

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF TATA STEEL PROCESSING AND DISTRIBUTION LIMITED**

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

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

Auditor's Responsibility

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

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



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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.



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- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
- e) On the basis of the written representations received from the directors as on 31 March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note 28 and 41.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer note 41.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. Refer note 45.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"/ "CARO 2016") issued by the Central Government of India 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

Alka Chadha
Partner

(Membership No. 93474)

Kolkata, 25 April, 2016.

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of TATA STEEL PROCESSING AND DISTRIBUTION LIMITED ("the Company") as of 31 March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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



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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



Alka Chadha

Alka Chadha
Partner
(Membership No. 93474)

Kolkata, 25 April, 2016.

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

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

- (i) In respect of its fixed assets:
- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. 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 land and buildings which are freehold/ leasehold, are held in the name of the Company as at the balance sheet date, except the following:

Particulars of the land	Amount (Rs. lacs)	Remarks
Leasehold land admeasuring 24,940.55 square meters located at Panthnagar, Uttarakhand.	194.80	The Company is in the process of executing the sublease deed.

- (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 provide guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.



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

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Rs. in lacs)	Amount Unpaid (Rs. in lacs)
Central Sales Tax Act	Central Sales Tax (CST)	Joint Commissioner of Commercial/ Sales Taxes (Appeals)	2006-07	71.71	71.71
			2007-08	50.37	50.37
			2008-09	77.99	77.99
			2009-10	5.93	5.93
			2011-12	3.05	3.05
Central Excise Act	Excise Duty	Jharkhand High Court, Ranchi	2005-06	4,970.19	4,970.19



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Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Rs. in lacs)	Amount Unpaid (Rs. in lacs)
Central Excise Act	Excise Duty	Central Excise & Service Tax Appellate Tribunal	2002-05 and 2008-09 to 2010-11	393.18 11.89	393.18 11.89
Central Excise Act	Excise Duty	Custom Excise and Service Tax Appellate Tribunal	2007-08	27.82	27.82
Value Added Tax (VAT)	Jharkhand VAT	Joint Commissioner of Commercial Taxes (Appeals)	2008-09	161.93	161.93
Value Added Tax (VAT)	Bhubaneswar VAT	Joint Commissioner of Commercial Taxes (Appeals)	2005-11	8.23	8.23
Value Added Tax (VAT)	Jharkhand VAT	Joint Commissioner of Commercial Taxes (Appeals)	2007-08	5.72	5.72
Value Added Tax (VAT)	West Bengal VAT	West Bengal Commercial Taxes and Appellate and Revisional Board	2010-11	59.25	59.25
Uttar Pradesh Sales Tax Act	Sales Tax	Joint Commissioner of Commercial Taxes (Appeals)	2006-07 2007-08	1.81 8.32	1.81 8.32
Bombay Sales Tax	Sales Tax	Bombay High Court	1998-99, 2001-02 and 2004-05	112.11	68.07
Value Added Tax (VAT)	Maharashtra Value added tax	Joint Commissioner of Commercial Taxes (Appeals)	2005-06 2007-08	135.63 11.88	135.63 11.88
Income Tax Act	Income Tax Act	Commissioner of Income Tax (Appeals)	2006-07 2009-10 2010-11	54.81 95.25 93.58	4.81 33.48 29.35
Income Tax Act	Income Tax Act	Income Tax Appellate Tribunal	2008-09 2007-08 2005-06	74.22 59.68 13.72	55.06 59.68 10.87



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Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Rs. in lacs)	Amount Unpaid (Rs. in lacs)
Income Tax Act	Income Tax Act	High Court, Kolkata	2001-02 2002-03	1.48 5.45	1.48 5.45
Income Tax Act	Income Tax Act	Commissioner of Income Tax (Appeals)	2011-12	152.91	110.49

There are no dues of Service tax and Customs duty as on 31 March, 2016 on account of disputes.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and government. The Company has not taken any loans or borrowings from financial institutions or has not issued any debentures.
- (ix) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.



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(xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

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



Alka Chadha

Alka Chadha
Partner
(Membership No. 93474)

Kolkata, 25 April, 2016.

TATA STEEL PROCESSING AND DISTRIBUTION LIMITED
Balance Sheet as at 31 March 2016



I. EQUITY AND LIABILITIES	Note No.	As at 31.03.2016 Rs. in lacs	As at 31.03.2016 Rs. in lacs	As at 31.03.2015 Rs. in lacs	As at 31.03.2015 Rs. in lacs
(1) Shareholders' Funds					
(a) Share capital	2	6,825.00		6,825.00	
(b) Reserves and surplus	3	43,044.60	49,869.60	38,980.73	45,805.73
(2) Non-Current Liabilities					
(a) Long-term borrowings	4	11,909.95		11,038.09	
(b) Deferred tax liabilities (net)	37	1,180.07		761.28	
(c) Other long-term liabilities	5	-		216.09	
(d) Long-term provisions	6	1,966.80	15,056.82	1,785.64	13,801.10
(3) Current Liabilities					
(a) Short-term borrowings	7	8,354.17		1,000.00	
(b) Trade payables	8				
(i) Total outstanding dues of micro enterprises and small enterprises		70.03		113.14	
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		9,777.26		8,489.85	
(c) Other current liabilities	9	5,993.02		3,581.00	
(d) Short-term provisions	10	2,214.16	26,408.64	1,629.02	14,813.01
TOTAL			91,335.06		74,419.84
II. ASSETS					
(1) Non-Current Assets					
(a) Fixed assets	11				
(i) Tangible assets		31,469.70		27,969.31	
(ii) Intangible assets		119.62		187.58	
(iii) Capital work-in-progress		12,918.49		2,488.66	
(b) Non-current investments	12	-		-	
(c) Long term loans and advances	14	1,715.26	46,223.07	3,948.29	34,593.84
(2) Current Assets					
(a) Current investments	13	200.00		200.00	
(b) Inventories	15	20,834.81		20,128.79	
(c) Trade receivables	16	17,780.97		14,939.42	
(d) Cash and cash equivalents	17	1,536.32		1,840.30	
(e) Short-term loans and advances	18	4,594.41		2,523.30	
(f) Other current assets	19	165.48	45,111.99	194.19	39,826.00
TOTAL			91,335.06		74,419.84

Summary of Significant Accounting Policies

1

The Notes referred to above form an integral part of the Financial Statements

As per our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants



Alka Chadha
Alka Chadha
Partner

Date: 25 April, 2016
Place: Kolkata
Asis Mitra
Company Secretary

Asis Mitra

Anup Kumar
Anup Kumar
Chief Financial Officer

Chief Financial Officer

Date: 25 April, 2016
Place: Kolkata

Anand Sen
Anand Sen
Chairman

Abraham G Stephanos
Abraham G Stephanos
Managing Director

Managing Director

TATA STEEL PROCESSING AND DISTRIBUTION LIMITED
Statement of Profit and Loss for the year ended 31 March 2016



	Note No.	Year ended 31.03.2016 Rs. in lacs	Year ended 31.03.2016 Rs. in lacs	Year ended 31.03.2015 Rs. in lacs	Year ended 31.03.2015 Rs. in lacs
I. Revenue from Operations (gross)	20		1,94,013.46		2,04,659.11
Less: Excise duty			340.60		244.36
Revenue from Operations (net)			1,93,672.86		2,04,414.75
II. Other Income	21		88.30		199.86
III. Total Revenue (I + II)			1,93,761.16		2,04,614.61
IV. Expenses					
(a) Cost of Materials consumed	22	1,38,152.45		1,54,483.99	
(b) Purchase of stock-in-trade	23	22,079.16		21,237.13	
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	558.65		(960.42)	
(d) Employee benefits expense	25	5,645.48		6,027.09	
(e) Finance costs	26	1,245.71		879.95	
(f) Depreciation	11	1,970.15		2,023.84	
(g) Other expenses	27	17,080.29		15,567.10	
		1,86,731.89		1,99,258.68	
Less : Expenditure (other than finance cost) transferred to capital and other accounts		119.67		85.61	
Total Expenses (IV)			1,86,612.22		1,99,173.07
V. Profit before exceptional and extra ordinary items and Tax (III - IV)			7,148.94		5,441.54
VI. Exceptional items (provision made/(reversed) for impairment loss)			(170.97)		1,368.22
VII. Profit before Tax (V - VI)			7,319.91		4,073.32
VIII. Tax Expense					
(a) Income tax		1,970.00		1,730.00	
(b) Deferred tax	37	418.79		(201.01)	
			2,388.79		1,528.99
IX. Profit after taxation (VII-VIII)			4,931.12		2,544.33
X. Earnings Per share of Rs. 10 each Basic and Diluted (Rs.) [Refer Note 34]			7.23		3.73

Summary of Significant Accounting Policies

The Notes referred to above form an integral part of the Financial Statements

As per our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

Alka Chadha
Partner



Anand Sen
Chairman

Date: 25 April, 2016
Place: Kolkata

Asis Mitra
Company Secretary

Anup Kumar
Chief Financial Officer

Abraham G Stephanos
Managing Director

Date: 25 April, 2016
Place: Kolkata

TATA STEEL PROCESSING AND DISTRIBUTION LIMITED
Cash Flow Statement for the year ended 31 March 2016



	Year ended 31.03.2016		Year ended 31.03.2015	
	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs
A CASH FLOW FROM OPERATING ACTIVITIES				
NET PROFIT BEFORE TAX		7,319.91		4,073.32
<i>Adjustments for :</i>				
Depreciation	1,970.15		2,023.84	
Interest income	(79.62)		(87.76)	
Dividend income	(8.68)		(112.10)	
Finance costs	1,245.71		879.95	
Unrealised (gain)/ loss on foreign exchange	42.13		(53.79)	
Amortisation of forward premium	168.20		14.64	
Loss on sale/discard of fixed assets	21.43		0.43	
Provision for doubtful trade receivables and advances	12.92		(35.83)	
Provision for impairment loss on non-current assets	-		1,368.22	
(Gain)/Loss on settlement of financial derivative transactions	189.05		35.97	
Reversal of provision for impairment loss on non-current asset	(170.97)		-	
		3,390.32		4,033.57
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		10,710.23		8,106.89
<i>Adjustments for :</i>				
(Increase)/decrease in trade receivables	(2,854.46)		4,128.54	
(Increase)/decrease in inventories	(706.01)		(3,581.85)	
Increase/(decrease) in payables	1,462.54		(5,432.37)	
(Increase)/decrease in loans and advances	(1,916.99)	(4,014.92)	(154.37)	(5,040.05)
CASH GENERATED FROM OPERATIONS		6,695.31		3,066.84
Direct taxes paid		(1,760.83)		(1,788.53)
NET CASH FROM OPERATING ACTIVITIES		4,934.48		1,278.31
B CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets	(11,283.26)		(7,023.57)	
Sale of fixed assets	224.42		68.54	
Recovery against capital costs	-		724.00	
Purchase of current investments	(5,400.00)		(31,111.77)	
Sale of current investments	5,400.00		32,012.59	
Maturity of bank deposits	-		400.00	
Interest received	80.42		90.15	
Dividend received	8.68		114.83	
NET CASH (USED IN) INVESTING ACTIVITIES		(10,969.74)		(4,725.23)
C CASH FLOW FROM FINANCIAL ACTIVITIES				
Proceeds from long term borrowings	2,037.35		6,000.00	
Repayment of long term borrowings	(1,516.63)		(2,473.18)	
Capital subsidy on investment	-		30.00	
Proceeds from short term borrowings	7,208.15		1,000.00	
Placed/(paid) in deferred statutory restricted accounts balance	305.74		(3.62)	
Amount paid on settlement of financial derivative transactions	(225.02)		-	
Finance costs	(1,259.34)		(869.37)	
Dividend paid	(682.50)		-	
Dividend tax paid	(136.47)		-	
NET CASH FROM FINANCING ACTIVITIES		5,731.28		3,683.83
Net Increase in Cash and Cash equivalents (A+B+C)		(303.98)		236.91
Cash and Cash Equivalents at the beginning of the year [Refer note 17]		1,840.30		1,603.39
Cash and Cash Equivalents at the end of the year [Refer note 17]		1,536.32		1,840.30

Note
 In respect of Corporate Social Responsibility activities, the Company had paid

116.01 **130.34**

As per our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins and Sells
 Chartered Accountants



Anand Sen
 Anand Sen
 Chairman

Alka Chadha
 Alka Chadha
 Partner

Asis Mitra
 Asis Mitra
 Company Secretary

Anup Kumar
 Anup Kumar
 Chief Financial Officer

Abraham G Stephanos
 Abraham G Stephanos
 Managing Director

Date : 25 April, 2016
 Place : Kolkata

Date : 25 April, 2016
 Place : Kolkata

Basis of preparation of Financial Statements

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

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

Note 1: Summary of Significant Accounting Policies.

a) Use of Estimates

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

b) Revenue Recognition

i) Sale of goods

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

ii) Processing Charges

Revenue from service transactions is usually recognised as the service is performed on conversion of customers material by the completed service contract method. Processing charges include freight and packaging charges but are net of service tax.

iii) Dividend and Interest income

Dividend income is recognised when the Company's right to receive dividend is established. Interest income is recognised on accrual basis based on interest rates implicit in the transactions.

c) Fixed Assets

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

d) Depreciation

Depreciation on fixed assets is provided on straight-line method over the remaining useful life of assets.

The details of estimated useful life for each category of assets are as under:

- a) Factory building - 30 years.
- b) Building(others)⁽¹⁾ - 30 to 60 years.
- c) Roads and pathways ⁽¹⁾ - 10 to 20 years.
- d) Plant and machinery ⁽¹⁾ - 6 to 20 years.
- e) Electrical installations ⁽¹⁾ - 5 to 20 years.
- f) Furniture and fixtures - 10 years.
- g) Office equipment ⁽¹⁾ - 5 to 15 years.
- h) Computers(including software) ⁽¹⁾ - 5 years.
- i) Vehicles ⁽¹⁾ - 5 years.
- j) Leasehold land is amortised over the life of the lease.

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



'Note 1. Summary of Significant Accounting Policies. (Contd..)

e) Investments

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

f) Inventories

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

Work in Progress valued at cost including cost of conversion and other costs incurred to bring the asset to the present condition
Finished and semi-finished products are valued at lower of cost and net realisable value.

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

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

g) Foreign Currency Transactions

Foreign currency transactions and forward exchange contracts are recorded on initial recognition in the reporting currency i.e. Indian rupees, using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities in currencies other than the reporting currency and foreign exchange contracts remaining unsettled are remeasured at the rates of exchange prevailing at the balance sheet date.

Exchange difference arising on the settlement and on the remeasurement of long term foreign currency monetary items related to acquisition of depreciable fixed assets are adjusted to the cost of such assets. Exchange difference arising on the settlement and on the remeasurement of other long term foreign currency monetary items are accumulated in a 'Foreign Currency Monetary Item Translation Difference Account' and amortised over the balance period of such long term asset/liability or 31 March 2020 whichever is earlier.

Exchange difference arising on the settlement and on the remeasurement of short term monetary items are included in the Statement of Profit and Loss for the period. In case of forward exchange contracts, the difference between the contract rate and the spot rate on the date of transaction is charged to the the Statement of Profit and Loss over the period of the contract.

h) Derivative Financial Instruments

(i) The Company uses derivative financial instruments such as Forwards and Swaps to hedge its risks associated with foreign exchange fluctuations. Such derivative financial instruments are used as risk management tools and not for speculative purposes.

(ii) Derivative financial instruments entered into for hedging foreign exchange risks of recognised foreign currency monetary items are accounted for as per the principles laid down in Accounting Standard - 11 "The effects of changes in foreign exchange rates".

(iii) For derivative financial instruments and foreign currency monetary items designated as Cash Flow hedges, the effective portion of the fair value of the derivative financial instruments are recognised in Cash Flow Hedge Reserve and reclassified in the period in which the Statement of Profit and Loss is impacted by the hedged items. In cases where the exposure gives rise to a non-financial asset, the effective portion is reclassified from Hedging Reserve to the initial carrying amount of the non-financial asset as a 'basis adjustment' and recycled to the Statement of Profit and Loss when the respective non-financial asset affects the Statement of Profit and Loss in future periods. The ineffective portion of the change in fair value of such instruments is recognised in the Statement of Profit and Loss in the period in which they arise. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For transactions of firm commitment, any cumulative gain or loss on the hedging instrument recognised in Cash Flow Hedge Reserve is retained until the transaction occurs. If the transaction is no longer expected to occur, the net cumulative gain or loss recognised in Cash Flow Hedge Reserve is immediately transferred to the Statement of Profit and Loss.

(iv) If no hedging relationship is designated, the fair value of the derivative financial instruments is marked to market through the Statement of Profit and Loss.

i) Borrowing Costs

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

j) Employee Benefits

i). Short term benefits

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

ii). Post employment benefits

Defined Contribution plans

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

Defined Benefit Plans

Defined benefit plans are arrangements that provide guaranteed benefits to employees, either by way of contractual obligations or through a collective agreement. This guarantee of benefits represents a future commitment of the Company and, as such, a liability is recognised. The present value of these defined benefit obligations are ascertained by independent actuarial valuation as per the requirement of Accounting Standards 15 - Employee Benefits. The liability recognised in the balance sheet is the present value of the defined benefit obligations on the balance sheet date less the fair value of the plan assets (for funded plans), together with adjustments for unrecognised past service costs. All actuarial gains and losses are recognised in the Statement of Profit and Loss in full in the period in which they occur.



'Note 1. Summary of Significant Accounting Policies. (Contd..)

k) Taxes on Income

(i) Current Taxes

Provision for current income-tax is measured as the amount expected to be paid to the tax authorities on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

(ii) Deferred Taxes

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current period and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

l) Leases

The Company's significant leasing arrangements are in respect of operating leases for premises (Residences, office etc). The leasing arrangements, which are cancellable, range between 11 months to 3 years generally, and are usually renewable by mutual consent on agreed terms. Rental expenses on operating leases is recognised on a straight line basis over the terms of the relevant leases.

m) Earnings Per Share

The Company reports basic and diluted earnings per share in accordance with Accounting Standard (AS) 20- Earnings Per Share. Basic earnings per equity share have been computed by dividing net profit after tax attributable to equity share holders by the weighted average numbers of equity shares outstanding during the period. Diluted earnings during the period adjusted for the effects of all dilutive potential equity shares per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period.

n) Impairment of assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

o) Operating cycle

Based on the nature of products/activities of the Company and the normal time between acquisition of the 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.



TATA STEEL PROCESSING AND DISTRIBUTION LIMITED
Notes annexed to and forming part of financial statements



NOTE 2 : SHARE CAPITAL

(a) **Authorised**

75,000,000 equity shares of Rs.10 each

(b) **Issued , Subscribed and fully paid up**

68,250,000 equity shares of Rs. 10 each fully paid
 [100% Share Capital of the company is held by Tata Steel Limited, Holding Company]

Total issued, subscribed and fully paid up share capital

	As at 31.03.2016 Rs. in lacs	As at 31.03.2015 Rs. in lacs
	7,500.00	7,500.00
	6,825.00	6,825.00
	6,825.00	6,825.00

Note:

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. 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.



NOTE 3 : RESERVES AND SURPLUS	As at 31.03.2016 Rs. in lacs	As at 31.03.2016 Rs. in lacs	As at 31.03.2015 Rs. in lacs	As at 31.03.2015 Rs. in lacs
(A) General Reserve				
At the commencement of the year	127.22		-	
Add: Transfer from Surplus in Statement of Profit and Loss	<u>246.55</u>		<u>127.22</u>	
At the end of the year		373.77		127.22
(B) Surplus in Statement of Profit and Loss				
At the commencement of the year	39,188.43		37,708.54	
Add: Profit for the year	4,931.12		2,544.33	
Less : (i) Adjustment relating to depreciation on change in estimated useful life at the commencement of the year (Net of deferred tax of Rs. 62.58 lacs)	-		118.25	
(ii) Transfer to General Reserve	246.55		127.22	
(iii) Proposed Dividend (Re 1.50 per share) ⁽¹⁾	1,023.75		682.50	
(iv) Income Tax on Proposed Dividend	<u>208.42</u>		<u>136.47</u>	
At the end of the year		42,640.83		39,188.43
(C) Capital Subsidy ⁽²⁾		30.00	-	30.00
(D) Cash Flow Hedge Reserve				
At the commencement of the year/period	(364.92)		-	
Add: Fair value changes recognised	<u>364.92</u>		<u>(364.92)</u>	
At the end of the year		-		(364.92)
		43,044.60		38,980.73

Note:-

(1) The Board of Directors has proposed a dividend of Re 1.50 per Equity Share (2014-15 Rs. 1.00 per equity share) for the year ended 31 March, 2016. The dividend payment is subject to the approval of the shareholders in the ensuing Annual General Meeting.

(2) Capital subsidy received from State Industrial Development Corporation of Uttarakhand Limited for investments in Pantnagar.



NOTE 4 : LONG-TERM BORROWINGS

(a) **Term Loans**

- (i) From banks
Secured (Refer note [A] below)

(b) **Deferred payment liabilities**

- Sales tax deferment loan
Unsecured (Refer note [C] below)

	As at 31.03.2016 Rs. in lacs	As at 31.03.2015 Rs. in lacs
	11,351.54	10,785.43
	558.41	252.66
	11,909.95	11,038.09

Notes:

	Particulars of Loan	Amount outstanding as on 31.03.2016 (Rs. in lacs)	Amount outstanding as on 31.03.2015 (Rs. in lacs)	Terms of Repayment	Security
[A]	Term loan from Banks				
i.	Rupee Loan	7,500.00	7,500.00	Quarterly repayments starting from 31.03.2017 till 31.12.2021	Fixed assets of Chennai Service Centre, Thiruninravur
ii.	ECB loan-USD 52.1 lacs (31.03.2015 - 70.3 lacs)	3,478.72	4,433.12	Quarterly repayments starting 31.03.2014 till 31.12.2018	Fixed assets at Tubes Division (Demag Project) Jamshedpur
	ECB loan-USD 30.0 lacs (31.03.2015 - Nil)	2,003.10	-	Quarterly repayments starting 31.12.2017 till 30.09.2021	Fixed assets at CR Works (JCACPPL* Project) Jamshedpur
	Total	12,981.82	11,933.12		
	Less: Current maturities of long term borrowings (shown under current liabilities)	1,630.28	1,147.69		
	Long term borrowings-secured	11,351.54	10,785.43		
[B]	Term loan from Others				
i.	ECB loan -Nil (31.03.2015 USD 4.98 lacs)	-	308.48	Half yearly repayments till 31.12.2015	Unsecured
	Less: Current maturities of long term borrowings (shown under current liabilities)	-	308.48		
	Long term borrowings-unsecured	-	-		
[C]	Sales tax deferment loan	558.41	252.66	Repayable in five equal annual instalments after a period of 10 years from the end of the month of respective loans.	Unsecured

* Jamshedpur Continuous Annealing and Processing Company Private Limited



NOTE 5 : OTHER LONG TERM LIABILITIES

(a) Payable for purchase of fixed assets

As at 31.03.2016 Rs. in lacs	As at 31.03.2015 Rs. in lacs
-	216.09
-	216.09



NOTE 6 : LONG TERM PROVISIONS

- (a) Provision for employee benefits
 - (i) Provision for compensated absences
 - (ii) Provision for gratuity
 - (iii) Provision for post retirement medical benefits
 - (iv) Provision for other post retirement benefits

	As at 31.03.2016 Rs. in lacs	As at 31.03.2015 Rs. in lacs
	861.49	742.37
	69.08	56.68
	473.53	403.44
	562.70	583.15
	1,966.80	1,785.64



TATA STEEL PROCESSING AND DISTRIBUTION LIMITED
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NOTE 7 : SHORT-TERM BORROWINGS

	As at 31.03.2016 Rs. in lacs	As at 31.03.2015 Rs. in lacs
Loan repayable on demand		
Secured		
(i) Cash credit from bank ⁽¹⁾	618.01	-
Unsecured		
(i) Short term loan from bank	3,000.00	1,000.00
(ii) Buyer's credit from bank	4,736.16	-
	8,354.17	1,000.00

Note:

(1) Cash credit from bank is secured against first charge on inventory and trade receivables.



NOTE 8 : TRADE PAYABLES

	As at 31.03.2016 Rs. in lacs	As at 31.03.2015 Rs. in lacs
(i) Total outstanding dues of micro enterprises and small enterprises [Refer Note 43]	70.03	113.14
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	9,777.26	8,489.85
	9,847.29	8,602.99



NOTE 9 : OTHER CURRENT LIABILITIES

	As at 31.03.2016 Rs. in lacs	As at 31.03.2015 Rs. in lacs
(a) Current maturities of long-term debt		
(i) Term Loan from bank		
Secured loans (Refer note 4)	1,630.28	1,147.69
(ii) From others		
Unsecured loans	-	308.48
(b) Statutory dues (Contribution to PF, ESIC, withholding taxes, CST/VAT, Service tax, etc)	180.54	278.71
(c) Interest accrued but not due on borrowings	23.84	3.13
(d) Interest accrued on trade payables	12.02	-
(e) Payables for purchase for fixed assets	3,616.15	1,113.63
(f) Liability for excise duty on change in inventories	6.49	4.85
(g) Advance from customers	431.17	323.62
(h) Financial derivative liability	92.53	400.89
	5,993.02	3,581.00



NOTE 10 : SHORT-TERM PROVISIONS

	As at 31.03.2016 Rs. in lacs	As at 31.03.2015 Rs. in lacs
(a) Provision for tax (net of advance tax Rs. 11,005.53 lacs, 31.03.2015 Rs. 9,244.67 lacs)	928.47	719.33
(b) Provision for employee benefits		
(i) Compensated absences	14.11	8.22
(ii) Other post retirement benefits	39.41	39.46
(c) Provision for contingencies- sales tax	-	43.04
(d) Provision for proposed equity dividend	1,023.75	682.50
(e) Provision for tax on proposed dividend	208.42	136.47
	2,214.16	1,629.02



NOTE 11 : FIXED ASSETS

Description	Rs. in Lacs											Total assets	
	Freehold land	Leasehold land	Building	Plant and machinery	Electrical installations	Furniture and fixtures	Office equipment	Vehicles	Computers	Total tangible assets	Computer software		Total Intangible assets
Gross Block as at 01.04.2015	164.83 (164.83)	1,352.60 (1,245.73)	12,998.94 (12,175.14)	28,009.74 (27,083.37)	2,287.34 (2,155.28)	328.63 (311.66)	274.27 (238.87)	196.81 (134.08)	496.87 (399.07)	46,110.03 (43,908.03)	395.67 (306.00)	395.67 (306.00)	46,505.70 (44,214.03)
Additions/ Transfers during the year	-	-	410.77 (872.56)	4,662.25 (1,145.47)	173.45 (158.55)	16.29 (17.85)	21.73 (37.13)	-	75.73 (101.36)	5,360.22 (2,528.12)	0.18 (89.67)	0.18 (89.67)	5,360.40 (2,617.79)
Adjustment for foreign exchange fluctuation (Gain)/Loss	-	-	93.54 (87.75)	61.23 (99.04)	13.55 (12.88)	-	-	-	-	168.32 (199.67)	-	-	168.32 (199.67)
Deletions/ Transfers during the year	-	1.48	4.27 (136.51)	367.76 (318.14)	13.68 (39.37)	1.77 (0.89)	0.63 (1.73)	26.49 (25.60)	0.48 (3.56)	416.56 (525.80)	-	-	416.56 (525.80)
Gross Block as at 31.03.2016	164.83 (164.83)	1,351.12 (1,352.60)	13,498.98 (12,998.94)	32,365.46 (28,009.74)	2,460.66 (2,287.34)	343.15 (328.63)	295.37 (274.27)	170.32 (196.81)	572.12 (496.87)	51,222.01 (46,110.02)	395.85 (395.67)	395.85 (395.67)	51,617.86 (46,505.71)
Impairment as at 01.04.2015	-	-	-	1,366.64 (99.11)	1.28 (15.85)	-	0.18 (0.13)	-	0.12	1,368.22 (200.63)	-	-	1,368.22 (200.63)
Impairment during the year	-	-	84.67	-	-	0.87	-	-	-	-	-	-	-
Impairment reversed during the year	-	-	-	1,366.64 (99.11)	1.28 (1.28)	-	0.18 (0.18)	-	0.12	1,368.22 (200.63)	-	-	1,368.22 (200.63)
Impairment as at 31.03.2016	-	-	-	1,195.67 (1,366.64)	1.28 (1.28)	-	0.18 (0.18)	-	0.12 (0.12)	1,197.25 (1,368.22)	-	-	1,197.25 (1,368.22)
Accumulated depreciation as at 01.04.2015	-	206.36 (149.30)	2,671.28 (2,219.20)	12,387.36 (11,376.72)	853.92 (698.10)	169.74 (127.80)	136.59 (58.16)	58.66 (38.10)	291.10 (221.30)	16,775.01 (14,888.68)	208.09 (145.94)	208.09 (145.94)	16,983.10 (15,034.62)
Depreciation during the year	-	55.49 (57.06)	528.05 (447.21)	1,018.88 (1,155.12)	128.27 (121.64)	31.46 (35.42)	36.95 (51.06)	31.29 (32.56)	71.62 (61.62)	1,902.01 (1,961.69)	68.14 (62.15)	68.14 (62.15)	1,970.15 (2,023.84)
Adjustment with reserve during the year	-	-	-	-	-	-	-	-	-	-	-	-	-
Deductions/ Transfers during the year	-	-	39.08	43.27 (187.75)	50.13 (15.95)	6.98 (0.46)	28.92 (1.55)	2.79 (14.79)	9.66 (1.48)	180.83 (256.19)	-	-	180.83 (256.19)
Accumulated Depreciation as at 31.03.2016	-	261.85 (206.36)	3,199.33 (2,671.28)	13,306.99 (12,387.36)	975.86 (853.92)	200.55 (169.74)	173.54 (136.59)	74.30 (58.66)	362.64 (291.10)	18,555.06 (16,775.01)	276.23 (208.09)	276.23 (208.09)	18,831.29 (16,983.10)
Assets held for disposal as at 01.04.2015	-	-	1.00 (1.00)	1.50 (1.50)	-	-	-	-	-	2.50 (2.50)	-	-	2.50 (2.50)
Adjustment during the year	-	-	1.00 (-)	1.50 (-)	(-)	(-)	(-)	(-)	(-)	2.50 (-)	(-)	(-)	2.50 (-)
Assets held for disposal as at 31.03.2016	-	(-)	(1.00)	(1.50)	(-)	(-)	(-)	(-)	(-)	(2.50)	(-)	(-)	2.50 (-)
Net Block as at 31.03.2016	164.83	1,089.27	10,299.65	17,862.80	1,483.52	142.60	121.65	96.02	209.36	31,469.70	119.62	119.62	31,589.32
Net Block as at 31.03.2015	164.83	1,146.24	10,328.66	14,257.24	1,432.14	158.90	137.50	138.15	205.65	27,969.31	187.58	187.58	28,156.89
Gross Capital Work in Progress as at 01.04.2015	-	-	-	-	-	-	-	-	-	-	-	-	2,488.66
Adjustments during the year	-	-	-	-	-	-	-	-	-	-	-	-	10,429.83
Capital Work in Progress as at 31.03.2016	-	-	-	-	-	-	-	-	-	-	-	-	12,918.49
Capital Work in Progress as at 31.03.2015	-	-	-	-	-	-	-	-	-	-	-	-	2,488.66

Amount in brackets represents previous year's figures.



NOTE : 12 and 13: INVESTMENTS

	Balance		Balance	
	As at 31.03.2016		As at 31.03.2015	
	No. of Units	Rs. in lacs	No. of Units	Rs. in lacs
Note 12 : NON - CURRENT INVESTMENTS				
UNQUOTED, NON TRADE				
Equity shares of Rs. 10 each	10,000	1.00	10,000	1.00
fully paid in Nicco Jubilee Park Limited (Book Value: Re 1)				
Less: Provision for dimunition in value	-	(1.00)	-	(1.00)
Total	10,000	-	10,000	-
Note 13: CURRENT INVESTMENTS (At lower of cost or fair value)				
Investments in Mutual Fund - Unquoted				
IDFC Dynamic Bond Fund - Growth - Regular Plan	13,62,490	200.00	13,62,490	200.00
Note:				
Aggregate amount of current quoted investment		200.00		200.00
Total	13,62,490	200.00	13,62,490	200.00



NOTE 14 : LONG TERM LOANS AND ADVANCES

	As at 31.03.2016 Rs. in lacs	As at 31.03.2015 Rs. in lacs
(a) Unsecured, Considered good		
(i) Capital advances to others	1,040.31	3,270.39
(ii) Security deposits	162.34	174.15
(iii) Prepaid expenses	64.29	55.43
(iv) Advance sales tax	148.49	148.49
(v) Advance income tax (net of provision for tax Rs 8,001.00 lacs, 31.03.2015 Rs 8,001.00 lacs)	299.83	299.83
(b) Considered doubtful		
Unsecured, capital advances	55.09	55.09
	1,770.35	4,003.38
Less: Provision for doubtful capital advances	55.09	55.09
	1,715.26	3,948.29

(1) Includes claimable excise benefits and amount paid under protest to Sales Tax Authorities.



NOTE 15: INVENTORIES

(At lower of cost or net realisable value)

	As at 31.03.2016 Rs. in lacs	As at 31.03.2015 Rs. in lacs
(a) Raw materials [include goods in transit Rs. 3,025.43 lacs (31.03.2015 Rs. 2,307.65 lacs)]	16,425.93	15,095.74
(b) Work-in-progress	67.94	63.63
(c) Finished goods (including scrap)	2,337.45	3,104.22
(d) Stock-in-trade [include Goods in transit Nil (31.03.2015 Rs. 28.39 lacs)]	1,617.88	1,414.07
(e) Stores and spares (At cost less provision for obsolescence)	385.61	451.13
	20,834.81	20,128.79

Details of Inventory

(a) Raw materials

(i) Steel coils	14,862.52	14,671.48
(ii) Others (plate, pipes)	1,563.41	424.26
	<u>16,425.93</u>	<u>15,095.74</u>

(b) Work-in-progress

(i) Components	67.94	63.63
	<u>67.94</u>	<u>63.63</u>

(c) Finished goods (including scrap)

(i) Steel sheets	2,299.06	3,101.47
(ii) Components	38.39	2.75
	<u>2,337.45</u>	<u>3,104.22</u>

(d) Stock-in-trade

(i) Steel sheets	1,610.75	1,408.99
(ii) Others (long products)	7.12	5.08
	<u>1,617.88</u>	<u>1,414.07</u>



TATA STEEL PROCESSING AND DISTRIBUTION LIMITED
Notes annexed to and forming part of financial statements



NOTE 16 : TRADE RECEIVABLES

(a) Trade receivable outstanding for a period exceeding six months from the date they are due for payment

Unsecured, considered good
 Doubtful
 Less : Provision for doubtful trade receivable

(b) Others trade receivables

Unsecured, considered good

	As at 31.03.2016 Rs. in lacs	As at 31.03.2015 Rs. in lacs
	132.30	613.17
	2,133.50	2,120.59
	2,265.80	2,733.76
	2,133.50	2,120.59
	132.30	613.17
	17,648.67	14,326.25
	17,780.97	14,939.42



TATA STEEL PROCESSING AND DISTRIBUTION LIMITED

Notes annexed to and forming part of financial statements



NOTE 17 : CASH AND CASH EQUIVALENTS

- (a) Cash in hand
- (b) Cheques, drafts on hand
- (c) Balances with scheduled banks :
 - In current accounts
 - In demand deposit

Cash and cash equivalent considered for AS-3

	As at 31.03.2016 Rs. in lacs	As at 31.03.2015 Rs. in lacs
	3.79	4.56
	167.92	86.37
	1,064.61	1,149.37
	300.00	600.00
	1,536.32	1,840.30



NOTE 18 : SHORT-TERM LOANS AND ADVANCES

	As at 31.03.2016 Rs. in lacs	As at 31.03.2015 Rs. in lacs
(a) Unsecured, Considered good		
(i) Loans and advances to related parties	78.10	171.47
(ii) Other loans and advances ⁽¹⁾	2,122.25	539.75
(b) Advance with Government authorities		
(i) Balance with Excise authorities	222.73	747.96
(ii) Balance with Sales tax authorities	1,825.25	897.00
(c) Prepaid expenses	222.82	167.12
(d) Deferred forward premium	123.26	-
(e) Doubtful		
(i) Advances recoverable in cash or in kind or for value to be received :	54.17	54.17
	4,648.58	2,577.47
Less: Provision for doubtful advances	54.17	54.17
	4,594.41	2,523.30

Note:

(1) Includes advance to vendors and Cenvat on hold.



TATA STEEL PROCESSING AND DISTRIBUTION LIMITED

Notes annexed to and forming part of financial statements



NOTE 19 : OTHER CURRENT ASSETS

(i) Interest accrued on deposits

(ii) Unbilled revenue

	As at 31.03.2016 Rs. in lacs	As at 31.03.2015 Rs. in lacs
(i) Interest accrued on deposits	0.13	0.93
(ii) Unbilled revenue	165.35	193.26
	165.48	194.19



TATA STEEL PROCESSING AND DISTRIBUTION LIMITED

Notes annexed to and forming part of financial statements

**NOTE 20 : REVENUE FROM OPERATIONS**

	Year ended 31.03.2016 Rs. in lacs	Year ended 31.03.2015 Rs. in lacs
(a) Sale of products	1,73,061.57	1,86,068.86
(b) Sale of services	19,099.78	16,518.87
(c) Other operating revenues (1)	1,852.11	2,071.38
	1,94,013.46	2,04,659.11
(d) Less: Excise duty	340.60	244.36
	1,93,672.86	2,04,414.75

Details of sale of products

(i) Steel coils and sheets	1,67,288.33	1,83,305.29
(ii) Others (Long products and components)	5,773.24	2,763.57
	1,73,061.57	1,86,068.86

Details of sales of services

Processing of steel coils/ sheets, longs and plates	19,099.78	16,518.87
	19,099.78	16,518.87

Note:

(1) Includes compensation for shortfall in guaranteed volumes. Rs. 2,273.01 [Previous year Nil]

(2) Includes scrap sales of Rs. 1,741.25 lacs [Previous year Rs. 1,939.87 lacs]



TATA STEEL PROCESSING AND DISTRIBUTION LIMITED

Notes annexed to and forming part of financial statements

**NOTE 21 : OTHER INCOME**

- (a) Interest income on bank deposits, etc.
(b) Dividend income from current investments

	Year ended 31.03.2016 Rs. in lacs	Year ended 31.03.2015 Rs. in lacs
(a) Interest income on bank deposits, etc.	79.62	87.76
(b) Dividend income from current investments	8.68	112.10
	88.30	199.86



TATA STEEL PROCESSING AND DISTRIBUTION LIMITED

Notes annexed to and forming part of financial statements



NOTE 22: COST OF RAW MATERIALS CONSUMED

Opening Stock
Add : Purchases

Less : Closing stock

Details of raw materials consumed

(i) Steel coils
(ii) Others

NOTE: 23 PURCHASE OF STOCK IN TRADE

(i) Steel sheets
(ii) Others

NOTE 24: CHANGES IN INVENTORIES

Work-In-Progress

Opening stock
Less: Closing stock

Finished goods (including scrap)

Opening stock
Less: Closing stock

Stock in trade

Opening stock
Less: Closing stock

	Year ended 31.03.2016 Rs. in lacs	Year ended 31.03.2015 Rs. in lacs
	15,095.74	12,609.45
	1,39,482.64	1,56,970.28
	1,54,578.38	1,69,579.73
	16,425.93	15,095.74
	1,38,152.45	1,54,483.99
	1,35,147.62	1,53,223.81
	3,004.83	1,260.18
	1,38,152.45	1,54,483.99
	21,092.32	20,280.65
	986.84	956.48
	22,079.16	21,237.13
	63.63	26.61
	67.94	63.63
	(4.31)	(37.02)
	3,104.22	2,869.97
	2,337.45	3,104.22
	766.77	(234.25)
	1,414.07	724.92
	1,617.88	1,414.07
	(203.81)	(689.15)
	558.65	(960.42)



TATA STEEL PROCESSING AND DISTRIBUTION LIMITED

Notes annexed to and forming part of financial statements



NOTE: 25 EMPLOYEE BENEFITS EXPENSE

- (a) Salaries and wages
- (b) Contribution to provident and other funds
- (c) Staff welfare expenses

Year ended 31.03.2016	Year ended 31.03.2015
Rs. in lacs	Rs. in lacs
4,919.89	5,116.10
457.56	708.30
268.03	202.69
5,645.48	6,027.09



TATA STEEL PROCESSING AND DISTRIBUTION LIMITED

Notes annexed to and forming part of financial statements

**NOTE 26 : FINANCE COST**

	Year ended 31.03.2016 Rs. in lacs	Year ended 31.03.2015 Rs. in lacs
(a) Interest expense		
(i) On term loans	937.15	774.91
(ii) Trade payables	12.02	
(iii) Others	317.91	92.11
(b) Other borrowing costs	12.96	12.93
	1,280.04	879.95
Less: Interest capitalised	34.33	-
	1,245.71	879.95



TATA STEEL PROCESSING AND DISTRIBUTION LIMITED

Notes annexed to and forming part of financial statements



NOTE 27: OTHER EXPENSES

	Year ended 31.03.2016 Rs. in lacs	Year ended 31.03.2015 Rs. in lacs
Consumption of stores and spares	4,754.18	5,102.21
Packing expenses	538.18	534.50
Increase /(decrease) in excise duty on change in inventories	1.92	3.14
Power and fuel	1,114.84	957.98
Conversion charges	1,710.83	1,673.07
Rent	463.22	485.95
Repairs and maintenance		
- Buildings	243.35	78.55
- Plant and machinery	1,002.36	709.72
- Others	853.35	728.05
Insurance	154.03	134.51
Rates and taxes	84.32	69.59
Postage, telegram and telephone	81.33	82.31
Travelling and conference	365.52	486.55
Vehicle running	28.93	46.12
Printing and stationary	77.20	76.53
Freight and handling charges	1,614.30	1,528.05
Legal and professional charges	350.87	245.72
Expenses on corporate social responsibility	116.01	130.34
Directors' fees	7.96	5.94
Provision for doubtful trade receivables and advances	12.92	(35.83)
Loss on Sale/discard of fixed assets	21.43	0.43
Net loss / (gain) on foreign currency transactions	36.45	(53.74)
Difference in derivatives (MTM) loss / (gain)	189.05	35.97
Contract labour charges	1,608.32	1,394.67
Miscellaneous expenses	1,649.42	1,146.77
	17,080.29	15,567.10



Note 28: Contingent Liabilities

	31.03.2016	31.03.2015
	Rs. in lacs	Rs. in lacs
Contingent Liabilities not provided for		
a). Bills discounted	2,993.65	3,574.84
b). Excise duty #	5,403.08	5,375.26
c). Sales tax (in respect of non submission of Forms and other matters/ reimbursement in case of liability)	669.89	614.38
d). Income tax	310.67	590.41
e). Guarantee	6.71	6.71

in respect of chargeability and assessable value determination; the Department is in appeal in respect of Rs. 4,970.19 lacs (31.03.2015: Rs. 4,970.19 lacs) and for this amount the expected reimbursements in case of any liability are not determined.

Note 29: Capital Commitments

Estimated amounts of contracts remaining to be executed on capital account and not provided : Rs. 6,410.41 lacs (As at 31.03.2015 Rs. 11,591.77 lacs)

Note 30: Consumption of Imported and Indigenous materials	2015-16		2014-15	
	%	Amount (Rs. in lacs)	%	Amount (Rs. in lacs)
a). Raw materials consumed				
- Indigenous	99.93%	1,38,051.90	100.00%	1,54,483.99
- Imported	0.07%	100.55	0.00%	-
	100.00%	1,38,152.45	100.00%	1,54,483.99
b). Stores and spare parts				
- Indigenous	99.24%	4,717.91	98.94%	5,048.15
- Imported	0.76%	36.27	1.06%	54.06
	100.00%	4,754.18	100.00%	5,102.21

Note 31: Value of Imports (C. I .F)	2015-16	2014-15
	Amount (Rs. in lacs)	Amount (Rs. in lacs)
a). Raw materials	738.76	-
b). Stores and spare parts	36.19	40.98
c). Capital goods	9,726.80	695.54

Note 32: Expenditure in Foreign Currency (on annual basis)	2015-16	2014-15
	Amount (Rs. in lacs)	Amount (Rs. in lacs)
a). Others (Travelling, Conference fee etc.,)	12.04	18.63

Note 33: Payment to Auditors comprises:	2015-16	2014-15
	Amount (Rs. in lacs)	Amount (Rs. in lacs)
(a) To Statutory Auditors		
i). Audit fees	24.60	20.50
ii). Tax audit fees	3.00	2.50
iii). Other services	20.75	8.27
iv). Out-of-pocket expenses	5.86	4.15
	54.21	35.42
(b) To Cost Auditors		
i). Cost audit	3.00	1.50
ii). Other services	0.18	0.15
	3.18	1.65

The above figures are exclusive of Service Tax

Note 34: Earnings per share	2015-16	2014-15
	Net Profit for the year available to equity share holders (Rs. in lacs)	4,931.12
Weighted average number of equity shares	6,82,50,000	6,82,50,000
Nominal value per equity share-Rs.	10	10
Basic and diluted earnings per share (Rs.)	7.23	3.73



Note 35: Related party Disclosures

a). List of Related Parties and Relationship

Name of the Related Party	
i). Tata Steel Limited	100% Holding Company
ii). Tinplate Company of India Limited	Fellow Subsidiary Company
iii). Tata Metaliks D I Pipe Limited	Fellow Subsidiary Company
iv). Jamshedpur Utilities & Services Company Limited	Fellow Subsidiary Company
v). Jamshedpur Continuous Annealing and Processing Company Private Limited	Fellow Subsidiary Company
vi). TKM Global Logistics Limited	Fellow Subsidiary Company
vii). Layde Steel SLU, B Eguskitza, Durango,	Fellow Subsidiary Company
viii). Sandipan Chakravorty	Managing Director (Till 30.09.2014)
ix). Abraham G Stephanos	Managing Director (From 01.10.2014)
x). Pratik Chatterjee	Chief Financial Officer (Till 31.08.2015)
xi). Anup Kumar	Chief Financial Officer (From 01.09.2015)
xii). Asis Mitra	Company Secretary

b). Related party transactions

Name of the related party	Nature of transactions	Mar-16	Mar-15
Tata Steel Limited		Holding Company	Holding Company
		Amount (Rs. in lacs)	Amount (Rs. in lacs)
	Purchase of goods	1,60,051.11	1,79,717.05
	Processing charges, consignment agency income, compensation income/(expense), etc.,	18,791.67	15,869.82
	Purchase of fixed assets	113.68	-
	Expenses reimbursed	1,102.94	880.39
	Reimbursement of expenses	2.34	2.56
	Dividend paid	682.50	-
		31.03.2016	31.03.2015
		Amounts receivable	3,318.60
	Amounts payable	5,539.63	4,367.19
	Reimbursement of excise duty	78.10	171.47
	Security deposit	21.48	21.48
Tinplate Company of India Limited		Fellow Subsidiary company	Fellow Subsidiary company
		Amount (Rs. in lacs)	Amount (Rs. in lacs)
	Expenses reimbursed	31.54	36.93
		31.03.2016	31.03.2015
	Amount (Rs. in lacs)	Amount (Rs. in lacs)	
Amounts payable	2.84	2.85	
Tata Metaliks D I Pipe Limited		Fellow Subsidiary company	Fellow Subsidiary company
		Amount (Rs. in lacs)	Amount (Rs. in lacs)
	Sale of goods	83.36	43.45



Name of the related party	Nature of transactions	Mar-16	Mar-15
Jamshedpur Utilities & Services Company Limited		Fellow Subsidiary company	Fellow Subsidiary company
		Amount (Rs. in lacs)	Amount (Rs. in lacs)
	Purchase of fixed assets	-	0.41
	Receiving of services	0.14	0.60
		Mar-16	Mar-15
Jamshedpur Continuous Annealing and Processing Company Private Limited		Fellow Subsidiary company	Fellow Subsidiary company
		Amount (Rs. in lacs)	Amount (Rs. in lacs)
	Purchase of goods	63.95	-
	Processing charges	123.11	-
		31.03.2016	31.03.2015
	Amounts receivable	18.39	-
		Mar-16	Mar-15
TKM Global Logistics Limited		Fellow Subsidiary company	Fellow Subsidiary company
		Amount (Rs. in lacs)	Amount (Rs. in lacs)
	Purchase of fixed assets	104.24	-
		Mar-16	Mar-15
Layde Steel SLU, B Eguskitza, Durango,		Fellow Subsidiary company	Fellow Subsidiary company
		Amount (Rs. in lacs)	Amount (Rs. in lacs)
	Purchase of capital goods	-	138.07
Key Management Personnel	Remuneration to Key Management Personnel:	Mar-16	Mar-15
	Mr. Sandipan Chakravorty	-	214.82
	Mr. Abraham G Stephanos	135.44	103.77
	Mr. Pratik Chatterjee	35.05	50.80
	Mr. Anup Kumar	29.33	-
	Mr. Asis Mitra	23.46	20.29

Note 36: Employee Benefits

- A. The Company has recognised in the Statement of Profit and Loss an amount of Rs. 382.32 lacs (31.03.2015: Rs. 382.48 lacs) and Capital Work in Progress Rs 3.76 lacs (31.03.2015 Rs 2.45 lacs) respectively towards expenses under defined contribution plans.

Benefit (Contribution to)	2015-16 Amount (Rs. in lacs)	2014-15 Amount (Rs. in lacs)
i). Provident Fund	228.87	231.42
ii). Superannuation Fund	150.06	148.46
iii). Employee State Insurance	7.14	5.05
	386.07	384.93

- B. The Company operates post retirement defined benefit plans as follows:

- a. Funded
- i. Post Retirement Gratuity
- b. Unfunded
- i. Leave
- ii. Post Retirement Medical Benefits
- iii. Pension to Ex-directors

C. Details of the Gratuity Leave Salary Benefit are as follows

Description	2015-16		2014-15	
	Gratuity Amount (Rs. In lacs)	Leave Amount (Rs. In lacs)	Gratuity Amount (Rs. In lacs)	Leave Amount (Rs. In lacs)
1. Reconciliation of opening and closing balances of obligation				
a. Obligation as at 01.04.2015	1,002.24	750.58	725.15	494.32
b. Current service cost	116.36	93.53	76.87	63.01
c. Interest cost	76.67	56.33	61.81	42.36
d. Acquisition cost/(credit)	-	-	-	-
e. Actuarial (gain)/loss	(15.20)	22.66	252.29	223.67
f. Benefits paid	(25.95)	(47.51)	(113.88)	(72.78)
g. Obligation as at 31.03.2016	1,154.12	875.60	1,002.24	750.58
2. Change in fair value of plan assets				
a. Fair value of plan assets as at 01.04.2015	945.57	-	799.30	-
b. Expected return on plan assets	89.33	-	77.57	-
c. Actuarial gain/(loss)	9.78	-	(9.96)	-
d. Contributions/refunds made by/to the company	66.31	47.51	192.54	72.78
e. Benefits paid	(25.95)	(47.51)	(113.88)	(72.78)
f. Fair value of plan assets as at 31.03.2016	1,085.04	-	945.57	-



	2015-16		2014-15	
3. Reconciliation of fair value of plan assets and obligations				
a. Fair value of plan assets as at 31.03.2016	1,085.04	-	945.57	-
b. Present value of obligation as at 31.03.2016	(1,154.12)	(875.60)	(1,002.24)	-
c. Amount recognised in the balance sheet Surplus/ (Deficit)	(69.08)	(875.60)	(56.67)	(750.58)
4. Expenses recognised during the year				
a. Current service cost	116.36	93.53	76.87	63.01
b. Interest cost	76.67	56.33	61.81	42.36
c. Expected return on plan assets	(89.33)	-	(77.57)	-
d. Actuarial (gains)/loss	(24.98)	22.66	262.26	223.67
e. Expenses recognised during the year	78.72	172.52	323.37	329.04
5. Assumptions				
a. Discount rate (per annum)	7.75%	7.75%	7.75%	7.75%
b. Estimated rate of return on plan assets (per annum)	9.25%	-	9.25%	-
c. Rate of escalation in salary	9.00%	9.00%	9.00%	9.00%
The expected return on plan assets is based on the return received on the Fund maintained with Life Insurance Corporation of India against liability for Gratuity.				
Long term provisions (Refer note 6)	69.08	861.49	56.68	742.37
Short term provisions (Refer note 10)	-	39.41	-	8.22
The plan assets of the Company are managed by Life Insurance Corporation of India in terms of an insurance policy taken to fund obligations of the Company with respect to gratuity plan. Information on category of plan assets has not been provided by Life Insurance Corporation of India.				

D. Details of the Post Retirement Medical Benefit (PRMB) and Defined Pension are as follows

Description	2015-16		2014-15	
	Medical	Pension	Medical	Pension
	Amount (Rs. In lacs)	Amount (Rs. In lacs)	Amount (Rs. In lacs)	Amount (Rs. In lacs)
1. Reconciliation of opening and closing balances of obligation				
a. Obligation as at 01.04.2015	408.13	617.97	235.91	436.54
b. Current service cost	48.50	-	28.05	-
c. Interest cost	31.45	46.46	20.20	3.65
d. Plan amendments	-	-	-	-
e. Actuarial (gain)/loss	(5.01)	(30.66)	127.95	198.70
f. Benefits paid	(4.50)	(36.70)	(3.98)	(20.92)
g. Obligation as at 31.03.2016	478.57	597.07	408.13	617.97
2. Change in fair value of plan assets				
a. Fair value of plan assets as at 01.04.2015	-	-	-	-
b. Expected return on plan assets	-	-	-	-
c. Actuarial gain/(loss)	-	-	-	-
d. Contributions made by the company	4.50	36.70	3.98	20.92
e. Benefits paid	(4.50)	(36.70)	(3.98)	(20.92)
f. Fair value of plan assets as at 31.03.2016	-	-	-	-
3. Reconciliation of fair value of plan assets and obligations				
a. Fair value of plan assets as at 31.03.2016	-	-	-	-
b. Present value of obligation as at 31.03.2016	(478.57)	(597.07)	(408.13)	(617.97)
c. Amount recognised in the balance sheet	(478.57)	(597.07)	(408.13)	(617.97)
4. Expenses recognised during the year				
a. Current service cost	48.50	-	28.05	-
b. Interest cost	31.45	46.46	20.20	3.65
c. Expected return on plan assets	-	-	-	-
d. Plan amendments	-	-	-	-
e. Actuarial (gain)/loss	(5.01)	(30.66)	127.95	198.70
f. Expenses recognised during the year	74.94	15.80	176.20	202.35
5. Assumptions				
a. Discount rate (per annum)	7.75%	7.75%	7.75%	7.75%
b. Rate of escalation in pension	-	6.00%	-	6.00%
c. Medical cost - % of annual entitlement utilised	8.00%	-	8.00%	-
e. Effect of 1% change (increase) in health care cost, current service and interest cost	126.50	-	65.24	-
f. Medical Inflation Rate	9.00%	-	9.00%	-
g. Closing balance of obligation - Sensitivity result	600.60	-	513.65	-
h. Effect of 1% change (decrease) in health care cost, current service and interest cost	41.67	-	34.73	-
i. Medical Inflation Rate	7.00%	-	7.00%	-
j. Closing balance of obligation - Sensitivity result	388.99	-	331.06	-



E. Other Disclosures

Net Asset/(Liability) recognised in the Balance Sheet (Including experience adjustment impact)	2015-16	2014-15	2013-14	2012-13	2011-12
	Amount (Rs. In lacs)	Amount (Rs. In lacs)	Amount (Rs. In lacs)	Amount (Rs. In lacs)	Amount (Rs. In lacs)
Gratuity					
I. a) Present value of defined benefit obligation	1,154.12	1,002.24	725.15	570.09	446.85
b) Fair value of Plan Assets	1,085.04	945.57	799.30	642.20	493.32
c) Surplus / (Deficit) In plan assets	(69.08)	(56.67)	74.15	72.11	46.47
II a) Experience Adjustment on plan liabilities [Gain/(Loss)]	15.20	(55.59)	(69.23)	15.54	(97.73)
b) Experience Adjustment on plan assets [Gain/(Loss)]	9.78	(9.96)	(1.72)	(4.60)	1.99
Leave					
I. a) Present value of defined benefit obligation	875.60	750.58	494.32	415.65	309.05
b) Fair value of Plan Assets	N/A	N/A	N/A	N/A	N/A
c) Surplus / (Deficit) In plan assets	(875.60)	(750.58)	(494.32)	(415.65)	(309.05)
II a) Experience Adjustment on plan liabilities [Gain/(Loss)]	(22.66)	(73.01)	(20.52)	(21.14)	(69.52)
b) Experience Adjustment on plan assets [Gain/(Loss)]	N/A	N/A	N/A	N/A	N/A
PRMB					
I. a) Present value of defined benefit obligation	478.57	408.13	235.91	258.51	261.22
b) Fair value of Plan Assets	N/A	N/A	N/A	N/A	N/A
c) Surplus / (Deficit) In plan assets	(478.57)	(408.13)	(235.91)	(258.51)	(261.22)
II a) Experience Adjustment on plan liabilities [Gain/(Loss)]	5.00	(27.29)	8.55	93.25	(35.80)
b) Experience Adjustment on plan assets [Gain/(Loss)]	N/A	N/A	N/A	N/A	N/A
Pension					
I. a) Present value of defined benefit obligation	597.07	617.97	436.54	413.17	344.20
b) Fair value of Plan Assets	N/A	N/A	N/A	N/A	N/A
c) Surplus / (Deficit) In plan assets	(597.07)	(617.97)	(436.54)	(413.17)	(344.20)
II a) Experience Adjustment on plan liabilities [Gain/(Loss)]	30.65	(567.03)	(3.80)		92.92
b) Experience Adjustment on plan assets [Gain/(Loss)]	N/A	N/A	N/A	N/A	N/A

Note 37: Deferred Tax Liability

	(Rs. in lacs)		
	Deferred tax liability/ (Asset) as at 01.04.2015	Current year Charge/ (Credit)/ Adjustments	Deferred tax liability/ (Asset) as at 31.03.2016
Deferred Tax Liabilities			
i). Difference between book and tax depreciation	2,262.08	544.14	2,806.22
	<u>2,262.08</u>	<u>544.14</u>	<u>2,806.22</u>
Deferred Tax Assets			
i) Provision for doubtful trade receivables and advances	(752.64)	(4.47)	(757.11)
ii). Provision for contingencies	(14.90)	14.90	-
ii). Others	(733.26)	(135.77)	(869.03)
	<u>(1,500.80)</u>	<u>(125.34)</u>	<u>(1,626.14)</u>
Deferred Tax Liabilities (Net)	761.28	418.79	1,180.07

Note 38: Segment Information

The Company has considered business segment as the primary segment for disclosure. The Company is engaged in the processing and distribution of steel products, which in the context of Accounting Standard – 17 "Segmental Reporting" issued by the Institute of Chartered Accountants of India is considered as the only business segment.

Geographical Segment

The Company sells its products within India. The market conditions in India being uniform, no separate geographical segment disclosure is considered necessary.

Note 39: Treatment of foreign exchange fluctuation gain/loss

The Company had availed the option given under the notification No. G.S.R 913(E) dated December 29, 2011 issued by the Ministry of Corporate Affairs relating to Accounting Standard-11 "The Effects of changes in Foreign Exchange Rates". Accordingly, the net foreign exchange loss on Foreign Currency Loan amounting to Rs. 168.32 lacs relating to the year ended 31.03.2016 has been added to the cost of capital assets. (Previous year added to the cost of capital asset Rs. 199.67 lacs)

The net difference in Foreign exchange (i.e. difference between the spot rate on the dates of the transaction and the actual rate at which transactions are settled / appropriate rate applicable at the year end) debited to the Statement of Profit and Loss is Rs 36.45 lacs (Previous year Rs. 53.74 lacs credited to the Statement of Profit and Loss)



Note 40: Expenditure on Corporate Social Responsibility

- a) Gross amount required to be spent by the Company during the year ended 31.03.2016 : Rs. 113.57 lacs (Previous Year Rs .130.30 lacs)
b) Amount spent during the year ended 31.03.2016

Particulars	2015-16			2014-15		
	Paid (A) (Rs. in lacs)	Yet to be Paid (B) (Rs. in lacs)	Total (A) + (B) (Rs. in lacs)	Paid (A) (Rs. in lacs)	Yet to be Paid (B) (Rs. in lacs)	Total (A) + (B) (Rs. in lacs)
(i) Construction/acquisition of any asset	-	-	-	-	-	-
(ii) On purpose other than (i) above	116.01	-	-	130.34	-	130.34
Total	116.01	-	-	130.34	-	130.34

- c) Details of related party transaction-

-Contribution during the year ended 31.03.2016 - Rs. Nil (Previous Year Rs. Nil)
-Payable as at 31.03.2016 - Rs. Nil (Previous Year Rs. Nil)

Note 41: Derivative Instruments

- [i] The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contract including derivative contracts.
[ii] The Company has entered into interest rate swap to hedge its future interest rate Risk on its External Commercial Borrowings from Export Development of Canada and Commonwealth Bank of Australia. The same has been carried out in accordance with the Company's Risk Management Policy, approved by the Board of Directors. The Company does not use this contract for speculative purpose.

Outstanding interest rate swaps to hedge against fluctuations in interest rate changes:-

As at	No. of contracts	US Dollar Notional (in lacs)	INR equivalent (Rs. in lacs)
31.03.2016	1	52.10	3,478.72
31.03.2015	2	75.19	4741.60

- [iii] The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations. The use of foreign currency forward contracts is governed by the Company's strategy approved by the Board of Directors, which provide principles on the use of such forward contracts consistent with the Company's Risk Management Policy. The Company does not use forward contracts for speculative purposes.

Outstanding Cross Currency Interest Rate Swaps contracts entered into by the Company on account of foreign currency loan:-

As at	No. of contracts	USD equivalent (in lacs)	INR equivalent (Rs in lacs)
31.03.2016	2	30.00	2,003.10
31.03.2015	-	-	-

Outstanding Forwards contracts entered into by the Company on account of foreign currency loans:-

As at	No. of contracts	USD equivalent (in lacs)	No. of contracts	Euro equivalent (in lacs)	INR equivalent (Rs in Lacs)
31.03.2016	4	53.53	1	12.84	4,546.85
31.03.2015	-	-	-	-	-

Outstanding short-term forward exchange contracts entered into by the Company on account of import of capital goods:-

As at	No. of contracts	Euro equivalent (in lacs)	INR Equivalent (Rs in Lacs)
31.03.2016	-	-	-
31.03.2015	4	55.91	3,825.50

- [iv As on the Balance Sheet date, the Company's net foreign currency exposures, being foreign currency loans taken, not hedged by a derivative instrument or otherwise is Rs 3,668.03 lacs [USD Equivalent 42.7 lacs and Euro Equivalent 10.8 lacs] (Previous Year Rs 4,741.60 lacs [USD Equivalent 75.2 lacs]).

Note 42: Exceptional Items [Item No VI of Statement of Profit and Loss]

Exceptional item as shown in the Statement of Profit and Loss represents reversal of provision for impairment of Rs. 170.97 lacs. During the previous year the company had provided an impairment charge of Rs. 1,368.22 lacs, based on an estimation of its realisable value of assets lying at NANO plant, undertaken by an independent valuer. In the current year the Company has sold certain assets lying at NANO plant for Rs. 208.96 lacs which resulted in reversal of impairment loss recognised earlier on those assets of Rs. 170.97 lacs. Further, excess of carrying value of those assets over remaining balance amount received has been recognised as loss on sale of assets and disclosed under Other Expenses. [Previous Year-Provision for impairment loss of non current assets of Rs 1,368.22 lacs is on account of the write down in the value of its fixed assets pertaining to its NANO Plant, based on an estimation of its realisable value, undertaken by an independent valuer.]



Note 43. Details of dues to micro and small enterprises

The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises as at 31.03.2016 are as under:

Description	Year ended 31.03.2016 (Rs. In lacs)	Year ended 31.03.2015 (Rs. In lacs)
a. The principal amount remaining unpaid to supplier as at the end of the year	70.03	113.14
b. Interest due as on remaining unpaid to supplier as at the end of the year	0.51	-
c. 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 interest specified under the Act	11.51	-
d. Amount of interest accrued and remaining unpaid as at end of the year	12.02	-

Note 44: Provision for contingencies

Disclosure as required under Accounting Standard-29- Provisions, Contingent Liabilities and Contingent Assets

Provision for contingencies in respect of Sales tax represents estimates made for probable liabilities arising out of pending disputes/ litigation with respective authority. The timing of the outflow with regard to the said matter depends on the demand received by the Company under the law.

Particulars	Provision for contingencies 2015-16 (Rs in lacs)	Provision for contingencies 2014-15 (Rs in lacs)
Opening carrying amount	43.04	155.64
Provision made during the year	-	4.02
Amount used during the year	43.04	116.62
Unused amount reversed during the year	-	-
Closing carrying amount	-	43.04

Note 45: There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Note 46: Previous year figures have been recast/restated where necessary.

For and on behalf of the Board

Anand Sen
 Chairman

Asis Mitra
 Company Secretary

Anup Kumar
 Chief Financial Officer

Abraham G Stephanos
 Managing Director

