)

INDEPENDENT AUDITOR'S REPORT To The Members of TAYO ROLLS LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of TAYO ROLLS LIMITED ("the Company"), which comprise the Balance Sheet as at 31 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 March, 2017, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to note 2.2 in the financial statements wherein it is indicated that, the Company has accumulated losses and its net worth has been fully eroded. The Company has incurred a net loss during the current and previous years and the Company's current liabilities exceeded its current assets as at the balance sheet date. These conditions, along with other matters set forth in note 2.2, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Accordingly, the financial statements of the Company have been prepared on other than going concern basis for the reasons stated in the said note. The assets have been stated at the lower of their historic cost and estimated net realisable values and the liabilities have been stated at the values at which they are expected to be discharged.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- c) The Balance Sheet, the Statement of Profit and Loss (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) The going concern matter described in 'Emphasis of Matter' paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
 - f) On the basis of the written representations received from the directors as on 31 March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
 - g) 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.
 - h) 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. (Refer note 34.1 a) to the 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 (Refer note 36.2 to the Ind AS financial statements).
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. (Refer note 36.3 to the Ind AS financial statements).
 - iv. The Company has provided requisite disclosures in the Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8 November, 2016 of the Ministry of Finance, during the period from 8 November 2016 to 30 December 2016. Based on audit procedures performed and representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management. However, as stated in note 9.2 to the Ind AS financial statements, management has represented to us that amounts aggregating to Rs. 42,500 have been received from transactions which are not permitted. (Refer note 9.1 to the Ind AS financial statements).
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order/ CARO 2016") 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)

Alka Chadha
Partner
(Membership No. 93474)

Place: Kolkata
Date: 22 May, 2017

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(g) 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 TAYO ROLLS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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)

Alka Chadha

Partner

(Membership No. 93474)

Place: Kolkata

Date: 22 May, 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) In respect of its fixed assets (property, plant and equipment) :
- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations 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 freehold buildings, are held in the name of the Company as at the balance sheet date.

The Company does not have any immovable properties of freehold land and leasehold land and buildings that have been taken on lease and disclosed as fixed assets in the Ind AS financial statements.
- (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 Partnership or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, 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.

We are informed that the Company has applied for an exemption from the operation of the provisions of Employees’ State Insurance Act, 1948 for the financial year 2016-17, which approval is awaited from the relevant authorities.
 - b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at 31 March, 2017 for a period of more than six months from the date they became payable.

We are informed that the Company has applied for an exemption from the operation of the provisions of Employees’ State Insurance Act, 1948 for the financial year 2016-17, which approval is awaited from the relevant authorities.
 - c) Details of dues of Income Tax, Excise Duty and Value Added Tax which have not been deposited as on 31 March 2017 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which Amount Relates	Amount Unpaid (Rs. in lacs)
Income Tax Act, 1961	Income Tax	Commissioner (Appeals)	2006-07, 2007-08	225.42 and 2010-11
Income Tax Act, 1961	Income Tax	High Court	2001-02	46.21
		Total		271.63
Central Excise and Service Tax Act, 1944	Excise Duty	Assistant Commissioner (Appeals)	2007-08 to 2008-09	6.87
Central Excise and Service Tax Act, 1944	Excise Duty	Commissioner (Appeals)	2003-04 to 2011-12	398.73
		Total		405.60*
Jharkhand Sales Tax Act, 2005		Jharkhand Commercial Taxes Tribuna	2010-11	34.05
Jharkhand Sales Tax Act, 2005	JVAT	Joint Commissioner (Appeals)	2010-11 to 2012-13	191.55
		Total		225.60

* Net of Rs. 10.00 lacs paid under protest

There are no dues of Sales Tax, Service Tax and Customs Duty as on 31 March, 2017 on account of disputes.

Balance Sheet as at 31 March, 2017

ASSETS	Notes	As at	As at	As at
		31.03.2017	31.03.2016	at 01.04.2015
		Rupees in lakhs	Rupees in lakhs	Rupees in lakhs
Non-current assets				
(a) Property, plant and equipment	4	6,236.39	6,934.15	15,767.31
(b) Capital work-in-progress	4	-	42.53	1,516.76
(c) Other intangible assets	5	0.49	1.94	182.16
(d) Financial assets				
(i) Investments:				
Other investments	6	0.09	27.16	25.66
ii) Other financial assets	11	6.40	111.18	126.13
(e) Non-current tax assets	13	490.69	449.05	414.28
(f) Other non-current assets	12	199.03	274.96	673.41
Total non-current assets		6,933.09	7,840.97	18,705.71
Current assets				
(a) Inventories	8	771.19	3,751.63	4,302.26
(b) Financial assets				
(i) Trade receivables	7	113.87	2,955.93	4,231.80
(ii) Cash and cash equivalents	9	779.03	508.75	579.66
(iii) Bank balances other than cash and cash equivalents	10	0.47	0.47	7.44
(iv) Other financial assets	11	70.25	66.01	56.37
(c) Other current assets	12	118.61	392.88	642.61
Total current assets		1,853.42	7,675.67	9,820.14
Total assets		8,786.51	15,516.64	28,525.85
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	14	1,026.13	1,026.13	1,026.13
(b) Other equity	15	(43,291.85)	(34,999.13)	(19,251.56)
Total equity		(42,265.72)	(33,973.00)	(18,225.43)
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	16	27,984.10	25,469.22	25,445.82
(b) Provisions	18	-	751.27	1,648.67
Total non-current liabilities		27,984.10	26,220.49	27,094.49
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	19	12,253.26	10,646.04	7,906.51
(ii) Trade payables	20	2,521.76	4,184.88	4,306.12
(iii) Other financial liabilities	17	1,477.02	2,248.88	2,133.38



(b) Provisions	18	2,508.41	1,640.18	837.38
(c) Current tax liabilities (net)	13	123.08	123.08	123.08
(d) Other current liabilities	21	4,184.60	4,426.09	4,350.32
Total current liabilities		23,068.13	23,269.15	19,656.79
Total liabilities		51,052.23	49,489.64	46,751.28
Total equity and liabilities		8,786.51	15,516.64	28,525.85
See accompanying notes to the financial statements	1-40			

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Alka Chadha
Partner

Place : Kolkata
Date : 22 May, 2017

For and on behalf of the Board

K SHANKAR MARAR
Managing Director
DIN: 06656658

PRASHANT KUMAR
Company Secretary

Place : Kolkata
Date : 22 May, 2017

ANAND SEN
Chairman
DIN: 00237914

SURESH PADMANABHAN
Dy. Chief Financial Officer

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

	Notes	Year ended 31.03.2017	Year ended 31.03.2016	
		Rupees in lakhs	Rupees in lakhs	
I	Revenue from operations	22	4,663.76	14,003.18
II	Other income	23	602.07	177.57
III	Total income (I + II)		5,265.83	14,180.75
IV	Expenses			
(a)	Cost of materials consumed	24	899.48	4,593.52
(b)	Changes in inventories of finished goods, stock in trade and work in progress	25	1,988.24	628.55
(c)	Excise duty on sale of goods		443.28	1,392.83
(d)	Employee benefits expense	26	2,206.12	3,888.34
(e)	Finance costs	27	1,686.35	1,359.44
(f)	Depreciation and amortisation expense	28	694.46	1,675.55
(g)	Consumption of stores		672.87	1,874.65
(h)	Power and fuel		413.64	2,220.62
(i)	Other expenses	29	2,037.38	3,317.73
	Total expenses (IV)		11,041.82	20,951.23
V	Loss before exceptional items and tax (III - IV)		(5,775.99)	(6,770.48)
VI	Exceptional items	38	(2,518.89)	(8,913.51)
VII	Loss before tax (V - VI)		(8,294.88)	(15,683.99)
VIII	Tax expense:		-	-
IX	Loss for the year (VII - VIII)		(8,294.88)	(15,683.99)
X	Other comprehensive income			
	Items that will not be reclassified to profit and loss			
(a)	Remeasurement gains / (losses) on defined benefit plans	35.4	-	(65.08)
(b)	Equity instruments through other comprehensive income	15.3	2.16	1.50
	Total other comprehensive income for the year		2.16	(63.58)
XI	Total comprehensive income/(loss) for the year (IX + X)		(8,292.72)	(15,747.57)
	Earnings per equity share (face value of Rs. 10 each):			
(1)	Basic	31	(80.84)	(152.86)
(2)	Diluted		(80.84)	(152.86)
	See accompanying notes to the financial statements	1-40		

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Alka Chadha
Partner

Place : Kolkata
Date : 22 May , 2017

For and on behalf of the Board

K SHANKAR MARAR
Managing Director
DIN: 06656658

PRASHANT KUMAR
Company Secretary

Place : Kolkata
Date : 22 May, 2017

ANAND SEN
Chairman
DIN: 00237914

SURESH PADMANABHAN
Dy. Chief Financial Officer

Statement of Cash Flows for the year ended 31 March, 2017

	Year ended 31.03.2017	Year ended 31.03.2016
	Rupees in lakhs	Rupees in lakhs
A. Cash flow from operating activities:		
Loss for the year	(8,294.88)	(15,683.99)
Adjustments for:		
Depreciation and amortisation expense	694.46	1,675.55
Unrealised loss/(gain) on exchange fluctuation	16.42	(12.23)
Loss on sale/write off of tangible assets	71.97	25.50
Finance costs recognised in profit or loss	1,686.35	1,359.44
Interest Income recognised in statement in profit and loss	(22.26)	(20.22)
Income recognised in statement of profit and loss for write back of liabilities no longer required	(575.46)	(155.69)
Expenses recognised in profit and loss for Exceptional item	2,518.89	8,913.51
Expenses recognised in profit and loss for doubtful debts and advances	344.15	51.82
Expenses recognised in profit and loss for warranty	85.45	597.45
	<u>(3,474.91)</u>	<u>(3,248.86)</u>
Movements in working capital		
(Increase)/decrease in trade and other receivables	2,860.68	1,506.34
(Increase)/decrease in inventories	2,980.46	988.75
(Increase)/decrease in retirement benefit assets/obligations	(2,735.50)	(35.34)
(Increase)/decrease in trade and other payables	(1,081.15)	(555.83)
Cash used in operations	<u>(1,450.42)</u>	<u>(1,344.94)</u>
Income taxes paid	(41.64)	(34.77)
Net cash used in operating activities	<u>(1,492.06)</u>	<u>(1,379.71)</u>
B. Cash Flow from Investing activities:		
Payments for property, plant and equipment	(241.99)	(268.74)
Proceeds from disposal of property, plant and equipment	3.19	-
Proceeds on sale of financial assets	29.23	-
Interest received	18.02	10.58
Net cash flow used in investing activities	<u>(191.55)</u>	<u>(258.16)</u>
C. Cash flow from financing activities:		
Proceeds from issue of non-cumulative redeemable preference shares	2,905.00	1,600.00
Proceeds/ (repayment) of borrowings (net)	1,607.22	2,739.53
Repayment of Non-current borrowings	(1,592.50)	(1,592.50)
Interest and other borrowing costs paid	(965.83)	(1,180.07)
Net Cash Flow /from Financing Activities	1,953.89	1,566.96
Net increase/(decrease) in cash or cash equivalents	270.28	(70.91)
Cash and cash equivalents as at the beginning of the year	508.75	579.66
Cash and cash equivalents as at the end of the year	779.03	508.75

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Alka Chadha
Partner

Place : Kolkata
Date : 22 May , 2017

For and on behalf of the Board

K SHANKAR MARAR
Managing Director
DIN: 06656658

PRASHANT KUMAR
Company Secretary

Place : Kolkata
Date : 22 May, 2017

ANAND SEN
Chairman
DIN: 00237914

SURESH PADMANABHAN
Dy. Chief Financial Officer

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

(A) Equity share capital	Amount Rupees in lakhs			
Balance as at 01.04.2015	1,026.13			
Changes in equity share capital during the year	-			
Balance as at 31.03.2016	<u>1,026.13</u>			
Changes in equity share capital during the year	-			
Balance as at 31.03.2017	<u>1,026.13</u>			
(B) Other equity	Retained earning	Other items of other comprehensive income	Securities premium reserve	Total
	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs
Balance as at 01.04.2015	(24,819.04)	25.52	5,541.96	(19,251.56)
Loss for the year	(15,683.99)	-	-	(15,683.99)
Remeasurement gains / (losses) on defined benefit plans	-	(65.08)	-	(65.08)
Net fair value gain on investments in equity instruments at FVTOCI	-	1.50	-	1.50
Balance as at 31.03.2016	<u>(40,503.03)</u>	<u>(38.06)</u>	<u>5,541.96</u>	<u>(34,999.13)</u>
Loss for the year	(8,294.88)	-	-	(8,294.88)
Profit on sale of equity instruments designated at fair value through OCI	-	2.16	-	2.16
Balance as at 31.03.2017	<u>(48,797.91)</u>	<u>(35.90)</u>	<u>5,541.96</u>	<u>(43,291.85)</u>
See accompanying notes to the financial statements	1-40			

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

Alka Chadha
 Partner

Place : Kolkata
 Date : 22 May , 2017

For and on behalf of the Board

K SHANKAR MARAR
 Managing Director
 DIN: 06656658

PRASHANT KUMAR
 Company Secretary

Place : Kolkata
 Date : 22 May, 2017

ANAND SEN
 Chairman
 DIN: 00237914

SURESH PADMANABHAN
 Dy. Chief Financial Officer

1. General information:

TAYO ROLLS LIMITED ("the Company"), formerly Tata- Yodogawa Limited was incorporated in 1968. The address of its registered office is at Jamshedpur. Its parent and ultimate holding company is Tata Steel Limited. The Company was promoted by Tata Steel Limited in collaboration with Yodogawa Steel Works, Japan and Nissho Iwai Corporation of Japan for production of cast iron and cast steel rolls for metallurgical industries. As a part of its backward integration, the Company has set up a mini blast furnace of 40,000 tpa for the manufacture of Pig Iron. Other products include Forged Rolls, Engineering Forging and Ingots. The Company has a license and know-how agreement with Sheffield Forgemasters International, UK for the transfer of technology to manufacture forging quality ingots, forged bars, engineering forgings and forged rolls. The principal activities of the Company are described in Note 30. The equity shares of the Company are listed on Bombay Stock Exchange Limited (BSE).

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. All financial information presented in Indian rupees has been rounded to the nearest lakhs except share and per share data.

2. Significant accounting policies :

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India. The Ind AS financial statements have been prepared on accrual basis. The matter stated in Note 2.2 indicates the inappropriateness of the use of generally accepted accounting principles that are applicable to a going concern entity in preparation of Ind AS financial statements of the Company for the year ended 31 March, 2017.

Upto the year ended 31 March, 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition in Ind AS is 1 April, 2015. Refer note 2.23 for the details of first-time adoption exemptions availed by the Company.

2.2 Going concern assumption

The Company has incurred a loss of Rs. 8,294.88 lakhs during the year ended 31 March, 2017 (incurred a loss of Rs. 15,683.99 lakhs during the year ended 31 March, 2016) and the accumulated losses as at 31 March, 2017 amounting to Rs. 48,797.91 lakhs (as at 31 March, 2016 Rs. 40,503.03 lakhs) has eroded the net worth of the Company and the Company's current liabilities exceeds its current assets by Rs. 21,214.71 lakhs as at 31 March, 2017 (as at 31 March, 2016 Rs. 15,593.48 lakhs).

The Company's operating results continue to be materially affected by various factors, particularly high pricing pressures due to overcapacity in roll industry, general economic slowdown and unavailability of future financing. Considering, these factors the going concern assumption is not appropriate for preparing the Ind AS financial statements and these Ind AS financial statements have been prepared on not a going concern basis. Accordingly, the assets have been stated at the lower of their historic cost and estimated net realisable value and the liabilities have been stated at the values at which they are expected to be discharged.

The Board of Directors had referred the Company to the Board for Industrial and Financial Reconstruction (BIFR) as required under the First proviso of section 15 (1) of The Sick Industrial Companies (Special Provisions) Act, 1985 and the Company is registered with BIFR on 23 March, 2016. Meanwhile, the Ministry of Finance issued Notifications S.O. 3568 (E) & S.O. 3569 (E) dated 25 November, 2016 to the effect that SICA has been repealed with effect from 1 December, 2016 and all the references or inquiry pending before the BIFR and/ or AAIFR shall stand abated.

The Board of Directors at their meeting held on 5 September, 2016 have decided to close the operations of the Company. Accordingly, on 6 September, 2016 the Company has filed closure application U/s 25-O of the Industrial Disputes Act, 1947 with the State Government Authorities. The application was rejected on 27 October, 2016. The Company has filed a Writ Petition in the Honourable Jharkhand High Court against the rejection order. The matter is sub-judice.

Accordingly, the financial statements have been prepared on not a going concern basis.

2.3 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis except for, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.4 Use of estimates and critical accounting judgements

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 including carrying amount of property, plant and equipment, provision for employee benefits, other provisions and contingencies are included in the following notes:

- Carrying amounts of property, plant and equipment: Refer note 4
- Provision for employee benefits and other provisions: Refer note 18 and note 32
- Contingent liabilities: Refer note 34

2.5 Revenue recognition

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 sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the amount due, associated costs or the possible return of goods.

Sale of services

Income from services are accounted over the period of rendering of services.

Dividend and interest income

Dividend income from investments is recognised when the right to receive payment has been established.

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

2.6 Leases

The Company determines whether an arrangement contains a lease by assessing whether the fulfillment 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

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 reporting 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.

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.

The Company as lessor

Operating lease

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Finance lease

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

2.7 Foreign currency transactions and translation

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are 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 translation of long term foreign currency monetary items recognised in the financial statements before the beginning of the first Ind AS 21 "The Effect of Change in Foreign Exchange Rate" financial reporting period are recognised directly in equity or added/deducted from the cost of assets as the case may be.

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

2.8 Borrowing costs

Borrowing 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 their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.9 Employee benefits

Short term employee benefits

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

Retirement benefit costs

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

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained

earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

2.10 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary 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. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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 liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively 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 recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.11 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.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

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.

Deemed cost on transition to Ind AS

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of 1 April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

2.12 Intangible assets

Intangible assets acquired separately

Computer software and Technical knowhow fee costs are included in the balance sheet as intangible assets where they are clearly linked to long term economic benefits for the Company. In this case they are measured initially at purchase cost and then amortised on a straight-line basis over their estimated useful lives. All other costs on patents, trademarks and software are expensed in the Statement of Profit and Loss as incurred.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Deemed cost on transition to Ind AS

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of 1 April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

2.13 Depreciation and amortisation of property, plant and equipment and intangible assets

Depreciation or amortisation is provided so as to write off, on a straight-line basis, the cost of property, plant and equipment and other intangible assets, 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 is provided on a straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of Plant and machinery where the useful life of the assets has been assessed as under based on technical evaluation by a Chartered Engineer taking into account the nature of 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.

Useful life of plant and machinery is considered to be 15-20 years.

Intangible assets are amortised over their estimated useful life of five years on straight line method.

The estimated useful life of the intangible assets and amortization period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

2.14 Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-

generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal 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.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a 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 immediately in profit or loss.

2.15 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories are determined on "weighted average" basis. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value is the price at which the inventories can be realised in the normal course of business after allowing for the cost of conversion from their existing state to a finished condition and for the cost of marketing, selling and distribution.

Stores and spare parts are carried at lower of cost and net realisable value.

2.16 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:

- 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
- As a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Warranties

Provisions for the expected cost of warranty obligations under local sale of goods legislation are recognised at the date of sale of the relevant products, at the Company's best estimate of the expenditure required to settle the obligation.

2.17 Financial instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial 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 of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts

(including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling 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 has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognised in other comprehensive income.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109 taking into account historical credit loss experience and adjustment for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

Derecognition of financial assets

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

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Foreign exchange gains or losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.

For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

2.18 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements 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 an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised

cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability or (where appropriate) a shorter period, to the gross carrying amount on initial recognition.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.19 Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

2.20 Cash flow statement

Cash flows are reported using the indirect method, where by profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.21 Earnings per equity share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

2.22 Operating cycle

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

2.23 First-time adoption – mandatory exceptions, optional exemptions:

a. Overall principle

The Company has prepared the opening balance sheet as per Ind AS as at 1 April, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising the items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain exceptions and certain optional exemptions availed by the Company as detailed below.

b. Derecognition of financial assets and financial liabilities



The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1 April, 2015.

c. Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

d. Impairment of financial assets

The Company has applied the impairment requirement of Ind AS 109 "Financial Instruments" retrospectively; however, as permitted by Ind AS 101 "First-time Adoption of Indian Accounting Standards", it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101 "First Time Adoption of Indian Accounting Standards".

e. Deemed Cost for property, plant and equipment, investment property, and intangible assets

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

f. Determining whether an arrangement contains a Lease

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

g. Equity investments at FVTOCI

The Company has designated investment in equity share of HDFC Bank Limited as at FVTOCI on the basis of fact and circumstances that existed at the transition date.

3. Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, "Statement of cash flows: and Ind AS 102, 'Share-based payment.' The amendments are applicable to the Company from 1 April, 2017.

a) Amendment to Ind AS 7:

The amendment to Ind AS 7 "Statement of cash flow" requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and its impact on its cash flows, which are not expected to be material.

b) Amendment to Ind AS 102:

The amendment to Ind AS 102 "Share-based payment" provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The Company does not have any scheme of share based payments and hence the requirements of the amendment will not have any impact of the financial statements.

Notes to the Financial Statements

5. Intangible assets

	<u>As at 31.03.2017</u> Rupees in lakhs	<u>As at 31.03.2016</u> Rupees in lakhs	<u>As at 01.04.2015</u> Rupees in lakhs
Carrying amounts of :			
Computer software	0.49	1.15	2.15
Technical knowhow fee	-	0.79	180.01
Total	<u>0.49</u>	<u>1.94</u>	<u>182.16</u>
Cost or deemed cost			
As at 31.03.2017	<u>Computer software</u> Rupees in lakhs	<u>Technical knowhow fee</u> Rupees in lakhs	<u>Total intangible assets</u> Rupees in lakhs
Balance as at 01.04.2016	4.13	180.01	184.14
Additions	-	-	-
Disposals/Adjustments	-	-	-
Balance as at 31.03.2017	<u>4.13</u>	<u>180.01</u>	<u>184.14</u>
Accumulated amortisation			
Balance as at 01.04.2016	2.98	179.22	182.20
Charge for the year	0.66	0.79	1.45
Disposals/Adjustments	-	-	-
Balance as at 31.03.2017	<u>3.64</u>	<u>180.01</u>	<u>183.65</u>
Carrying amounts as at 31.03.2017	<u>0.49</u>	<u>-</u>	<u>0.49</u>
As at 31.03.2016	<u>Computer software</u> Rupees in lakhs	<u>Technical knowhow fee</u> Rupees in lakhs	<u>Total intangible assets</u> Rupees in lakhs
Balance as at 01.04.2015	2.15	180.01	182.16
Additions	1.98	-	1.98
Disposals/Adjustments	-	-	-
Balance as at 31.03.2016	<u>4.13</u>	<u>180.01</u>	<u>184.14</u>
Accumulated amortisation			
Balance as at 01.04.2015	-	-	-
Charge for the year	2.98	179.22	182.20
Disposals/Adjustments	-	-	-
Balance as at 31.03.2016	<u>2.98</u>	<u>179.22</u>	<u>182.20</u>
Carrying amounts as at 31.03.2016	<u>1.15</u>	<u>0.79</u>	<u>1.94</u>

Significant intangible assets

The Company holds a license for use of software and Technical know-how fee. The carrying amount of the Computer software of Rs. 0.49 lakh (as at 31.03.2016: Rs. 1.15 lakhs, as at 01.04.2015: Rs. 2.15 lakhs) will be fully amortised in 1 year (as at 31.03.2016: 2 years, as at 01.04.2015: 3 years). Carrying amount of the Technical knowhow fee Rs. Nil (as at 31.03.2016: Rs. 0.79 lakh, as at 01.04.2015: Rs. 180.01 lakhs) has been fully amortised (as at 31.03.2016: 1 year, as at 01.04.2015: 2 years)

Notes to the Financial Statements

6. Investments

Non-current	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	Qty.	Amount Rupees in lakhs	Qty.	Amount Rupees in lakhs	Qty.	Amount Rupees in lakhs
Other investments						
I Quoted investments						
Investments in equity instruments at FVTOCI						
- HDFC Bank Limited	-	-	2,500	27.07	2,500	25.57
Total aggregate quoted investments (A)		<u>-</u>		<u>27.07</u>		<u>25.57</u>
II Unquoted Investments						
(a) Investments in equity instruments at FVTOC						
(i) Adityapur Toll Bridge Company Limited (Equity Shares of Rs. 10 each) [net of impairment of Rs. 0.50 lakhs (as at 31.03.2016 : Rs. 0.50 lakhs, as at 01.04.2015 : Rs. 0.50 lakhs)]	5,000	-	5,000	-	5,000	-
(ii) Nicco Jubilee Park Limited (Equity shares of Rs. 10 each) [net of impairment of Rs. 3.00 lakhs (as at 31.03.2016 : Rs. 3.00 lakhs, as at 01.04.2015 : Rs. 3.00 lakhs)]	30,000	-	30,000	-	30,000	-
(iii) Tata Construction & Projects Limited (Equity Shares of Rs. 10 each) [net of impairment of Rs. 3.88 lakhs (as at 31.3.2016 : Rs. 3.88 lakhs, as at 01.04.2015 : Rs. 3.88 lakhs)]	32,326	-	32,326	-	32,326	-
(b) Investments in debentures or bonds						
(i) Tata Construction & Projects Limited (10% Secured Non-Convertible Debentures of Rs. 100 each) [net of impairment of Rs. 3.00 lakhs (as at 31.03.2016 : Rs. 3.00 lakhs, as at 01.04.2015 : Rs. 3.00 lakhs)]	3,000	-	3,000	-	3,000	-
(ii) Government securities-Lodged as security deposit with parties		0.09		0.09		0.09
Total aggregate unquoted investments (B)		<u>0.09</u>		<u>0.09</u>		<u>0.09</u>
Total non-current investments (A)+(B)		<u>0.09</u>		<u>27.16</u>		<u>25.66</u>
Aggregate book value of quoted investments		-		27.07		25.57
Aggregate market value of quoted investments		-		27.07		25.57
Aggregate carrying value of unquoted investments		0.09		0.09		0.09
Aggregate amount of impairment in the value of investments		10.38		10.38		10.38
Category-wise other investments-as per Ind AS 109 classification						
Financial assets carried at amortised cost						
Government securities-Lodged as security deposit with parties		0.09		0.09		0.09
Financial assets measured at FVTOCI (Equity investments)						
Equity instruments-equity shares		-		27.07		25.57
Aggregate financial assets measured at FVTOCI		-		27.07		25.57
Aggregate value of other investments		<u>0.09</u>		<u>27.16</u>		<u>25.66</u>

Notes to the Financial Statements

7 Trade receivables

	<u>As at 31.03.2017</u> Rupees in lakhs	<u>As at 31.03.2016</u> Rupees in lakhs	<u>As at 01.04.2015</u> Rupees in lakhs
Trade receivables unsecured			
(a) Considered good	113.87	2,955.93	4,231.80
(b) Doubtful	521.41	177.26	125.44
Allowance for doubtful debts (expected credit loss allowance)	(521.41)	(177.26)	(125.44)
	<u>113.87</u>	<u>2,955.93</u>	<u>4,231.80</u>

7.1 Trade receivables

The average credit period on sale of goods is 30 days. No interest is charged on the outstanding balances.

Age of receivables

	<u>As at 31.03.2017</u> Rupees in lakhs	<u>As at 31.03.2016</u> Rupees in lakhs	<u>As at 01.04.2015</u> Rupees in lakhs
Within the credit period	3.85	825.82	1,609.55
1-30 days past due	54.24	576.87	651.36
31-60 days past due	91.40	351.44	322.63
61-90 days past due	49.59	707.67	566.50
More than 90 days past due	436.20	671.39	1,207.20
	<u>635.28</u>	<u>3,133.19</u>	<u>4,357.24</u>

Of the trade receivable balances as at the reporting period, balances representing significant outstanding balances of the Company are as follows:

	<u>As at 31.03.2017</u> Rupees in lakhs	<u>As at 31.03.2016</u> Rupees in lakhs	<u>As at 01.04.2015</u> Rupees in lakhs
Customer A	118.13	1,195.83	510.25
Customer B	71.80	329.79	-
Customer C	-	340.66	-
Customer D	-	-	584.51
	<u>189.93</u>	<u>1,866.28</u>	<u>1,094.76</u>

There are no other customers, other than mentioned above, who represents more than 5% of the total balance of the trade receivable.

Movement in the expected credit loss allowance

	<u>Year Ended</u> <u>31.03.2017</u> Rupees in lakhs	<u>Year Ended</u> <u>31.03.2016</u> Rupees in lakhs
Balance at beginning of the year	177.26	125.44
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	344.15	51.82
Balance at end of the year	<u>521.41</u>	<u>177.26</u>

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 "Financial instruments" requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected credit losses for all trade receivables that do not constitute a financing transaction.

The Company has estimated the liability for the provision for doubtful debts of Rs. 521.41 lakhs as at 31.03.2017 (as at 31.03.2016 : Rs. 177.26 lakhs, as at 01.04.2015 : Rs. 125.44 lakhs) for performance of the products (mainly rolls) based on past experience and amount not likely to be received due to suspension of operation.

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

Notes to the Financial Statements

8 Inventories (lower of cost and net realisable value)

	<u>As at 31.03.2017</u> Rupees in lakhs	<u>As at 31.03.2016</u> Rupees in lakhs	<u>As at 01.04.2015</u> Rupees in lakhs
Raw materials	763.80	1,308.92	1,112.31
Semi-finished goods	-	1,258.80	1,745.79
Finished goods	7.37	736.81	878.37
Stores and spares	0.02	447.10	565.79
	<u>771.19</u>	<u>3,751.63</u>	<u>4,302.26</u>

The cost of inventories recognised as an expense during the year was Rs. 899.48 lakhs (for the year ended 31 March, 2016: Rs. 4,593.52 lakhs). (Refer note 24)

The cost of inventories recognised as an expense includes Rs. 996.83 lakhs (for the years ended 31 March, 2016 : Rs. 155.82 lakhs) in respect of write-downs of inventory to net realisable value during the year.

The mode of valuation of inventories have been stated in note 2.15

9 Cash and cash equivalents

	<u>As at 31.03.2017</u> Rupees in lakhs	<u>As at 31.03.2016</u> Rupees in lakhs	<u>As at 01.04.2015</u> Rupees in lakhs
Balances with banks	778.78	508.62	557.37
Cheques, draft on hand	-	-	22.22
Cash on hand	0.25	0.13	0.07
	<u>779.03</u>	<u>508.75</u>	<u>579.66</u>
Cash and cash equivalents as per Statement of cash flows	<u>779.03</u>	<u>508.75</u>	<u>579.66</u>

9.1 Disclosure of Specified Bank Notes (SBN) held and transacted during the period from 8 November, 2016 to 30 December, 2016 (As per notification no. G.S.R. 307 (E) and notification no. G.S.R. 308 (E) dated 30 March, 2017)

	<u>SBNs*</u> Rupees	<u>Other denomination notes</u> Rupees	<u>Total</u> Rupees
Closing cash in hand as on 08.11.2016	1,00,000.00	20,490.00	1,20,490.00
Add: Permitted receipts	-	3,81,330.00	3,81,330.00
Add: Unpermitted receipts**	42,500.00	-	42,500.00
Less: Permitted payments	-	3,13,085.00	3,13,085.00
Less: Amount deposited in banks	1,42,500.00	-	1,42,500.00
Closing cash in hand as on 30.12.2016	<u>-</u>	<u>88,735.00</u>	<u>88,735.00</u>

* For the purposes of this note, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated 8 November, 2016.

** Related to receipt of certain unutilised employee advances.

Notes to the Financial Statements

	<u>As at 31.03.2017</u> Rupees in lakhs	<u>As at 31.03.2016</u> Rupees in lakhs	<u>As at 01.04.2015</u> Rupees in lakhs
10 Bank balances other than cash and cash equivalents			
Earmarked balances for unpaid dividend public deposits and interest			
(i) In current account	0.47	0.47	4.42
(ii) In deposit account	-	-	3.02
Total bank balance	<u>0.47</u>	<u>0.47</u>	<u>7.44</u>
	<u>As at 31.03.2017</u> Rupees in lakhs	<u>As at 31.03.2016</u> Rupees in lakhs	<u>As at 01.04.2015</u> Rupees in lakhs
11 Other financial assets			
Non-current			
Security deposits	6.40	111.18	126.13
Total	<u>6.40</u>	<u>111.18</u>	<u>126.13</u>
Current			
Interest accrued on deposits and advances	70.25	66.01	56.37
Total	<u>70.25</u>	<u>66.01</u>	<u>56.37</u>
	<u>As at 31.03.2017</u> Rupees in lakhs	<u>As at 31.03.2016</u> Rupees in lakhs	<u>As at 01.04.2015</u> Rupees in lakhs
12 Other assets			
Non-current			
Capital advances	8.31	84.18	482.57
Advance with public bodies	185.97	185.97	185.97
Prepaid lease payment (net)	4.75	4.81	4.87
	<u>199.03</u>	<u>274.96</u>	<u>673.41</u>
Current			
Advance with public bodies	99.03	194.26	226.95
Other advances	19.58	198.62	415.66
	<u>118.61</u>	<u>392.88</u>	<u>642.61</u>
Total	<u>317.64</u>	<u>667.84</u>	<u>1,316.02</u>
	<u>As at 31.03.2017</u> Rupees in lakhs	<u>As at 31.03.2016</u> Rupees in lakhs	<u>As at 01.04.2015</u> Rupees in lakhs
13 Tax assets and liabilities			
Non-current tax assets			
Advance payment against taxes	490.69	449.05	414.28
[Net of provision of Rs. 737.04 lakhs (as at 31.03.2016 : Rs. 737.04 lakhs; as at 01.04.2015 : Rs.737.04 lakhs)]	<u>490.69</u>	<u>449.05</u>	<u>414.28</u>
Current tax liabilities			
Provision for current tax	123.08	123.08	123.08
[Net of advance tax of Rs. 576.73 lakhs (as at 31.03.2016 : Rs. 576.73 lakhs; as at 01.04.2015 : Rs. 576.73 lakhs)]	<u>123.08</u>	<u>123.08</u>	<u>123.08</u>

Notes to the Financial Statements

	<u>As at 31.03.2017</u> Rupees in lakhs	<u>As at 31.03.2016</u> Rupees in lakhs	<u>As at 01.04.2015</u> Rupees in lakhs
14 Equity share capital			
Equity share capital	1,026.13	1,026.13	1,026.13
	<u>1,026.13</u>	<u>1,026.13</u>	<u>1,026.13</u>
Authorised share capital			
15,000,000 fully paid equity shares of Rs. 10 each	1,500.00	1,500.00	1,500.00
Issued and subscribed capital			
10,260,935 fully paid equity shares of Rs. 10 each	1,026.13	1,026.13	1,026.13
(as at 31 March, 2016: 10,260,935; as at 1 April, 2015: 10,260,935)			
	<u>1,026.13</u>	<u>1,026.13</u>	<u>1,026.13</u>

Fully paid equity shares

	<u>Numbers</u>	<u>Rupees in lakhs</u>
Balance as at 1 April, 2015	10,260,935.00	1,026.13
Issued during the year	-	-
Balance as at 31 March, 2016	10,260,935.00	1,026.13
Issued during the year	-	-
Balance as at 31 March, 2017	<u>10,260,935.00</u>	<u>1,026.13</u>

Equity shares :**Rights, preferences and restrictions attached to shares**

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

Details of share held by the holding company

	<u>No. of fully paid ordinary shares</u>
As at 31.03.2017	
Tata Steel Limited, the holding company	5,587,372
As at 31.03.2016	
Tata Steel Limited, the holding company	5,587,372
As at 01.04.2015	
Tata Steel Limited, the holding company	5,587,372

Details of shares held by each shareholder holding more than 5%

	<u>As at 31.03.2017</u>		<u>As at 31.03.2016</u>		<u>As at 01.04.2015</u>	
	Numbers	% holding	Numbers	% holding	Numbers	% holding
Fully paid equity shares						
Tata Steel Limited	5,587,372	54.45%	5,587,372	54.45%	5,587,372	54.45%
Yodogawa Steel Works Limited	1,536,704	14.98%	1,536,704	14.98%	1,536,704	14.98%

Notes to the Financial Statements

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs
15 Other equity			
Retained earnings	(48,797.91)	(40,503.03)	(24,819.04)
Securities premium reserve	5,541.96	5,541.96	5,541.96
Other comprehensive income	(35.90)	(38.06)	25.52
	(43,291.85)	(34,999.13)	(19,251.56)
		Year ended 31.03.2017	Year ended 31.03.2016
		Rupees in lakhs	Rupees in lakhs
15.1 Retained earnings			
Balance at the beginning of the year		(40,503.03)	(24,819.04)
Loss for the year		(8,294.88)	(15,683.99)
Balance at the end of the year		(48,797.91)	(40,503.03)
		Year ended 31.03.2017	Year ended 31.03.2016
		Rupees in lakhs	Rupees in lakhs
15.2 Securities premium reserve			
Balance at the beginning of the year		5,541.96	5,541.96
Share issued during the year		-	-
Balance at the end of the year		5,541.96	5,541.96
15.3 Other Items of other comprehensive income			
		Year ended 31.03.2017	Year ended 31.03.2016
		Rupees in lakhs	Rupees in lakhs
Balance at the beginning of the year		(38.06)	25.52
Remeasurement gains / (losses) on defined benefit plans		-	(65.08)
Net fair value gain on investments in equity instruments at FVTOCI		-	1.50
Profit on sale of equity instruments designated at fair value through OCI		2.16	-
Balance at the end of the year		(35.90)	(38.06)
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs
16 Borrowings			
Unsecured - at amortised cost			
(i) Other loans			
Non-cumulative redeemable preference shares (Refer note (i) below)	27,984.10	25,073.77	23,468.45
Secured - at amortised cost			
(i) Term Loan			
from banks (Refer note (ii) below)*	-	395.45	1,977.37
	27,984.10	25,469.22	25,445.82

Notes to the Financial Statements

Summary of borrowings arrangements

(i) Non-cumulative redeemable preference shares

25,100,000 Non-cumulative redeemable preference shares of Rs. 100 each are entitled to a fixed rate of dividend at the rate of 8.50% p.a., 1,600,000 Non-cumulative redeemable preference shares of Rs. 100 each are entitled to a fixed rate of dividend at the rate of 8.50% p.a. and 2,905,000 Non-cumulative redeemable preference shares of Rs. 100 each are entitled to a fixed rate of dividend at the rate of 7.17% p.a. The issuer shall redeem the preference shares at face value in three equal instalments at the beginning of eighth, ninth and tenth year from the due date of allotment.

(ii) Term Loan

Term loan from IDBI Bank Limited are secured by first charge on the property, plant and equipment of the Company. The borrowings carry a floating interest rate (Bank Base Rate BBR + 275 bps per annum) payable monthly with remaining quarterly repayment period of one quarter.

(iii) The terms of repayment of term loan and other loans are stated below

As at 31.03.2017

(a) Preference shares issued are redeemable on the following dates

Year of redemption	Amount Rupees in lakhs
2019-20	2,833.33
2020-21	2,833.33
2021-22	5,733.34
2022-23	5,000.00
2023-24	5,533.33
2024-25	3,601.67
2025-26	1,501.67
2026-27	968.33
	28,005.00
	(20.90)
	27,984.10

Less: Impact of recognition of borrowing at amortised cost using effective interest method under Ind AS

(b) Term loan is repayable as follows

Particulars	Amount outstanding*	No. of outstanding installments	Rate of interest
IDBI Term Loan	398.12	1	12.50% p.a

The outstanding amount of Rs. 395.45 lakhs is payable during the year 2017-18 and is grouped in current maturities of long term debt under other financial liabilities

* Gross of Rs. 2.67 lakhs on account of impact of recognition of borrowing at amortised cost using effective interest method under IndAS.

As at 31.03.2016

(a) Preference shares issued are redeemable on the following dates

Year of redemption	Amount Rupees in lakhs
2019-20	2,833.33
2020-21	2,833.33
2021-22	5,733.34
2022-23	5,000.00
2023-24	5,533.33
2024-25	2,633.33
2025-26	533.34
	25,100.00
	(26.23)
	25,073.77

Less: Impact of recognition of borrowing at using effective interest method under Ind Samortised cost

(b) Term loan is repayable as follows

Particulars	Amount outstanding	No. of outstanding installments	Rate of interest
IDBI Term Loan	1,990.62	5	12.75% p.a

Notes to the Financial Statements

The outstanding amount of Rs. 1,581.94 lakhs is payable during the year 2015-16 in 4 equal installments and is grouped in current maturities of long-term debt under other financial liabilities

* Gross of Rs. 13.23 lakhs on account of impact of recognition of borrowing at amortised cost using effective interest method under IndAS.

As at 01.04.2015

(a) Preference shares issued are redeemable on the following dates

Year of redemption	Amount
	Rupees in lakhs
2019-20	2,833.33
2020-21	2,833.33
2021-22	5,733.34
2022-23	5,000.00
2023-24	5,000.00
2024-25	2,100.00
	<u>23,500.00</u>
Less: Impact of recognition of borrowing at amortised cost using effective interest method under Ind AS	(31.55)
	<u>23,468.45</u>

(b) Term loan is repayable as follows

Particulars	Amount outstanding*	No. of outstanding instalments	Rate of interest
IDBI Term Loan	3,583.12	9	13.00% p.a

The outstanding amount of Rs. 1,581.94 lakhs is payable during the year 2015-16 in 4 equal instalments and is grouped in current maturities of long-term debt under other financial liabilities

* Gross of Rs. 23.81 lakhs on account of impact of recognition of borrowing at amortised cost using effective interest method under IndAS.

(iv) The Company has not defaulted on repayment of loans and interest payment thereon during the current and previous year.

17 Other financial liabilities

	As at 31.03.2017 Rupees in lakhs	As at 31.03.2016 Rupees in lakhs	As at 01.04.2015 Rupees in lakhs
Current			
a) Current maturities of long term debt(Refer note (i) below)	395.45	1,581.94	1,581.94
b) Interest accrued but not due (Refer note (ii) below)	902.63	198.01	34.55
c) Unpaid dividends	0.17	0.17	0.17
d) Unclaimed dividends	0.30	0.30	4.25
e) Unpaid matured fixed deposits	0.13	0.13	0.22
f) Creditors for capital supplies/services	178.34	468.33	512.25
	<u>1477.02</u>	<u>2,248.88</u>	<u>2,133.38</u>

(i) Term Loans from IDBI Bank Limited are secured by first charge on the property, plant and equipment of the Company. The borrowings carry a floating interest rates (Bank Base Rate BBR + 275 bps) with remaining quarterly repayment period of one quarter. Unamortised processing fees of current maturities of long term loan amounting to Rs. 2.65 lakhs (as at 31.03.2016: Rs. 10.58 lakhs, as at 31.03.2015: Rs. 10.58 lakhs) for the year ended 31.03.2017 has been adjusted against these balances

ii) The interest has been accrued on outstanding on related parties for the year ended 31.03.2017, Rs. 6,000.00 lakhs (as at 31.03.2016: Rs. 4,363.00 lakhs, as at 31.03.2015: Nil) at various rates. (Refer Note 19)

Notes to the Financial Statements

18 Provisions

	<u>As at 31.03.2017</u> Rupees in lakhs	<u>As at 31.03.2016</u> Rupees in lakhs	<u>As at 01.04.2015</u> Rupees in lakhs
(A) Non-current provisions			
Provision for employees benefits			
(a) Post employment defined benefits			
(i) Retiring gratuity	-	-	326.04
(ii) Pension obligation	-	222.42	225.86
(iii) Post retirement medical benefits to employees	-	489.47	591.97
(iv) Post retirement medical benefits to Ex-Directors	-	20.71	25.64
(b) Other benefits			
(i) Leave benefit scheme	-	-	454.27
	<u>-</u>	<u>732.60</u>	<u>1,623.78</u>
(c) Provision for employee separation compensation (VSS)	-	18.67	24.89
	<u>-</u>	<u>18.67</u>	<u>24.89</u>
	<u>-</u>	<u>751.27</u>	<u>1,648.67</u>

	<u>As at 31.03.2017</u> Rupees in lakhs	<u>As at 31.03.2016</u> Rupees in lakhs	<u>As at 01.04.2015</u> Rupees in lakhs
(B) Current provisions			
(I) Provision for employees benefits			
(a) Post employment defined benefits			
(i) Retiring gratuity	328.78	341.91	-
(ii) Pension obligation	-	27.55	28.41
(iii) Post retirement medical benefits to employees	124.88	26.02	23.73
(iv) Post retirement medical benefits to Ex-Directors	-	6.48	2.71
(b) Other post -employment benefits			
(i) Leave benefit scheme	230.82	571.08	48.86
	<u>684.48</u>	<u>973.04</u>	<u>103.71</u>
(c) Provision for employee separation compensation (VSS) (also refer note38)	1,186.81	12.12	19.38
(II) Other provision - warranties (see note 18.1)	637.12	655.02	714.29
	<u>2,508.41</u>	<u>1,640.18</u>	<u>837.38</u>

18.1 Other provisions for warranty

	<u>As at 31.03.2017</u> Rupees in lakhs	<u>As at 31.03.2016</u> Rupees in lakhs	<u>As at 01.04.2015</u> Rupees in lakhs
Balance at the beginning of the year	655.02	714.29	619.12
Additional provisions recognised	85.45	597.45	644.85
Reductions arising from payments	(103.35)	(656.72)	(549.68)
Balance at the end of the year	<u>637.12</u>	<u>655.02</u>	<u>714.29</u>

Notes:

- (i) Provision for employee benefits include leave, early retirement and termination benefits provided by the Company as per the VSS scheme announced by the Company during the year and revised from time to time.
- (ii) The provision for warranty claims includes warranty given on sale of rolls. Provision for warranty is made based on technical estimates and past experience of such costs. Actual claims may differ from estimates and the difference is recognised in the year of occurrence.

Notes to the Financial Statements

19 borrowings

	<u>As at 31.03.2017</u> Rupees in lakhs	<u>As at 31.03.2016</u> Rupees in lakhs	<u>As at 01.04.2015</u> Rupees in lakhs
Unsecured - at amortised cost			
a) Loans from related parties (Refer Note (i) below)	6,000.00	4,363.00	-
b) Loans repayable on demand			
(i) Tata Capital Financial Services Limited (12.50% p.a.)	-	-	1,000.00
(ii) Tata Coffee Limited (12.50% p.a.)	-	-	500.00
c) Buyer's credit - IDBI Bank Limited (Refer note (ii) below)	-	-	339.92
Secured - at amortised cost			
a) Loans repayable on demand from banks (Refer note (iii) below)	6,253.26	6,283.04	6,066.59
Total	<u>12,253.26</u>	<u>10,646.04</u>	<u>7,906.51</u>

Notes :

- (i) Amounts repayable to related parties of the Company. Interest of 7% - 13.07% p.a. is charged on the outstanding loan balances (as at 31.03.2016: 13.07% p.a., as at 01.04.2015: nil p.a.)
- (ii) The loan was repayable from April 2015 to September 2016 and applicable rate of interest was 0.75% to 1.41% per annum.
- (iii) Loans repayable on demand from bank includes cash credit accounts with Bank of India and IDBI Bank. The cash credit facilities are secured by hypothecation of all tangible movable assets of the Company including finished and semi-finished stocks, raw materials, stores and book debts ranking pari passu. In addition they are secured by way of second charge on the immovable properties of the Company ranking pari passu. The cast credit facilities from Bank of India and IDBI bank carry & floating interest rate of Bank Base & 380bps per annum and Bank Rate +275 bps per annum. respectively .

20 Trade payables

	<u>As at 31.03.2017</u> Rupees in lakhs	<u>As at 31.03.2016</u> Rupees in lakhs	<u>As at 01.04.2015</u> Rupees in lakhs
Creditors for supplies and services			
(a) Micro enterprises and small enterprises	-	50.85	79.99
(b) Others	1,919.82	3,173.40	3,401.40
Creditors for accrued wages and salaries	601.94	960.63	824.73
	<u>2,521.76</u>	<u>4,184.88</u>	<u>4,306.12</u>

The average credit period for purchase of goods is one month. No interest is charged on trade payables on the outstanding balance except for micro, small and medium enterprises as reported below.

Disclosure required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED') Amounts payable to MSMED suppliers as at year end are as under :

	<u>As at 31.03.2017</u> Rupees in lakhs	<u>As at 31.03.2016</u> Rupees in lakhs
a) Principal amount remaining unpaid to supplier as at the end of the accounting year	-	43.39
b) Interest due thereon remaining unpaid to supplier as at the end of the accounting year	-	7.46
c) The amount of interest paid settled in terms of Section 16, along with The amount of payment made to the supplier beyond the appointment day during the year. (Refer note (i)below)	7.46	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the	-	7.46

Notes to the Financial Statements

	<u>As at 31.03.2017</u>	<u>As at 31.03.2016</u>
	Rupees in lakhs	Rupees in lakhs
interest specified under this Act		
e) The amount of interest accrued during the year and remaining unpaid at the end of the accounting year	-	1.44
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSME	-	7.46
21 Other current liabilities		
	<u>As at 31.03.2017</u>	<u>As at 31.03.2016</u>
	Rupees in lakhs	Rupees in lakhs
a) Advances received from customers	2,333.86	2,812.44
b) Others (includes provision for deferred liability for EPCG) (see note 35 'c')	1,850.74	1,613.65
	<u>4,184.60</u>	<u>4,426.09</u>
		<u>As at 01.04.2015</u>
		Rupees in lakhs
		2,793.03
		1,557.29
		<u>4,350.32</u>
22 Revenue from operations (Refer note 30.5)		
	<u>As at 31.03.2017</u>	<u>As at 31.03.2016</u>
	Rupees in lakhs	Rupees in lakhs
(a) Sale of products (including excise duty of Rs. 443.28 lakhs for the year ended 31.03.2017; Rs. 1,392.83 lakhs for the year ended 31.03.2016)	2,951.08	11,695.24
(b) Sale of services	738.51	1,900.94
(c) Other operating revenues		
(i) Sale of miscellaneous goods	939.69	397.87
(ii) Sundry income	34.48	9.13
	<u>4,663.76</u>	<u>14,003.18</u>
23 Other income		
	<u>Year ended</u>	<u>Year ended</u>
	31.03.2017	31.03.2016
	Rupees in lakhs	Rupees in lakhs
a) Interest income		
Interest on deposits (at amortised cost)	22.26	20.22
b) Other gains and losses		
Net foreign exchange gains	4.35	1.66
c) Other non-operating income		
Liabilities no longer required written back	575.46	155.69
Total	<u>602.07</u>	<u>177.57</u>
24 Cost of materials consumed		
	<u>Year ended</u>	<u>Year ended</u>
	31.03.2017	31.03.2016
	Rupees in lakhs	Rupees in lakhs
(a) Opening stock	1,308.92	1,112.31
(b) Add: Purchase	354.36	4,790.13
Sub-total	<u>1,663.28</u>	<u>5,902.44</u>
(c) Less: Closing stock	763.80	1,308.92
Total	<u>899.48</u>	<u>4,593.52</u>

Notes to the Financial Statements

25 Changes in inventories of finished goods, stock in trade and work in progress

	Year ended 31.03.2017	Year ended 31.03.2016
	Rupees in lakhs	Rupees in lakhs
Finished and semi-finished goods at beginning of the year	1,995.61	2,624.16
Finished and semi-finished goods at end of the year	7.37	1,995.61
Changes in inventories	1,988.24	628.55

	Year ended 31.03.2017	Year ended 31.03.2016
	Rupees in lakhs	Rupees in lakhs
26 Employee benefits expense		
Salaries and wages	1,880.62	3,201.47
Employee separation compensation	1.29	1.49
Contribution to provident and other funds (Refer note (i) below)	241.99	481.94
Staff welfare expenses	82.22	203.44
	2,206.12	3,888.34

Notes:

- (i) Contribution to provident and other funds includes contribution to provident fund Rs. 91.90 lakhs (for the year ended 31.03.2016: Rs. 218.02 lakhs), contribution to superannuation fund Rs. 53.46 lakhs (for the year ended 31.03.2016: Rs. 96.77 lakhs), contribution to employees pension fund Rs. 12.76 lakhs (for the year ended 31.03.2016: Rs. 22.48 lakhs) and gratuity expense Rs. 83.87 lakhs (for the year ended 31.03.2016: Rs. 144.67 lakhs)
- (ii) Actuarial loss of Rs. 65.08 lakhs for financial year ended 31 March, 2016 has been reclassified to other comprehensive income.

27 Finance costs

	Year ended 31.03.2017	Year ended 31.03.2016
	Rupees in lakhs	Rupees in lakhs
(a) Interest costs		
Interest on bank loans	965.55	1,056.40
Interest on loans from related parties	704.90	162.58
Interest on loans from others	-	124.56
(b) Other borrowing costs (Refer note 35(g))	15.90	15.90
Total interest expenses for financial liabilities not classified as FVTPL	1,686.35	1,359.44

	Year ended 31.03.2017	Year ended 31.03.2016
	Rupees in lakhs	Rupees in lakhs
28 Depreciation and amortisation expense		
(i) Depreciation of property, plant and equipment (Refer note 4)	693.01	1,493.35
(ii) Amortisation of intangible assets (Refer note 5)	1.45	182.20
Total	694.46	1,675.55

Notes to the Financial Statements

29 Other expenses

	Year ended 31.03.2017	Year ended 31.03.2016
	Rupees in lakhs	Rupees in lakhs
(1) Repairs to machinery	21.52	317.31
(2) Freight and handling charges	40.45	343.25
(3) Rent	3.40	10.65
(4) Royalty	27.93	145.03
(5) Rates and taxes	15.79	51.52
(6) Insurance charges	19.00	11.26
(7) Allowance for doubtful debts and receivables	344.15	51.82
(8) (Decrease) / increase in excise duty on inventory	(37.67)	66.49
(9) Other expenses		
(a) Product warranty charges	85.45	597.45
(b) Loss on sale/write off of tangible assets	71.97	25.50
(c) Auditors remuneration and out-of-pocket expenses (net of Service Tax)		
(i) For audit	9.00	9.00
(ii) For taxation matters	1.50	1.50
(iii) For other services	0.50	0.50
(iv) For reimbursement of expenses	0.10	0.42
(d) Legal and other professional costs	154.03	290.76
(e) Advertisement, promotion and selling expenses	-	1.30
(f) Travelling expenses	25.37	66.69
(g) Consultation fees	68.63	106.84
(h) Rolls machining charges	80.05	147.74
(i) Penalties and damages	519.74	262.13
(j) Other general expenses	586.47	810.57
Total	2,037.38	3,317.73

30 Segment information

30.1 Products and services from which reportable segments derive their revenues

Operating segments are defined as components of an enterprises for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is the Board of Directors of the Company.

The Company has identified business segments (type of products) as reportable segments. The business segments comprise:

- a. Roll operation
- b. Pig iron operation
- c. Ingot operation
- d. Engg forgings operation

Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment have been allocated on a reasonable basis. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable.

Notes to the Financial Statements

30.2 Segment revenues and results

Summarised segment information for the years ended 31 March, 2017, 31 March, 2016 and 1 April, 2015 is as follows:

	Year ended 31.03.2017	Year ended 31.03.2016
	Rupees in lakhs	Rupees in lakhs
Segment revenue		
Roll operation	2,816.56	10,378.33
Pig iron operation	1,492.87	2,439.37
Ingot operation	35.20	2,147.58
Engg forgings operation	354.13	1,194.12
Unallocated	602.07	177.57
	<u>5,300.83</u>	<u>16,336.97</u>
Inter segment revenue	(35.00)	(2,156.22)
Total income	<u>5,265.83</u>	<u>14,180.75</u>
Segment result [profit/(loss)]		
Roll operation	(3,713.02)	(4,785.42)
Pig iron operation	(11.12)	155.02
Ingot operation	(265.20)	(281.34)
Engg forgings operation	(513.29)	(635.71)
Net loss for the period (before finance costs, tax and exceptional items)	<u>(4,502.63)</u>	<u>(5,547.45)</u>
Less: Finance costs	1,686.35	1,359.44
Less: Exceptional items (net)	2,518.89	8,913.51
Less: Other unallocable expenditure (net off unallocable income)	(412.99)	(136.41)
Total profit/(loss) before tax	<u>(8,294.88)</u>	<u>(15,683.99)</u>

30.3 Segment assets and liabilities

	As at 31.03.2017 Rupees in lakhs	As at 31.03.2016 Rupees in lakhs	As at 31.03.2015 Rupees in lakhs
Segment assets			
Roll operation	3,431.89	7,492.28	18,843.35
Pig iron operation	1,116.50	2,628.68	2,479.61
Ingot operation	474.12	1,114.47	3,668.18
Engg forgings operation	984.59	971.79	3,378.01
Total segment assets	<u>6,007.10</u>	<u>12,207.22</u>	<u>28,369.15</u>
Unallocated assets	2,779.41	3,309.42	156.70
Total assets	<u>8,786.51</u>	<u>15,516.64</u>	<u>28,525.85</u>
Segment liabilities			
Roll operation	5,528.68	6,585.13	6,064.60
Pig iron operation	1,345.61	1,641.49	1,609.31
Ingot operation	39.81	427.36	448.90
Engg forgings operation	425.12	690.26	719.29
Total segment liabilities	<u>7,339.22</u>	<u>9,344.24</u>	<u>8,842.10</u>
Unallocated liabilities	43,713.01	40,145.40	37,909.18
Total liabilities	<u>51,052.23</u>	<u>49,489.64</u>	<u>46,751.28</u>

Notes to the Financial Statements

30.4 Other segment information

Depreciation and amortisation

	Year ended 31.03.2017	Year ended 31.03.2016
	Rupees in lakhs	Rupees in lakhs
Roll operation	236.79	1,004.91
Pig iron operation	256.22	261.94
Ingot operation	42.67	102.30
Engg forgings operation	67.09	263.16
Unallocated	91.69	43.24
Total depreciation and amortisation	694.46	1,675.55

Additions to non-current assets

	Year ended 31.03.2017	Year ended 31.03.2016
	Rupees in lakhs	Rupees in lakhs
Roll operation	0.65	784.47
Pig iron operation	-	-
Ingot operation	-	-
Engg forgings operation	-	-
Unallocated	-	994.16
	0.65	1,778.63

Non cash expenditure other than depreciation and amortisation

	Year ended 31.03.2017	Year ended 31.03.2016
	Rupees in lakhs	Rupees in lakhs
Roll operation	975.51	982.22
Pig iron operation	167.40	136.68
Ingot operation	39.71	6.07
Engg forgings operation	64.84	65.30
Unallocated	3.19	16.71

30.5 Revenue from major products and services

The following is an analysis of the Company's revenue from its major products and services

	Year ended 31.03.2017	Year ended 31.03.2016
	Rupees in lakhs	Rupees in lakhs
Roll operation	2,816.56	10,369.69
Pig iron operation	1,492.87	2,439.37
Ingot operation	0.20	-
Engg forgings operations	354.13	1,194.12
	4,663.76	14,003.18

Notes to the Financial Statements

30.6 Geographical information

The Company operates in two principal geographical areas-India (country of domicile) and outside India (mainly Bangladesh).

	Year ended 31.03.2017	Year ended 31.03.2016
	Rupees in lakhs	Rupees in lakhs
Revenue from external customers		
India	5,238.61	14,102.28
Outside India	27.22	78.47
	5,265.83	14,180.75
	As at 31.03.2017	As at 31.03.2016
	Rupees in lakhs	Rupees in lakhs
Non-current assets		As at 01.04.2015
India	6933.09	18,705.71
Outside India	-	-
	6933.09	18,705.71

30.7 Information about major customers

Details of revenue from transactions with a single customer which are more than 7% or more of the Companies revenue are as follows:

	Year ended 31.03.2017	Year ended 31.03.2016
	Rupees in lakhs	Rupees in lakhs
Customer A		
Roll operation	980.40	2,751.30
Pig iron operation	619.22	1,679.85
Engg forgings operations	75.63	187.20
	1,675.25	4,618.35
Customer E		
Roll operation	331.96	1,694.43
	331.96	1,694.43

31 Earnings per share

	Year ended 31.03.2017	Year ended 31.03.2016
	Rs. per share	Rs. per share
Basic/diluted earnings per share (A/B)	(80.84)	(152.86)

Basic/diluted earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:

	Year ended 31.03.2017	Year ended 31.03.2016
A Earnings used in the calculation of basic/diluted earnings per share(Rupees in lakhs)	(8,294.88)	(15,683.99)
B Weighted average number of equity shares for the purposes of basic/diluted earnings per share	10,260,935	10,260,935

Note: The Company did not have any potentially dilutive securities in any of the periods presented.

Notes to the Financial Statements

32 Employee benefit plan

32.1 Defined contribution plan

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

The Company has recognised, in the Statement of Profit and Loss for the year ended 31.03.2017, an amount of Rs. 158.12 lakhs (for the year ended 31.03.2016 Rs. 337.27 lakhs) as expenses under the following defined contribution plans

Benefit (Contribution to)

	Year ended 31.03.2017	Year ended 31.03.2016
	Rupees in lakhs	Rupees in lakhs
Provident fund	91.90	218.02
Superannuation fund	53.46	96.77
Employees pension scheme	12.76	22.48
	<u>158.12</u>	<u>337.27</u>

As at 31 March, 2017, contribution of Rs. 1.46 lacs (as at 31 March, 2016 Rs. 14.24 lacs) representing amount payable to the Employee Provident Fund, Rs. 0.27 lacs (as at 31 March, 2016 Rs. 96.77 lacs) to superannuation fund and Rs. 0.43 lacs (as at 31 March, 2016 Rs. 3.84 lacs) to employees pension scheme in respect of the year ended 31 March 2017 (year ended 31 March, 2016) reporting period had not been paid to the plans. The amounts were paid subsequent to the end of respective reporting periods.

32.2 Defined benefit plan :

The Company operates post retirement benefit plans as follows:

Funded

- i) Post retirement gratuity

Unfunded

- i) Post Retirement Medical Benefit (PRMB)
- ii) Pension to Directors

i) Funded defined benefit plans- Post retirement gratuity

The amount included in the Balance Sheet arising from the entity's obligation in respect of its post retirement gratuity plan is as follows:

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs
Provision for funded defined benefit obligation (Actual basis) Refer note 4 below	811.38	1,375.61	-
Present value of funded defined benefit obligation	-	-	1,071.72
Fair value of plan assets	482.60	1,033.70	745.68
Funded status surplus/ (deficit)	<u>(328.78)</u>	<u>(341.91)</u>	<u>(326.04)</u>

Principal actuarial assumptions:

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Discount rate (p.a.)	Refer note 4 below	Refer note 4 below	7.90%
Expected rate of return on assets (p.a.)	5.30%	8.96%	8.25%
Salary escalation rate (p.a.)	Refer note 4 below	Refer note 4 below	5.00%

Notes to the Financial Statements

	<u>As at 31.03.2017</u>	<u>As at 31.03.2016</u>	<u>As at 01.04.2015</u>
Demographic assumptions:			
Normal retirement age (years)	60	60	60
Mortality rate	Refer note 4 below	Refer note 4 below	Indian Assured Lives Mortality (2006-08) modified Ult.
Withdrawal rate			
Ages from 20-25	Refer note 4 below	Refer note 4 below	0.50%
Ages from 25-30			0.30%
Ages from 30-35			0.20%
Ages from 35-50			0.10%
Ages from 50-55			0.20%
Ages from 55-58			0.30%

Notes:

- 1) The discount rate is based on the prevailing market yields of Indian Government bonds as at the balance sheet date for the estimated term of obligations.
- 2) The gratuity plan is funded.
- 3) The estimates of future salary increases considered taken into account the inflation, seniority, promotion and other relevant factors.
- 4) As the Company has prepared the financial statements for the year ended 31 March, 2017 and 31 March, 2016 on not a going concern basis, liability for post retirement gratuity is provided for on an actual basis and hence disclosures as required under Ind AS 19 "Employee Benefits" related to defined benefit plans have not been made.

Movement in the fair value of the plan assets are as follows:

Particulars	<u>Year ended</u> <u>31.03.2017</u>	<u>Year ended</u> <u>31.03.2016</u>
	Rupees in lakhs	Rupees in lakhs
Opening fair value of plan assets	1,033.70	745.68
Interest income	54.74	66.83
Employer contributions	97.01	326.04
Return on plan assets greater/ (lesser) than discount rate	1.69	20.78
Benefits paid	(704.54)	(125.63)
Closing fair value of plan assets	482.60	1,033.70

The plan assets of the Company managed through a trust are managed by Trustees of Tata Yodogawa Ltd Gratuity Fund. The details of investments relating to these assets are as under

	<u>As at 31.03.2017</u>	<u>As at 31.03.2016</u>	<u>As at 01.04.2015</u>
Investment details (% invested)			
Government of India Securities (Central and State)	15.30%	2.00%	9.32%
High quality corporate bonds (including public sector bonds)	37.00%	24.30%	38.73%
Cash (including special deposits)	47.70%	73.70%	51.95%
Total	100.00%	100.00%	100.00%

The Company expects to make a contribution of Rs. 328.78 lakhs (as at 31 March, 2016: Rs. 341.91 lakhs; as at 1 April, 2015: Rs. 326.04 lakhs) to defined benefit plan during the next financial year.

Notes to the Financial Statements

ii) Unfunded defined benefit plans

The amount included in the Balance Sheet arising from the entity's obligation in respect of its unfunded defined benefit plans is as follows:

Post Retirement Medical Benefit (PRMB)

Particulars	<u>As at 31.03.2017</u> Rupees in lakhs	<u>As at 31.03.2016</u> Rupees in lakhs	<u>As at 01.04.2015</u> Rupees in lakhs
Provision for unfunded defined benefit obligation (Actual basis) Refer note 4 below	124.88	-	-
Present value of unfunded defined benefit obligation	-	542.68	644.05
	<u>(124.88)</u>	<u>(542.68)</u>	<u>(644.05)</u>

Pension to Directors

Particulars	<u>As at 31.03.2017</u> Rupees in lakhs	<u>As at 31.03.2016</u> Rupees in lakhs	<u>As at 01.04.2015</u> Rupees in lakhs
Provision for unfunded defined benefit obligation (Actual basis)	-	-	-
Present value of unfunded defined benefit obligation	-	249.97	254.27
	<u>-</u>	<u>(249.97)</u>	<u>(254.27)</u>

Principal actuarial assumptions:

Particulars	<u>As at 31.03.2017</u> Refer note 4 below	<u>As at 31.03.2016</u>	<u>As at 01.04.2015</u>
Discount rate (p.a.)		7.50%	7.90%
Medical costs inflation rate (p.a.)		6.50%	6.50%
Average medical cost (Rs/person)		Rs. 8,891	Rs. 8,349

Demographic assumptions:	<u>As at 31.03.2017</u>	<u>As at 31.03.2016</u>	<u>As at 01.04.2015</u>
Normal retirement age (years)	60	60	60
Mortality rate (in service)	Refer note 4 below	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
	Refer note 4 below	LIC (1996-98) Annuitants ultimate	LIC (1996-98) Annuitants ultimate

Withdrawal rate

Ages from 20-25			0.50%
Ages from 25-30			0.30%
Ages from 30-35			0.20%
Ages from 35-50	Refer note 4 below	10.00%	0.10%
Ages from 50-55			0.20%
Ages from 55-80			0.30%

Notes:

- 1) The discount rate is based on the prevailing market yields of Indian Government bonds as at the balance sheet date for the estimated term of obligations.
- 2) The plan is funded.
- 3) The estimates of future salary increases considered taken into account the inflation, seniority, promotion and other relevant factors.
- 4) As the Company has prepared the financial statements for the year ended 31 March, 2017 and 31 March, 2016 on not a going concern basis, liability for unfunded defined benefit plans for the year ended 31 March, 2017 is provided for on an actual basis and hence disclosures as required under Ind AS 19 "Employee Benefits" related to defined benefit plans have not been made for that period.

Notes to the Financial Statements

The following table sets out the amount recognised in the financial statements:

Particulars	As at 31.03.2017		As at 31.03.2016	
	Post Retirement Medical benefits	Pension to Directors	Post Retirement Medical benefits	Pension to Directors
i. Amounts recognised in the Statement of Profit and Loss in respect of these unfunded defined benefits plans are as follows:				
Current service cost	-	-	17.98	-
Interest cost	-	-	48.24	16.44
Provision recorded (Refer note 4 above)	-	15.17	-	-
Components of unfunded defined benefit costs recognised in profit or loss	<u>-</u>	<u>-</u>	<u>66.22</u>	<u>16.44</u>
ii. Remeasurement on the net unfunded defined benefit liability:				
Actuarial (gain)/loss	-	-	(140.92)	8.76
Component of unfunded defined benefit costs recognised in other comprehensive income	-	-	(140.92)	8.76

Particulars	As at 31.03.2017		As at 31.03.2016	
	Post Retirement Medical benefits	Pension to Directors	Post Retirement Medical benefits	Pension to Directors
	Rupees in lakhs		Rupees in lakhs	
iii. Movement in the fair value of the unfunded defined benefit obligation:				
Obligation as at the beginning of the year	542.68	249.97	644.05	254.27
Current service cost	-	-	17.98	-
Interest cost	-	-	48.24	16.44
Actuarial (gain)/ loss	-	-	(140.92)	8.76
Provision recorded (Refer note 4 above)	-	15.17	-	-
Benefits paid	(417.80)	(265.14)	(26.67)	(29.50)
Obligation as at the end of the year	<u>124.88</u>	<u>-</u>	<u>542.68</u>	<u>249.97</u>
<u>Sensitivity Analysis</u>				

Significant actuarial assumptions for the determination of the unfunded defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	As at 31.03.2017		As at 31.03.2016	
	Post Retirement Medical benefits	Pension to Directors	Post Retirement Medical benefits	Pension to Directors
	Rupees in lakhs		Rupees in lakhs	
Effect of a 1% change in medical escalation rate				
- 1% Increase	Refer note 4 above	Refer note 4 above	65.31	-
- 1% Decrease			(54.82)	-
Effect of a 1% change in discount rate				
- 1% Increase	Refer note 4 above	Refer note 4 above	(53.88)	(8.00)
- 1% Decrease			65.29	8.84

Notes to the Financial Statements

Actuarial assumptions for leave benefit scheme

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	<u>31.03.2017</u>	<u>Valuation as at 31.03.2016</u>	<u>01.04.2015</u>
Normal retirement age (years)	60	60	60
Discount rate(s)	7.00%	7.50%	7.90%
Expected rate(s) of salary increase	6.00%	6.00%	5.00%

Notes:

- 1) The discount rate is based on the prevailing market yields of Indian Government bonds as at the balance sheet date for the estimated term of obligations.
- 2) The compensated absences plan is unfunded.
- 3) The estimates of future salary increases considered take into account the inflation, seniority, promotion and other relevant factors.

33 Related Party Transactions

A. List of related parties :

i Holding company

Tata Steel Limited

ii. Fellow Subsidiaries

- a) Tata Steel Europe Limited
- b) The Indian Steel & Wire Products Limited
- c) The Tinsplate Company of India Limited
- d) Jamshedpur Continuous Annealing and Processing Company Private Limited
- e) Jamshedpur Utilities & Services Company Limited
- f) Tata Metaliks Limited
- g) Tata Metaliks DI Pipes Limited
- i) Tata Sponge Iron Limited
- j) TKM Global Logistics Limited

iii. Others - Post employment benefit plan

- a) Trustees of Tata Yodogawa Limited Gratuity Fund
- b) Trustees of Tata Yodogawa Limited Provident Fund
- c) Tata Yodogawa Limited Employees Pension Fund
- d) Tata Yodogawa Limited Superannuation Fund

iv. Key Management Personnel (KMP)

Mr. K. Shankar Marar (Managing Director)

Notes to the Financial Statements

Nature of Transactions	Rupees in lakhs				total
	Holding company	Fellow Subsidiaries	Others	Key Management Personnel (KMP)	
B. Transactions/balances outstanding with related parties					
(i) Sale of goods					
1 Tata Steel Limited	1,056.03	-	-	-	1,056.03
	(2,938.50)	(-)	(-)	(-)	(2,938.50)
2 The Tinplate Company of India Limited	-	61.19	-	-	61.19
	(-)	(494.58)	(-)	(-)	(494.58)
3 The Indian Steel & Wire Products Limited	-	49.08	-	-	(49.08)
	(-)	(-)	(-)	(-)	(-)
4 Jamshedpur Continuous Annealing and Processing Company Private Limited	-	0.57	-	-	0.57
	(-)	(-)	(-)	(-)	(-)
Total	1,056.03	110.84	-	-	1,166.87
	(2,938.50)	(494.58)	(-)	(-)	(3,433.08)
(ii) Purchase of goods					
1 Tata Steel Limited	88.48	-	-	-	88.48
	(1,668.91)	(-)	(-)	(-)	(1,668.91)
2 Tata Sponge Iron Limited	-	-	-	-	-
	(-)	(61.95)	(-)	(-)	(61.95)
Total	88.48	-	-	-	88.48
	(1,668.91)	(61.95)	(-)	(-)	(1,730.86)
(iii) Sale of services					
1 Tata Steel Limited	619.22	-	-	-	619.22
	(1679.85)	(-)	(-)	(-)	(1679.85)
2 Jamshedpur Continuous Annealing and Processing Company Private Limited	-	-	-	-	-
	(-)	(0.68)	(-)	(-)	(0.68)
3 The Indian Steel & Wire Products Limited	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Total	619.22	-	-	-	619.22
	(1679.85)	-0.68	(-)	(-)	(1680.53)
(iv) Receiving of services					
1 Tata Steel Limited	396.99	-	-	-	396.99
	(548.66)	(-)	(-)	(-)	(548.66)
2 TKM Global Logistics Limited	-	-	-	-	-
	(-)	(8.68)	(-)	(-)	(8.68)
3 Jamshedpur Utilities & Services Company Limited	-	328.89	-	-	328.89
	(-)	(1,620.11)	(-)	(-)	(1,620.11)
Total	396.99	328.89	-	-	725.88
	(548.66)	(1,628.79)	(-)	(-)	(2,177.45)
(v) Receiving of borrowings					

Notes to the Financial Statements

1	Tata Steel Limited	2,137.00	-	-	-	2,137.00
		(4,363.00)	(-)	(-)	(-)	(4,363.00)
(vi)	Repayment of borrowings					
1	Tata Steel Limited	500.00	-	-	-	500.00
		(-)	(-)	(-)	(-)	(-)
(vii)	Interest income					
1	Jamshedpur Utilities & Services Company Limited	-	-	-	-	-
		(-)	(5.64)	(-)	(-)	(5.64)
(viii)	Interest expenses					
1	Tata Steel Limited	704.90	-	-	-	704.90
		(162.58)	(-)	(-)	(-)	(162.58)
(ix)	Reimbursement of Expenses (Paid)					
1	Tata Steel Limited	24.70	-	-	-	24.70
		(27.03)	(-)	(-)	(-)	(27.03)
2	The Indian Steel & Wire Products Limited	-	4.16	-	-	4.16
		(-)	(7.26)	(-)	(-)	(7.26)
	Total	24.70	4.16	-	-	28.86
		(27.03)	(7.26)	(-)	(-)	(34.29)
(x)	Issue of preference shares					
1	Tata Steel Limited	2,905.00	-	-	-	2,905.00
		(1,600.00)	-	-	-	(1,600.00)
(xi)	Provision for doubtful debts and receivables					
1	Tata Steel Limited	4.79	-	-	-	4.79
		(-)	(-)	(-)	(-)	(-)
2	The Tinplate Company of India Limited	-	7.66	-	-	7.66
		(-)	(-)	(-)	(-)	(-)
3	Tata Steel Europe Limited	-	1.58	-	-	1.58
		(-)	(-)	(-)	(-)	(-)
	Total	4.79	9.24	-	-	14.03
		(-)	(-)	-	(-)	14.03
(xii)	Contribution to post employment benefit plans					
1	Trustees of Tata Yodogawa Limited Gratuity Fund	-	-	83.87	-	83.87
		(-)	(-)	(341.91)	(-)	(341.91)
2	Trustees of Tata Yodogawa Limited Provident Fund	-	-	251.90	-	251.90
		(-)	(-)	(473.63)	(-)	(473.63)
3	Tata Yodogawa Limited Employees Pension Fund	-	-	28.15	-	28.15
		(-)	(-)	(44.97)	(-)	(44.97)
4	Tata Yodogawa Limited Superannuation Fund	-	-	43.21	-	43.21
		(-)	(-)	(96.56)	(-)	(96.56)
	Total	-	-	407.13	-	407.13
		(-)	(-)	(957.07)	(-)	(957.07)
(xiii)	Managerial remuneration#					
	Mr. K. Shankar Marar	-	-	-	40.18	40.18
		(-)	(-)	(-)	(40.69)	(40.69)

Managerial remuneration for KMP excludes provision for leave benefit scheme and gratuity, as separate figures for KMP is not available.

Note: Figures in brackets stated pertain to year ended 31 March, 2016.

Notes to the Financial Statements

C. The following balances were outstanding at the end of the reporting period

Particulars	Holding company	Fellow Subsidiaries	Others	Key Management Personnel (KMP)	Rupees in lakhs total
(i) Outstanding receivables					
a) Tata Steel Limited					
As at 31-03-2017	118.13	-	-	-	118.13
As at 31-03-2016	1,195.83	-	-	-	1,195.83
As at 01-04-2015	510.25	-	-	-	510.25
b) The Indian Steel & Wire Products Limited					
As at 31-03-2017	-	0.53	-	-	0.53
As at 31-03-2016	-	-	-	-	-
As at 01-04-2015	-	5.87	-	-	5.87
c) Tata Steel Europe Limited					
As at 31-03-2017	-	1.58	-	-	1.58
As at 31-03-2016	-	1.80	-	-	1.80
As at 01-04-2015	-	246.08	-	-	246.08
d) The Tinplate Company of India Limited					
As at 31-03-2017	-	7.66	-	-	7.66
As at 31-03-2016	-	15.11	-	-	15.11
As at 01-04-2015	-	24.61	-	-	24.61
e) Tata Metaliks DI Pipes Limited					
As at 31-03-2017	-	1.94	-	-	1.94
As at 31-03-2016	-	1.94	-	-	1.94
As at 01-04-2015	-	1.94	-	-	1.94
(ii) Deposits including interest accrued					
a) Jamshedpur Utilities & Services Company Limited					
As at 31-03-2017	-	8.04	-	-	8.04
As at 31-03-2016	-	75.64	-	-	75.64
As at 01-04-2015	-	76.28	-	-	76.28
(iii) Outstanding payables					
a) Tata Steel Limited					
As at 31-03-2017	362.78	-	-	-	362.78
As at 31-03-2016	2,618.94	-	-	-	2,618.94
As at 01-04-2015	2,875.26	-	-	-	2,875.26
b) The Indian Steel & Wire Products Limited					
As at 31-03-2017	-	-	13.96	-	13.96
As at 31-03-2016	-	-	29.12	-	29.12
As at 01-04-2015	-	-	3.02	-	3.02
c) TKM Global Logistics Limited					
As at 31-03-2017	-	-	-	-	-

Notes to the Financial Statements

	As at 31-03-2016	-	-	-	-
	As at 01-04-2015	-	20.32	-	20.32
d)	Tata Sponge Iron Limited				
	As at 31-03-2017	-	-	-	-
	As at 31-03-2016	-	-	-	-
	As at 01-04-2015	-	8.40	-	8.40
e)	Jamshedpur Utilities & Services Company Limited				
	As at 31-03-2017	-	1.15	-	1.15
	As at 31-03-2016	-	129.21	-	129.21
	As at 01-04-2015	-	89.85	-	89.85
(iv)	Issue of preference shares				
a)	Tata Steel Limited				
	As at 31-03-2017	26,005.00	-	-	26,005.00
	As at 31-03-2016	23,100.00	-	-	23,100.00
	As at 01-04-2015	21,500.00	-	-	21,500.00
(v)	Current borrowings				
a)	Tata Steel Limited				
	As at 31-03-2017	6,000.00	-	-	6,000.00
	As at 31-03-2016	4,363.00	-	-	4,363.00
	As at 01-04-2015	-	-	-	-
(vi)	Interest accrued				
a)	Tata Steel Limited				
	As at 31-03-2017	867.47	-	-	867.47
	As at 31-03-2016	162.58	-	-	162.58
	As at 01-04-2015	-	-	-	-
(vii)	Advance received				
a)	Tata Steel Limited				
	As at 31-03-2017	2,157.10	-	-	2,157.10
	As at 31-03-2016	-	-	-	-
	As at 01-04-2015	1,006.89	-	-	1,006.89
(viii)	Allowance for doubtful debts (expected credit loss allowance)				
a)	Tata Steel Limited				
	As at 31-03-2017	4.79	-	-	4.79
	As at 31-03-2016	-	-	-	-
	As at 01-04-2015	-	-	-	-
b)	The Tinplate Company of India Limited				
	As at 31-03-2017	-	7.66	-	7.66
	As at 31-03-2016	-	-	-	-
	As at 01-04-2015	-	0.74	-	0.74
c)	Tata Steel Europe Limited				
	As at 31-03-2017	-	1.58	-	1.58
	As at 31-03-2016	-	-	-	-
	As at 01-04-2015	-	-	-	-

Notes to the Financial Statements

34 Contingent liabilities and commitments

	As at 31.03.2017 Rupees in lakhs	As at 31.03.2016 Rupees in lakhs	As at 01.04.2015 Rupees in lakhs
34.1 Contingent liabilities			
a) Claims against the Company not acknowledged as debts			
Excise and service tax *	405.60	297.81	297.81
Sales tax	129.60	129.60	34.05
Income tax	271.64	300.51	305.30
Other money for which the Company is contingently liable			
"(I) JSEB/BSEB -electricity charges (excluding interest) (Refer note (i)and (ii) below)"	23,036.06	23,036.06	27,593.39
(II) Export promotion capital goods scheme (Refer note (iii) below)	922.79	793.65	544.65
Amount paid under protest in respect thereof	10.00	10.00	-
b) Guarantees			
-Under Export Promotion Capital Goods Scheme for concessional duty on import of machinery furnished to the Customs authorities	-	-	177.00
- Bank guarantee (Refer note (ii) below)	3.72	3.72	3.72

- (i) Consequent to the judgment dated 2 May, 2013 of Honourable Jharkhand High Court with regard to the applicability of power tariff structure on the Company's Induction Furnace Unit from January 2000, the Jharkhand State Electricity Board (JSEB) had raised rectified energy bill dated 10 June, 2013 for Rs. 27,203.00 lakhs (later claim revised to Rs. 26,361.00 lakhs). The rectified energy bill was challenged separately before the Honourable Jharkhand High Court. The Company has also contested the judgment dated 2 May, 2013 on the applicability of power tariff structure by way of filing an appeal before the Honourable Jharkhand High Court which has been admitted on merit on 3 July, 2013 . The demand raised by JSEB has been considered as contingent liability in the financial statements.

JSEB had also initiated Certificate proceedings for recovery of Rs. 26,361.00 lakhs against the Company and the Board of Directors, which was challenged before the Certificate Officer. The Certificate Officer in his Order dated 12 December, 2015 has absolved the directors from any liability to the extent the certificate amount is considered. He also directed JSEB to raise revised bills and the Company to pay the same within 15 days of the order. JSEB has raised the revised bill dated 24 December, 2015 for Rs. 21,803.67 lakhs. The Company has also challenged the Order dated 12 December, 2015 of the Certificate officer before the Division Bench of the Jharkhand High Court.

On 18 December, 2015, the Division Bench of Jharkhand High Court has passed its Order that "No Coercive Action" shall be initiated against the Company during pendency and final hearing of the Appeals.

On 18 December, 2015, the Division Bench of Jharkhand High Court has passed its Order that ""No Coercive Action"" shall be initiated against the Company during pendency and final hearing of the Appeals. "

- (ii) During the financial year 2000-01, Bihar State Electricity Board (BSEB) had issued circulars revising the fuel surcharge rates for the period from 1996-97 to 1999-2000. Based on management estimate the Company had paid and provided the principal amount aggregating to Rs. 43.61 lakhs in the books of account and filed a Letters Patent Appeal (LPA) before the Division Bench of the Jharkhand High Court disputing payment of delayed payment surcharge (DPS) amounting to Rs. 1,232.39 lakhs. Further, the Company had also filed a Special Leave Petition (SLP) before the Hon'ble Supreme Court for seeking relief from payment of DPS. The Supreme Court granted stay on the payment of DPS till final decision by the Jharkhand High Court. The matter is still sub-judice. Pending finalisation of the matter no adjustments have been made in the financial statements for the year ended 31 March, 2017. The Company had issued a bank guarantee of Rs. 372.00 lakhs relating to above.
- (iii) The Company has filed a rectification application with the Director General of Foreign Trade for discharge of export obligation.

34.2 Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. Nil (as at 31.03.2016: Rs. 318.27 lakhs, as at 01.04.2015: Rs. 829.70 lakhs) against which advances paid Rs. 8.31 lakhs (as at 31.03.2016: Rs. 84.18 lakhs, as at 01.04.2015 : Rs. 482.57 lakhs).

Notes to the Financial Statements

35.1 Effect of Ind AS adoption on the balance sheet as at 31 March, 2016

	Notes	As at 31.03.2016 (End of last year presented under Previous GAAP)"		
		Previous GAAP *	Effect of transition to Ind AS	As per Ind AS balance sheet
		Rupees in lakhs	Rupees in lakhs	Rupees in lakhs
ASSETS				
Non-current assets				
(a)	Property, plant and equipment (a), (b), (c)	6,252.52	681.63	6,934.15
(b)	Capital work-in-progress (a)	42.53	-	42.53
(c)	Other intangible assets	1.94	-	1.94
(d)	Financial assets			
(l)	Investments:			
	Other investments (d)	0.14	27.02	27.16
(ii)	Other financial assets	111.18	-	111.18
(e)	Non-current tax asset	449.05	-	449.05
(f)	Other non-current assets (b)	274.96	-	274.96
	Total non-current assets	7,132.32	708.65	7,840.97
Current assets				
(a)	Inventories	3,751.63	-	3,751.63
(b)	Financial assets			
	(i) Trade receivables	2,955.93	-	2,955.93
	(ii) Cash and cash equivalents	508.75	-	508.75
	(iii) Bank balances other than cash and cash equivalents	0.47	-	0.47
	(iv) Other financial assets	66.01	-	66.01
(c)	Other current assets	392.88	-	392.88
	Total current assets	7,675.67	-	7,675.67
	Total assets	14,807.99	708.65	15,516.64
EQUITY AND LIABILITIES				
Equity				
(a)	Equity share capital (e)	26,126.13	(25,100.00)	1,026.13
(b)	Other equity (c), (d), (e)	(35,020.17)	21.04	(34,999.13)
	Total equity	(8,894.04)	(25,078.96)	(33,973.00)
LIABILITIES				
Non-current liabilities				
(a)	Financial liabilities			
(i)	Borrowings (e), (f)	398.10	25,071.12	25,469.22
(b)	Provisions	751.27	-	751.27
		1,149.37	25,071.12	26,220.49

Notes to the Financial Statements

Current liabilities

(a) Financial liabilities					
(i)	Borrowings	10,646.04	-	10,646.04	
(ii)	Trade payables	4,184.88	-	4,184.88	
(iii)	Other financial liabilities	(e)	2,259.46	(10.58)	2,248.88
(b) Provisions					
		1,640.18	-	1,640.18	
(c) Current tax liabilities (net)					
		123.08	-	123.08	
(b)	Other current liabilities	©	3,699.02	727.07	4,426.09
Total current liabilities			22,552.66	716.49	23,269.15
Total liabilities			23,702.03	25,787.61	49,489.64
Total equity and liabilities			14,807.99	708.65	15,516.64

* Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

35.2 Effect of Ind AS adoption on the balance sheet as at 1 April, 2015

	Notes	Previous GAAP *	As at 31.03.2015 (Date of Transition)		
			Effect of transition to Ind AS	As per Ind AS balance sheet	
		Rupees in lakhs	Rupees in lakhs	Rupees in lakhs	
ASSETS					
Non-current assets					
(a)	Property, plant and equipment	(a), (c)	13,690.00	2,077.31	15,767.31
(b)	Capital work-in-progress	(a)	1,449.59	67.17	1,516.76
(c)	Other intangible assets		182.16	-	182.16
(d) Financial assets					
(I) Investments:					
	Other investments	(d)	0.14	25.52	25.66
	(ii) Other financial assets		126.13	-	126.13
(e)	Non-current tax asset		414.28	-	414.28
(f)	Other non-current assets		668.54	-	673.41
Total non-current assets			16,535.71	2,170.00	18,705.71
Current assets					
(a)	Inventories	(a)	5,719.67	(1,417.41)	4,302.26
(b) Financial assets					
(i)	Trade receivables		4,231.80	-	4,231.80
(ii)	Cash and cash equivalents		579.66	-	579.66
(iii)	Bank balances other than cash and cash equivalents		7.44	-	7.44
(iv)	Other financial assets		56.37	-	56.37
(c)	Other current assets		642.61	-	642.61
Total current assets			11,237.55	(1,417.41)	9,820.14
Total assets			27,773.26	752.59	28,525.85

Notes to the Financial Statements

EQUITY AND LIABILITIES**Equity**

(a) Equity share capital	(e)	24,526.13	(23,500.00)	1,026.13
(b) Other equity	(c), (d), (e)	<u>(19,332.44)</u>	<u>80.88</u>	<u>(19,251.56)</u>
Total equity		5,193.69	(23,419.12)	(18,225.43)

LIABILITIES**Non-current liabilities**

(a) Financial liabilities				
(i) Borrowings	(e), (f)	1,990.60	23,455.22	25,445.82
(b) Provisions		1,648.67	-	1,648.67
Total non current liabilities		<u>3,639.27</u>	<u>23,455.22</u>	<u>27,094.49</u>

Current liabilities

(a) Financial liabilities				
(i) Borrowings		7,906.51	-	7,906.51
(ii) Trade payables		4,306.12	-	4,306.12
(iii) Other financial liabilities	(e)	2,143.96	(10.58)	2,133.38
(b) Provisions		837.38	-	837.38
(c) Current tax liabilities (net)		123.08	-	123.08
(b) Other current liabilities	(c)	3,623.25	727.07	4,350.32
Total current liabilities		<u>18,940.30</u>	<u>716.49</u>	<u>19,656.79</u>
Total liabilities		<u>22,579.57</u>	<u>24,171.71</u>	<u>46,751.28</u>
Total equity and liabilities		<u>27,773.26</u>	<u>752.59</u>	<u>28,525.85</u>

* Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

35.3 Reconciliation of total equity as at 31.03.2016 and 01.04.2015

Particulars	Notes	As at	As at
		31.03.2016 (End of last year presented under Previous GAAP)	01.04.2015 (Date of transition)
		Rupees in lakhs	Rupees in lakhs
Total equity (shareholders funds) under Previous GAAP		(8,894.04)	5,193.69
Reclassification of redeemable preference shares as borrowings	(e)	(25,100.00)	(23,500.00)
Fair valuation of investments in equity instruments	(d)	27.02	25.52
Additional depreciation on items of inventories transferred to property, plant and equipment (net)	(c), (g)	(134.35)	-
Unamortised processing fees on borrowing	(f)	39.46	55.36
Reversal of charges on reclassification of item of stores and spares to raw materials/others (net)	(g)	88.91	-
Total adjustment to equity		<u>(25,078.96)</u>	<u>(23,419.12)</u>
Total equity under Ind AS		<u>(33,973.00)</u>	<u>(18,225.43)</u>

Notes to the Financial Statements

35.4 Effect of Ind AS Adoption on the Statement of Profit and Loss for the year ended 31.03.2016

Particulars	Notes	As at 31.03.2016 (End of last year presented under Previous GAAP)		
		Previous GAAP*	Effect of transition to Ind AS	As per Ind AS balance sheet
		Rupees in lakhs	Rupees in lakhs	Rupees in lakhs
I Revenue from operations	(h)	12,610.35	1,392.83	14,003.18
II Other income		177.57	-	177.57
III Total Income (I + II)		12,787.92	1,392.83	14,180.75
IV Expenses				
a) Cost of materials consumed		4,593.52	-	4,593.52
b) Changes in inventories of finished goods, stock in trade and work in progress		628.55	-	628.55
(c) Excise duty on sale of goods	(h)	-	1,392.83	1,392.83
(d) Employee benefits expense	(l)	3,953.42	(65.08)	3,888.34
(e) Finance costs	(e)	1,343.54	15.90	1,359.44
(f) Depreciation and amortisation expense	(c), (g)	1,541.20	134.35	1,675.55
(g) Consumption of stores	(g)	1,963.62	(88.91)	1,874.65
(h) Power and fuel		2,220.62	-	2,220.62
(i) Other expenses	(g)	3,317.67	0.06	3,317.73
Total expenses (IV)		19,562.14	1,389.09	20,951.23
V Loss before exceptional items and tax (III - IV)		(6,774.22)	3.74	(6,770.48)
VI Exceptional items (Refer note 38)		8,913.51	-	8,913.51
VII Loss before tax (V - VI)		(15,687.73)	3.74	(15,683.99)
VIII Tax expense:				
IX Loss for the year (VII - VIII)		(15,687.73)	3.74	(15,683.99)
X Other comprehensive income	(j)			
Items that will not be reclassified to profit or loss				
(a) Remeasurement gains / (losses) on defined benefit plans	(i)	-	(65.08)	(65.08)
(b) Equity instruments through other Comprehensive Income	(d)	-	1.50	1.50
XI Total other comprehensive income for the year		-	(63.58)	(63.58)
XII Total comprehensive income/(loss) for the year (IX + XI)		(15,687.73)	(59.84)	(15,747.57)

* Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

35.5 Reconciliation of total comprehensive income for the year ended 31.03.2016

Particulars	Notes	Year ended 31.03.2016 Previous (latest year presented under Previous GAAP) Rupees in lakhs
Loss as per Previous GAAP		(15,687.73)
(a) Actuarial (gain)/loss on employee defined benefit plans recognised in other comprehensive income	(i)	65.08
(b) Amortisation of processing fees on borrowing	(e)	(15.90)

Notes to the Financial Statements

(c) Additional depreciation on items of inventories transferred to property, plant and equipment (net)	(c), (g)	(134.35)
(d) Reversal of charges on reclassification of item of stores and spares to raw materials/others	(g)	88.91
Net loss for the year under Ind AS		(15,683.99)
Other comprehensive income (includes actuarial gain/(loss) and change in fair value of investments in equity instruments)	(i), (d)	(63.58)
Total comprehensive income/(loss) under Ind AS		(15,747.57)

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

Particulars	As at 31.03.2016 (End of last year presented under Previous GAAP)		As per Ind AS balance sheet
	Previous GAAP*	Effect of transition to Ind AS	
	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs
(a) Net cash flows used in operating activities	(1,379.71)	-	(1,379.71)
(b) Net cash flows used in investing activities	(258.16)	-	(258.16)
(c) Net cash flows from financing activities	1,566.96	-	1,566.96
(d) Net increase(decrease) in cash and cash equivalents	(70.91)	-	(70.91)
(e) Cash and cash equivalents at the beginning of the year	579.66	-	579.66
(f) Effects of exchange rate changes on the balance of cash held in foreign currencies	-	-	-
(g) Cash and cash equivalents at the end of the year	508.75	-	508.75

35.7 Analysis of cash and cash equivalents as at 31 March, 2016 and as at 1 April, 2015 for the purposes of Statement of Cash Flows under Ind AS

Particulars	As at 31.03.2016 (End of last year presented under Previous GAAP)	As at 01.04.2015 (Date of transition)
	Rupees in lakhs	Rupees in lakhs
Cash and cash equivalents for the purposes of Statement of Cash Flows as per Previous GAAP	508.75	579.66
	-	-
Cash and cash equivalents for the purpose of statement of cash flows under Ind AS	508.75	579.66

- (a) Under Previous GAAP, consumption of spares parts (moulds) was charged to the Statement of Profit and Loss from inventory as and when consumed. However as per Ind AS 16 - Property, Plant and Equipment, spare parts qualify as property, plant and equipment when an entity expects to use them during more than one period and when they can be used only in connection with an item of property, plant and equipment.
- Consequently, on the date of transition, as at 1 April, 2015 to Ind AS, moulds amounting to Rs. 1,417.41 lakhs were recognised under property, plant and equipment and amounting to Rs. 67.17 lakhs under capital work in progress.
- Under Previous GAAP, financial statements for the year ended 31 March, 2016 were prepared on other than going concern basis and value of moulds were written down and Rs. 824.75 lakhs was charged to Statement of Profit and Loss as an exceptional item.

Notes to the Financial Statements

- (b) Under previous GAAP, there was no concept of other comprehensive income. Under Ind AS, specified items of income, expense, gains, or losses are required to be presented in other comprehensive income.
- (c) As referred in note 2.22 for transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of 1 April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date. Further, under Ind AS 20 "Accounting for Government Grants and Disclosure of Government Assistance", the transfer of resources from the government in the form of a waiver of expenses/duty needs to be accounted for as government grant (liability). Accordingly, the duty waived off under Export Promotion Capital Goods (EPCG) Scheme has been recognised as deferred liability by an increase in the carrying value of the property, plant and equipment. The increase in the value of property, plant and equipment is depreciated over the balance life of the asset. Consequent to this adjustment there is an increase in property, plant and equipment as at 31 March, 2016 by Rs. 681.63 lakhs (as at 1 April, 2015: Rs 727.07 lakhs) and accordingly a depreciation charge of Rs. 45.44 lakhs has been debited to the Statement of Profit and Loss for the financial year ended 31 March, 2016.
- (d) Under previous GAAP, long term investments were measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, these financial assets have been classified as FVTOCI. On the date of transition to Ind AS, these financial assets have been measured at their fair value which is higher than the cost as per previous GAAP, resulting in an increase in the carrying amount by Rs. 27.02 lakhs as at 31 March, 2016 and by Rs. 25.52 lakhs as at 1 April, 2015. There is an increase in other comprehensive income by Rs 1.50 lakhs for the year ended 31 March, 2016 being the difference in the fair value of investments. These changes do not affect loss for the year ended 31 March, 2016 because the investments have been classified as FVTOCI.
- (e) Under Previous GAAP, redeemable preference shares amounting to Rs. 25,100.00 lakhs as at 31 March, 2016 (as at 1 April, 2015: Rs. 23,500.00 lakhs) were classified as part of share capital. However, under Ind AS, financial instruments are classified either as a liability or equity according to the substance of the contractual arrangement and not its legal form. Since, these preference shares do not contain any equity component these have been classified in their entirety as a financial liability under non-current borrowings. Consequent to this adjustment there is an increase in borrowing under non-current liabilities. Further, cost on issue of preference shares has been reclassified from retained earnings to non-current borrowings and amortised as finance cost over the remaining period. Accordingly loss for the year ended 31 March, 2016 has increased.
- (f) Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the Statement of Profit and Loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Accordingly, borrowings as at 1 April, 2015 and 31 March, 2016 have increased with a corresponding adjustment to retained earnings. The total equity has increased by an equivalent amount. The loss for the year ended 31 March, 2016 has increased on account of change in effective interest rate.
- (g) Under Previous GAAP, amortisation charges on moulds usage were charged to consumption of stores. Under Ind AS, as the moulds have been classified under property, plant and equipment, amortisation charges of moulds have been reclassified from "consumption of stores" under other expenses to "depreciation and amortisation expense". (also refer note (a) above).
- (h) Under previous GAAP, revenue from sale of products was presented net of excise duty under revenue from operations, whereas, under Ind AS, revenue from sale of products includes excise duty. The corresponding excise duty expense is presented separately on the face of the Statement of Profit and Loss. The change does not affect total equity as at 1 April, 2015 and 31 March, 2016 and loss for the year ended 31 March, 2016.
- (i) Under previous GAAP, actuarial gains and losses were recognised in profit or loss. Under Ind AS, the actuarial gains and losses form part of measurement of the net defined benefit liability / asset which is recognised in other comprehensive income. The actuarial losses for the year ended 31 March, 2016 were Rs. 65.08 lakhs. This change does not affect total equity, but there is a decrease in loss before tax of Rs. 65.08 lakhs and decrease in other comprehensive income of Rs. 65.08 lakhs for the year ended 31 March, 2016.
- (j) Previous GAAP figures have been reclassified to conform to the Ind AS presentation requirements for the purpose of this note.

Notes to the Financial Statements

36.1 End use of funds raised from the issue of 7.17%, Non-Cumulative Redeemable Preference Shares

	As at 31.03.2017 Rupees in lakhs	As at 31.03.2016 Rupees in lakhs
Opening balance as at beginning of the year	-	95.95
Funds raised during the year	2,905.00	1,600.00
Utilisation of fund		
a) Capital expenditure	-	43.92
b) Repayment of inter corporate deposit (ICD)	500.00	-
c) Working capital	2,146.47	1,652.03
Unutilised monies at end of the year	258.53	-

36.2 The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

36.3 There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

36.4 The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

	Amount in Foreign Currency (all amounts in Lakhs)				Rupees in lakhs
	Euro	GBP	USD	JPY	
Amount receivable from export of goods	-	0.02	0.26	-	21.10
	(-)	(0.02)	(2.97)	(-)	(198.81)
Amount payable for:					
Import of goods	-	-	-	-	-
	(-)	(-)	(0.06)	(-)	(3.84)
Royalty	-	-	3.19	522.92	510.21
	(-)	(-)	(2.88)	(528.04)	(482.29)

Note: Figures in brackets are for the previous year.

36.5 TURNOVER, CLOSING AND OPENING STOCKS OF GOODS PRODUCED

Class of products	Turnover @		Closing Stock		Opening Stock	
	Tonnes	Rupees in lakhs	Tonnes	Rupees	Tonnes in lakhs in	Rupees lakhs
a) Rolls						
(i) Steel, steel base and Cast iron rolls	990	1,483.50	*	*	50	53.98
	(5,591)	(7,182.63)	(50)	(53.98)	(105)	(153.40)
(ii) Forged rolls	284	669.79	3	7.37	22	45.86
	(1,160)	(2,718.09)	(22)	(45.86)	(11)	(23.80)
b) Pig iron						
(i) Others - pig iron skull etc.	-	459.32	-	-	-	570.62
		(580.74)	-	(570.62)	-	(524.54)
c) Ingots	-	-	-	-	133	64.14
	(96)	(31.17)	(133)	(64.14)	(247)	(159.73)
d) Engineering forgings	174	338.48	-	-	2	2.21
	(711)	(1,182.61)	(2)	(2.21)	(10)	(16.90)
e) Conversion income	-	738.50	-	-	-	-
	-	(1,900.94)	-	-	-	-
TOTAL	3,689.59	3,689.59	7.37	7.37	736.81	736.81
	(13,596.18)		(736.81)		(878.37)	

Notes to the Financial Statements

Notes:

- (i) @ includes excise duty recovered from customers and excludes other operating revenues
- (ii) * after adjustment for stocks value written down and transferred to semi-finished stock
- (iii) ** Value of closing stocks includes excise duty.
- (iv) Figures in brackets are in respect of the previous year.

36.6 CONSUMPTION OF RAW MATERIALS *

	Year ended 31.03.2017		Year ended 31.03.2016	
	Quantity Tonnes	Rupees in lakhs	Quantity Tonnes	Rupees in lakhs
a) Scrap (net of own generated scrap)	478	97.47	4,343	937.83
b) Ferro Moly	2	11.74	28	200.66
c) Other ferro alloys	4	12.49	611	759.03
d) Nickel	10	63.48	68	563.63
e) Fluxes	2	4.36	632	113.76
f) others		709.94		2,018.61
		899.48		4,593.52

* Net of shortage/excess identified during physical count.

36.7 Details of closing stock of raw materials (including packing materials)

Particulars	Closing Stock	
	As at 31.03.2017	As at 31.03.2016
	Rupees in lakhs	Rupees in lakhs
(a) Scrap	280.19	*1,040.76
(b) Nickel	-	-
(c) Ferro moly	-	-
(d) Other ferro alloys	20.34	156.89
(e) Flux	-	9.13
(f) Others	463.27	102.14
Total	763.80	1,308.92

*At the end of financial year 2016, the chill moulds were scrapped and technically assessed for using as raw materials in the furnace. The carrying value was remeasured at scrap cost/ realisable value aggregating to Rs 503.79 lakhs and classified as raw materials.

	Year ended 31.03.2017	Year ended 31.03.2016
	Rupees in lakhs	Rupees in lakhs
36.8 C.I.F. value of imports:		
Components, stores and spares parts	18.49	66.78
Raw materials	-	-
Capital goods	-	-
36.9 Expenditure in foreign currency:		
a) Consultancy charges	-	15.80
b) Foreign travel	-	4.18
c) Royalty	27.93	145.03

Notes to the Financial Statements

36.10 Consumption of imported and indigenous materials

Value of consumption of imported and indigenously obtained raw materials, components, stores and spare parts and the percentage of each to the total consumption:

	Year ended 31.03.2017		Year ended 31.03.2016	
	%	Rupees in lakhs	%	Rupees in lakhs
a) Raw materials:				
Imported		-	12.58	577.72
Indigenous	100.00	899.48	87.42	4,015.80
b) Components, stores and spare parts:				
Imported	4.00	18.49	8.67	170.34
Indigenous	96.00	654.38	91.33	1,704.31

36.11 Earnings in foreign exchange:

	Year ended 31.03.2017	Year ended 31.03.2016
	Rupees in lakhs	Rupees in lakh
FOB value of exports (including value of exports through export house/agents)	27.22	78.47

37 Financial instruments

Capital management

The Company has incurred a loss of Rs. 8,294.88 lakhs during the year ended 31 March, 2017 (incurred a loss of Rs. 15,683.99 lakhs during the year ended 31 March, 2016) and the accumulated losses as at 31 March, 2017 amounting to Rs. 48,797.91 lakhs (as at 31 March, 2016 amounting to Rs. 40,503.03 lakhs) have eroded the net worth of the Company. The Company's operating results continue to be materially affected by various factors, particularly high pricing pressures due to overcapacity in roll industry, general economic slowdown and unavailability of future financing.

The Board of Directors at their meeting held on 5 September, 2016 have decided to close the operations of the Company. Accordingly, on 6 September, 2016 the Company has filed closure application u/s 25-O of the Industrial Disputes Act, 1947 with the State Government Authorities. The application was rejected on 27 October, 2016. The Company has filed a writ petition in the Honourable Jharkhand High Court against the rejection order. The matter is sub judice.

The short term funding requirements are met primarily through issue of non-cumulative redeemable preference shares to the holding company and loans from the holding company.

Gearing ratio

The gearing ratio at the end of the reporting period was as follows:

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs
Debt (I)	40,632.81	37,697.20	34,934.27
Cash and bank balance	779.50	509.22	587.10
Net debt	41,412.31	38,206.42	35,521.37
Total equity	(42,265.72)	(33,973.00)	(18,225.43)
Net debt to equity ratio (%)	-97.98%	-112.46%	-194.90%

(I) Debt is defined as long term and short term borrowings as disclosed in note 16, 17 and 19

Notes to the Financial Statements

A. Financial assets and liabilities

As at 31.03.2017

Financial assets	Amortised cost	Fair value through OCI	Fair value through profit and Loss	Total carrying value	Total fair value
	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs
Other investments	0.09	-	-	0.09	0.09
Trade receivables	113.87	-	-	113.87	113.87
Cash and cash equivalents	779.03	-	-	779.03	779.03
Bank balances other than cash and cash equivalents	0.47	-	-	0.47	0.47
Other financial assets (current and non-current)	76.65	-	-	76.65	76.65
Total financial assets	970.11	-	-	970.11	970.11
Financial liabilities					
Borrowings	40,237.36	-	-	40,237.36	40,237.36
Trade payables	2,521.76	-	-	2,521.76	2,521.76
Other financial liabilities	1,477.02	-	-	1,477.02	1,477.02
Total financial liabilities	44,236.14	-	-	44,236.14	44,236.14

As at 31.03.2016

Financial assets

Financial assets	Amortised cost	Fair value through OCI	Fair value through profit and	Total carrying value	Total fair value
	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs
Other investments	0.09	27.07	-	27.16	27.16
Trade receivables	2,955.93	-	-	2,955.93	2,955.93
Cash and cash equivalents	508.75	-	-	508.75	508.75
Bank balances other than cash and cash equivalents	0.47	-	-	0.47	0.47
Other financial assets (current and non-current)	177.19	-	-	177.19	177.19
Total financial assets	3,642.43	27.07	-	3,669.50	3,669.50
Financial liabilities					
Borrowings	36,115.26	-	-	36,115.26	36,115.26
Trade payables	4,184.88	-	-	4,184.88	4,184.88
Other financial liabilities	2,248.88	-	-	2,248.88	2,248.88
Total financial liabilities	42,549.02	-	-	42,549.02	42,549.02

Notes to the Financial Statements

As at 01.04.2015

Financial assets

	Amortised cost	Fair value through OCI	Fair value through profit and loss	Total carrying value	Total fair value
	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs
Other investments	0.09	25.57	-	25.66	25.66
Trade receivables	4,231.80	-	-	4,231.80	4,231.80
Cash and cash equivalents	579.66	-	-	587.10	587.10
Bank balances other than cash and cash equivalents	7.44	-	-	7.44	7.44
Other financial assets (current and non-current)	182.50	-	-	182.50	182.50
Total financial assets	5,001.49	25.57	-	5,034.50	5,034.50
Financial liabilities					
Borrowings	33,352.33	-	-	33,352.33	33,352.33
Trade payables	4,306.12	-	-	4,306.12	4,306.12
Other financial liabilities	2,133.38	-	-	2,133.38	2,133.38
Total financial liabilities	39,791.83	-	-	39,791.83	39,791.83

- B. The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Quoted prices in an active market (Level 1):

This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists quoted equity shares, quoted corporate debt instruments and mutual fund investments.

Valuation techniques with observable inputs (Level 2):

This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This level of hierarchy includes Company's over-the-counter (OTC) derivative contracts.

Valuation techniques with significant unobservable inputs (Level 3):

This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. The main items in this category are unquoted available-for-sale financial assets, measured at fair value.

Investments of the Company are measured at fair value at the end of each reporting period. The following table gives information on determination of its fair value, the valuation technique and inputs used.

Notes to the Financial Statements

Financial assets	Fair value as at			Fair value hierarchy	Valuation techniques and key input
	31.03.2017	31.03.2016	01.04.2015		
	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs		
Investment in equity - instruments (Quoted)	-	27.07	25.57	Level 1	Valued at the quoted bid prices available in an active market
Investment in equity instruments (Unquoted)	-	-	-	Refer note (i) below	Refer note (i) below
Investments in debentures or bonds	0.09	-	0.09	Level 3	Valued using the cost approach to arrive at their fair value. Refer note (ii) below.

Notes:

- (i) Includes certain investments whose fair values are Nil.
- (i) Cost of these investments approximate the fair value because there is a range of possible fair value measurements and the cost represents estimate of fair value within that range.

Fair value of the Company's financial assets and financial liabilities that are not measured at fair value on a recurring basis :

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

C. Financial risk management

The Company's activities expose it to a variety of financial risks which includes market risk (including foreign currency exchange rate risk and interest rate risk), credit risk and liquidity risk.

The Company's focus is to ensure liquidity which is sufficient to meet the Company's operational requirements. The Company monitors and manages key financial risks so as to minimise potential adverse effects on its financial performance. The Company has a risk management policy which covers the risks associated with the financial assets and liabilities. The details for managing each of these risks are summarised ahead.

Market risk

Market risk is the risk that the expected cash flows or fair value of a financial instrument could change owing to changes in market prices. The Company's activities expose it primarily to the financial risks of changes in Foreign currency exchange rate and interest.

Foreign currency exchange rate risk:

Foreign exchange risk comprises of risk that may arise to the Company because of fluctuations in foreign currency exchange rates. Fluctuations in foreign currency exchange rates may have an impact on the Statements of Profit and Loss. At the year end, the Company was exposed to foreign exchange risk arising from the foreign currency payables of the Company.

The carrying amounts of the Company foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Liabilities as at	Assets as at
	31.03.2017	31.03.2017
	Rupees in lakhs	Rupees in lakhs
Euro	-	-
GBP	-	1.57
USD	207.12	19.53
JPY	303.09	-
Total	510.21	21.10

Notes to the Financial Statements

	Liabilities as at 31.03.2016	Assets as at 31.03.2016
	Rupees in lakhs	Rupees in lakhs
Euro	-	-
GBP	-	1.80
USD	195.23	197.01
JPY	290.90	-
Total	486.13	198.81

	Liabilities as at 01.04.2015	Assets as at 01.04.2015
	Rupees in lakhs	Rupees in lakhs
Euro	215.30	-
GBP	-	239.65
USD	227.94	308.49
JPY	233.94	-
Total	677.18	548.14

The following table details the Company's sensitivity to 10% increase or decrease in the rupee against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in the foreign exchange rate. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

Impact on loss / equity	For the year ended		
	31.03.2017	31.03.2016	01.04.2015
	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs
Euro	-	-	(21.53)
GBP	0.16	0.18	23.97
USD	(18.76)	0.18	8.06
JPY	(30.31)	(29.09)	(23.39)
	(48.91)	(28.73)	(12.89)

Interest rate risk management

The Company is exposed to interest rate risk on current and non-current borrowings outstanding as at the year end which include both fixed and floating interest rate borrowings.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's loss for the year ended 31.03.2017 would increase/decrease by Rs. 61.27 lakhs (for the year ended 31.03.2016 Rs. 31.42 lakhs).

Credit risk management

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management regularly. Trade receivables consist of few major customers for sale of product and services. Ongoing credit evaluation is performed based on the financial condition of accounts receivables.

Notes to the Financial Statements

Liquidity risk management

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial assets.

The Company has obtained fund and non-fund based working capital lines from various banks. The Company invests its surplus funds in bank fixed deposits and liquid plus schemes of mutual funds, which carry mark to market risk.

Expected maturity for financial liabilities

As at 31.03.2017	Less than 1 year	Between 1 to 5 years	More than 5 years	Total
	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs
Financial liabilities				
Borrowing including undiscounted interest	14,174.08	16,400.00	11,605.00	42,179.08
Trade payables	2,521.76	-	-	2,521.76
Other financial liabilities	1,081.57	-	-	1,081.57
	<u>17,777.41</u>	<u>16,400.00</u>	<u>11,605.00</u>	<u>45,782.41</u>
As at 31.03.2016				
Financial liabilities				
Borrowing including undiscounted interest	14,134.39	11,400.00	13,700.00	39,234.39
Trade payables	4,184.88	-	-	4,184.88
Other financial liabilities	666.94	-	-	666.94
	<u>18,986.21</u>	<u>11,400.00</u>	<u>13,700.00</u>	<u>44,086.21</u>
As at 01.04.2015				
Financial liabilities				
Borrowing including undiscounted interest	12,954.32	5,666.66	17,833.34	36,454.32
Trade payable	4,306.12	-	-	4,306.12
Other financial liabilities	551.44	-	-	551.44
	<u>17,811.88</u>	<u>5,666.66</u>	<u>17,833.34</u>	<u>41,311.88</u>

38 Exceptional items

(i) Voluntary separation scheme

The Board of Directors in the meeting held on 26 May, 2016 had approved a Voluntary Separation Scheme (the Scheme) for employees and a phase wise suspension of operations. The Company issued a VSS circular on 31 May, 2016 to all on roll employees and having evaluated the response from employees subsequently revised the scheme on 5 September, 2016 and 9 March, 2017. The Company, post expiry of the revised VSS scheme on 15 March, 2017 has reviewed the remaining provision against the expenditure, and has considered the balance amount to be adequate to meet the present obligation and probable outflow to settle the current obligation. The provision of Rs. 2,870.37 lakhs pursuant to the VSS scheme has been recognised as an exceptional item during the year ended 31 March, 2017.

(ii) Write back of liabilities

During the year ended 31 March, 2017, the Company has undertaken negotiations for one time full and final settlement of vendor liabilities. Consequent to such settlement, a write back of excess liabilities over the settled amount aggregates to Rs. 351.48 lakhs and has been recognised as an exceptional item.

(iii) Write down of property, plant and equipment

During the previous year ended 31 March, 2016, the financial statements were prepared on other than going concern basis. The assets were stated at the lower of their historic cost and estimated net realisable value and the liabilities were stated at the values at which they are expected to be discharged. A loss of Rs. 8,913.51 lakhs, classified as exceptional item, was recognised as the difference between the realisable values and the historical carrying amounts of assets and liabilities.

Notes to the Financial Statements

39 Deferred tax assets / liabilities (net)

	As at 31.03.2017 Rupees in lakhs	As at 31.03.2016 Rupees in lakhs	As at 01.04.2015 Rupees in lakhs
Deferred tax assets / liability (net) consists of			
a) Book/ tax depreciation difference	1,039.96	1,179.00	(1,431.33)
b) Employee benefits	(32.78)	(32.78)	(6.56)
c) Carry forward of business loss	16,181.85	11,522.58	9,023.29
d) Others	354.81	(5.16)	(4.37)
Deferred tax assets / liability	17,543.84	12,663.64	7,581.03

Deferred tax assets / liability recognised in books

Note:

- (i) The Company has carried out its tax computation in accordance with Ind AS 12 'Income Taxes'. In view of low probability that future taxable profit will be available against which temporary difference can be utilised and on account of preparation of Ind AS financial statements on not a going concern basis, no deferred tax assets have been recognised on unused tax losses.
- ii) Detail of temporary differences, unused tax losses and unused tax credits for which no deferred tax asset is recognised in the balance sheet:

Particulars	As at 31.03.2017 Rupees in lakhs	As at 31.03.2016 Rupees in lakhs	As at 01.04.2015 Rupees in lakhs
Deferred tax assets with no expiry date	1,039.96	1,179.00	(1,431.33)
Deferred tax assets with expiry date*	16,503.88	11,484.64	9,012.36
	17,543.84	12,663.64	7,581.03

* These would expire between 2019 to 2026.

40 Approval of financial statements

The Ind AS financial statements were approved for issue by the Board of Directors on 22 May, 2017.

K SHANKAR MARAR
Managing Director
DIN: 06656658

ANAND SEN
Chairman
DIN: 00237914

PRASHANT KUMAR
Company Secretary

SURESH PADMANABHAN
Dy Chief Financial Officer

Place: Kolkata
Date: 22 May, 2017

FINANCIAL STATISTICS

REVENUE ACCOUNTS						Dividend percent	CAPITAL ACCOUNTS					Share (Rupees)	Share (PAT)
Sl. No.	Year	Sale of products & Other Income	Depre- ciation	Profit before Tax	Tax		Share Capital	Res- erves	Borrow- ings	Gross Block	Net Block	Shares of Rs. 100/- each	
(Rupees in Lakhs)							(Rupees in Lakhs)					(Rupees)	
1	1969-70	58.33	16.08	(-)14.16	—	—	249.32	—	370.62	647.62	606.50	—	—
2	1970-71	314.66	47.50	17.71	—	—	249.66	—	413.00	667.74	599.95	99.87	7.08
3	1971-72	336.55	52.19	39.09	—	6%	249.78	44.70	422.11	681.09	563.34	117.79	15.64
4	1972-73	330.93	52.40	9.42	—	6%	249.88	39.12	373.12	687.67	516.96	115.60	3.77
5	1973-74	338.52	53.13	2.83	—	—	249.92	26.95	341.57	700.75	475.83	110.75	1.13
6	1974-75	502.03	53.53	36.19	—	10% tax Free	249.93	38.15	291.15	724.19	448.84	125.23	14.48
7	1975-76	481.43	55.28	23.61	—	5% tax Free	249.94	49.25	264.41	733.53	403.30	119.68	9.44
8	1976-77	555.96	54.44	53.04	—	5% tax Free	249.95	89.79	210.66	743.38	358.47	135.90	21.22
9	1977-78	601.89	54.62	62.99	—	6% tax Free	249.98	137.80	148.51	781.42	311.59	155.15	25.20
10	1978-79	733.35	57.94	115.61	51.00	12%	249.98	172.41	139.37	786.05	289.39	169.00	25.85
11	1979-80	830.35	54.40	103.36	63.00	12%	249.98	182.78	116.52	802.81	251.81	173.15	16.15
12	1980-81	865.36	32.07	97.43	55.00	12%	249.98	195.22	85.05	814.08	231.62	178.13	16.98
13	1981-82	1117.36	42.07	126.19	28.00	15%	249.98	255.92	89.73	976.28	353.12	202.41	39.29
14	1982-83	1586.76	47.05	84.52	25.00	15%	249.98	277.95	92.64	1088.45	419.43	211.23	23.82
15	1983-84	1579.14	68.36	65.69	38.00	10%	249.98	280.65	73.86	1142.24	404.89	212.31	11.09
16	1984-85	1894.43	60.19	89.40	48.80	15%	249.98	283.76	57.47	1184.04	390.61	213.55	16.25
17	1985-86	2308.38	41.51	306.25	147.00	20%	249.98	425.02	183.42	1266.03	463.42	270.07	63.72
18	1986-87	2661.89	48.88	95.57	22.00	20%	249.98	448.61	228.37	1390.37	539.84	279.51	29.44
19	1987-88	2978.52	64.66	104.28	31.00	15%	249.98	484.40	775.56	1428.89	523.31	293.83	29.32
20	1988-89	3396.64	83.89	16.60	2.65	15%	249.98	477.54	901.35	1921.42	949.06	291.08	5.58
21	1989-90	4100.40	106.17	81.66	13.25	18%	249.98	500.97	1003.86	2025.62	947.32	30.05	2.74
22	1990-91	4351.72	113.65	235.70	36.00	25%	249.98	638.18	968.96	2167.76	994.07	35.54	7.99
23	1991-92	4891.95	137.93	247.72	106.00	25%	249.98	717.42	2220.74	3339.54	2035.72	38.71	5.67
24	1992-93	5113.27	231.41	407.93	150.00	25%	547.32	1154.45	2086.59	4429.44	2899.37	31.10	4.71
25	1993-94	6776.30	370.70	344.55	93.00	25%	547.32	1269.18	2230.08	5040.38	3142.06	33.19	4.59
26	1994-95	6224.20	423.10	403.28	130.00	25%	547.32	1371.97	2010.63	5256.62	2937.35	35.07	4.99
27	1995-96	6781.96	428.59	405.51	120.00	27.5%	547.32	1438.40	1970.25	5403.74	2656.00	36.28	5.22
28	1996-97	7331.59	418.30	537.22	231.00	27.5%	547.32	1579.26	1767.07	5702.49	2543.24	38.86	5.60
29	1997-98	7350.62	438.06	708.80	280.00	30%	547.32	1827.47	1671.63	6041.52	2525.61	43.39	7.84
30	1998-99	7603.76	466.81	692.91	158.00	32.5%	547.32	2164.94	2328.91	7801.11	3951.50	49.56	9.77
31	1999-2000	8907.66	553.28	736.56	269.00	32.5%	547.32	2435.07	1534.30	7724.29	3501.55	54.49	8.54
32	2000-01	9433.94	543.51	567.82	205.00	32.5%	547.32	2601.88	1609.33	7740.88	3060.30	57.54	6.63
33	2001-02	9577.14	518.26	211.40	78.05	22%	547.32	2185.88	965.58	7855.73	2712.34	49.94	2.44
34	2002-03	10010.83	466.60	627.38	220.00	27%	547.32	2426.73	706.58	7994.84	2398.28	54.34	7.45
35	2003-04	10430.65	424.14	595.78	173.16	27%	547.32	2682.65	783.45	8062.74	2068.64	59.02	7.72
36	2004-05	14045.73	418.73	842.40	233.75	40%	547.32	2832.94	3036.31	10084.14	3768.12	61.76	11.12
37	2005-06	18447.56	516.61	756.46	141.90	40%	547.32	3197.88	3267.07	10160.93	3381.99	68.43	11.23
38	2006-07	22154.81	492.88	1532.50	469.95	42.5%	547.32	3617.68	2839.85	10362.06	3115.94	76.10	19.41
39	2007-08	24678.77	421.56	983.44	348.37	40%	547.32	4182.15	3608.76	13077.48	5479.78	86.43	11.60
40	2008-09	18929.72	354.13	(-)1839.52	(-)165.9	(-)	1026.13	7959.98	8655.41	22075.61	14192.18	87.57	(-)23.68
41	2009-10	14236.63	395.56	(-)1153.30	(-)	(-)	1026.13	6806.68	11988.94	27256.11	19029.55	76.30	(-)11.24
42	2010-11	14727.86	562.17	(-)3044.00	(-)	(-)	1026.13	5540.05	16670.19	30243.82	21458.17	96.40	(-)29.67
43	2011-12	15232.80	1810.94	(-)5312.39	(-)	(-)	9526.13	(-)1597.56	13874.24	27939.71	17343.51	64.00	(-)51.77
44	2012-13	19644.96	1915.64	(-)3373.84	(-)	(-)	9526.13	(4971.40)	15027.18	29048.46	16548.01	44.80	(-)32.88
45	2013-14	16754.52	2255.70	(-)7504.44	(-)	(-)	18226.13	(12526.42)	13066.55	29903.26	13472.80	49.50	(73.14)
46	2014-15	15756.04	1304.70	(-)6762.07	(-)	(-)	24526.13	(19332.44)	11489.63	32426.31	13877.03	69.00	(65.90)
47	2015-16	14180.75	1541.20	(-)15687.73	(-)	(-)	26126.13	(35020.17)	12636.66	26329.36	6259.27	38.30	(-)15687.73
48	2016-17	5265.83	694.46	8294.88	(-)	(-)	1026.13	(43291.85)	(41535.45)	8381.00	9236.39	51.00	(80.85)



Tayo Rolls Limited

FORM NO. MGT – 11

Proxy Form

Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of The Companies (Management and Administration) Rules, 2014

Corporate Identity Number: L27105JH1968PLC000818

Name of the company: Tayo Rolls Limited

Registered office: Annex 2, General Office, Tata Steel Ltd, Bistupur, Jamshedpur – 831001

Name of the member (s):
Registered address:
E-mail Id:
Folio No/ Client Id:
DP ID:

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name :

Address :

E-mail Id :

Signature :, or failing him
2. Name :

Address :

E-mail Id :

Signature :, or failing him
3. Name :

Address :

E-mail Id :

Signature :, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Forty- eighth Annual General Meeting of the company to be held on Tuesday, July 18, 2017 at 11:30 a.m. at Auditorium of Centre for Excellence, Jubilee Road, Bistupur, Jamshedpur- 831 001 and at any adjournment thereof in respect of such resolutions as are indicated below:



Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as on March 31, 2017 and the Audited Statement for Profit and Loss for the year ended on that date together with reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. V. S. N. Murty (DIN- 00092348), who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint Statutory Auditors and to fix their remuneration.

Special Business:

4. To ratify Material Related Party transactions for FY 2016-17.
5. To approve Material Related Party transactions for FY 2017-18

Signed this..... day of..... 20.....



Signature of shareholder

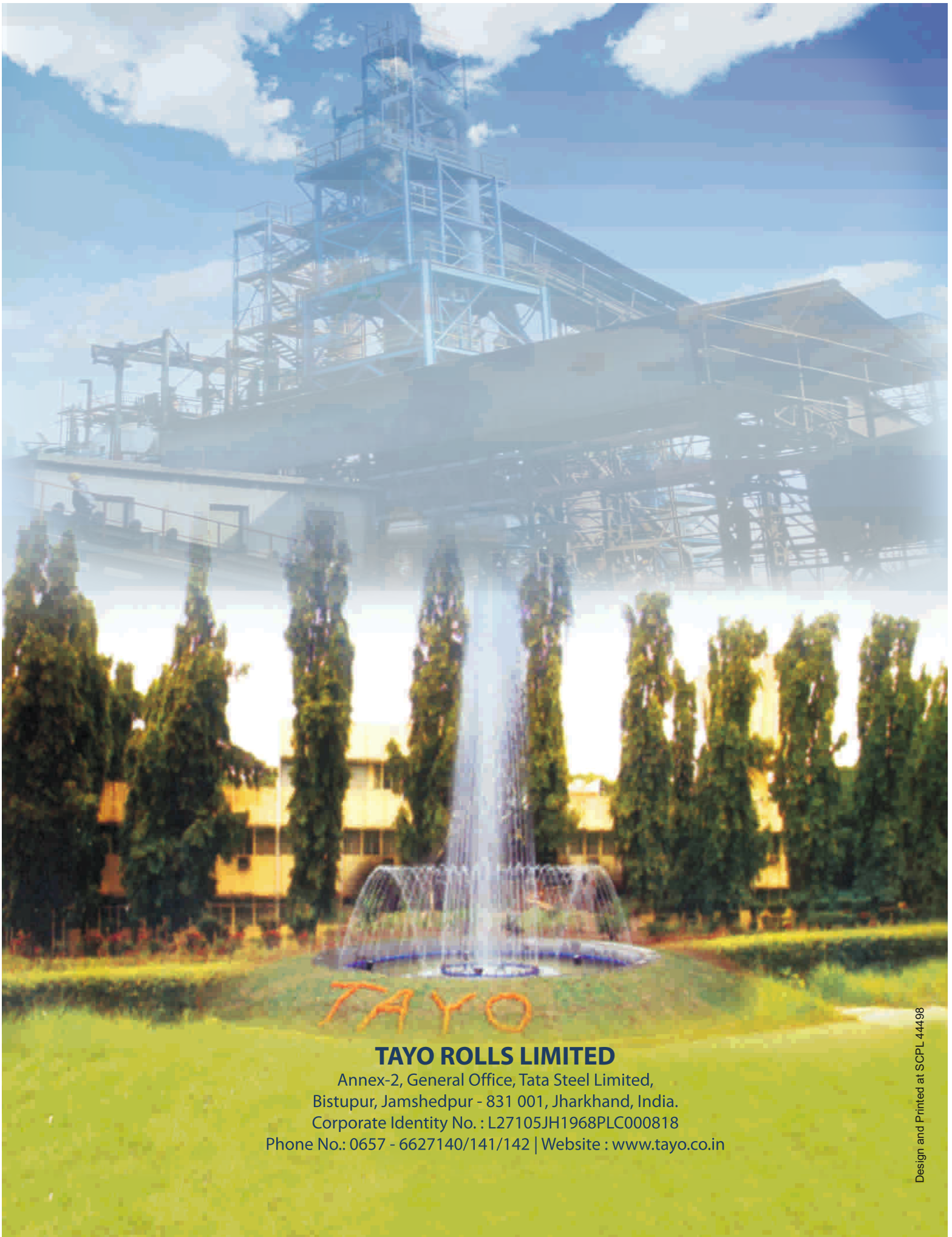
Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Route Map of Centre for Excellence



● Auditorium of Centre for Excellence



TAYO

TAYO ROLLS LIMITED

Annex-2, General Office, Tata Steel Limited,
Bistupur, Jamshedpur - 831 001, Jharkhand, India.
Corporate Identity No. : L27105JH1968PLC000818
Phone No.: 0657 - 6627140/141/142 | Website : www.tayo.co.in