

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
TATA METALIKS DI PIPES LIMITED
(FORMERLY TATA METALIKS KUBOTA PIPES LIMITED)**

Report on the Financial Statements

We have audited the accompanying financial statements of **TATA METALIKS DI PIPES LIMITED (Formerly TATA METALIKS KUBOTA PIPES LIMITED** (“the Company”), which comprise the Balance Sheet as at 31 March 2015, 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

Auditors' 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.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with the 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 the 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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.

Emphasis of Matter

We draw attention to Note 37 in the financial statements which indicates that the networth of Company as on March 31, 2015 has been substantially eroded and the Company's current liabilities exceeded its current assets by Rs. 1,248,208,968. These financial statements have been prepared on a going concern basis for reasons stated in the Note no. 37 to the financial statements. Our opinion is not qualified in respect of this matter.

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:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2015;
- (b) In the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and

- (c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet and the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164(2) of the Act.

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

Abhijit Bandyopadhyay
Partner
(Membership No. 54785)

Kolkata, 23 April, 2015

ANNEXURE TO THE AUDITORS' REPORT

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

- i). Having regard to the nature of the Company's business/activities/results during the year ended 31 March 2015, clauses (v) of paragraph 3 of the Order are not applicable to the Company.
- ii). In respect of its fixed assets:
 - (a). The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b). The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- iii). In respect of its inventories:
 - (a). As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b). In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c). In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- iv). The Company has neither granted any loans, secured or unsecured, to companies, firms or other parties in the Register maintained under Section 189 of the Companies Act, 2013.

ANNEXURE TO THE AUDITORS' REPORT

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

- v). In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- vi). We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under sub-section (1) Section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determining whether they are accurate or complete.
- vii). According to the information and explanations given to us in respect of statutory dues:
 - (a). the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Cess and other material statutory dues in arrears as at 31 March, 2015 for a period of more than six months from the date they became payable.

ANNEXURE TO THE AUDITORS' REPORT

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

- (b). there were no dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on 31 March, 2015 on account of any dispute.

- (c). there are no amount which needs to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.

- x). The accumulated losses of the Company at the end of the financial year are more than fifty percent of its networth and the Company has not incurred cash losses during the financial year covered by our audit, however has incurred cash losses in the immediately preceding financial year.

- xi). In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks.

- xii). In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

- xiii). 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 obtained, other than temporary deployment pending application.

- xiv). To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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

Abhijit Bandyopadhyay
Partner
(Membership No. 54785)

Kolkata, 23 April 2015

Tata Metaliks DI Pipes Limited ("Formerly known as Tata Metaliks Kubota Pipes Limited")

Balance Sheet as at 31 March 2015

	Notes	As at 31.03.2015	As at 31.03.2014
(I) EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	3	2,214,000,070	2,214,000,070
(b) Reserves and surplus	4	(1,888,263,992)	(2,130,064,122)
		325,736,078	83,935,948
(2) Non-current liabilities			
(a) Long-term borrowings	5	288,785,550	650,820,318
(b) Deferred tax liabilities (net)	40	-	-
(c) Long-term provisions	6	24,781,890	11,538,290
		313,567,440	662,358,608
(3) Current liabilities			
(a) Short-term borrowings	5	51,000,000	72,198,202
(b) Trade payables	7	1,969,070,176	1,440,817,435
(c) Other current liabilities	8	568,880,682	709,639,012
(d) Short-term provisions	6	108,060	78,250
		2,589,058,918	2,222,732,899
TOTAL EQUITY AND LIABILITIES		3,228,362,436	2,969,027,455
(II) ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	1,618,391,056	1,664,319,236
(ii) Intangible assets	10	741,046	1,037,302
(iii) Capital work-in-progress		167,442,785	48,328,182
		1,786,574,887	1,713,684,720
(b) Long-term loans and advances	11	77,079,116	19,729,980
(c) Other non-current assets	12	23,858,483	24,232,235
		1,887,512,486	1,757,646,935
(2) Current assets			
(a) Inventories	13	310,994,137	360,351,954
(b) Trade receivables	14	693,425,734	547,619,724
(c) Cash and bank balances	15	12,046,270	37,443,628
(d) Short-term loans and advances	11	322,216,935	260,140,829
(e) Other current assets	16	2,166,874	5,824,385
		1,340,849,950	1,211,380,520
TOTAL ASSETS		3,228,362,436	2,969,027,455

See accompanying notes forming part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

Sanjiv Paul
Chairman

Abhijit Bandyopadhyay
Partner

Sudhin Mitter
CEO & Executive Director

Joydeep Seal
Chief Financial Officer

Kolkata, 23 April, 2015

Kolkata, 23 April, 2015

Tata Metaliks DI Pipes Limited ("Formerly known as Tata Metaliks Kubota Pipes Limited")

Statement of Profit and Loss for the year ended 31 March 2015

	Notes	For the year ended 31.03.2015	For the year ended 31.03.2014
I Revenue from operations (gross)	17	6,046,812,723	5,183,706,654
Less: Excise duty		138,103,087	134,899,107
Revenue from operations (net)		5,908,709,636	5,048,807,547
II Other Income	18	31,383,069	4,891,760
III Total Revenue (I + II)		5,940,092,705	5,053,699,307
IV EXPENSES			
(a) Cost of materials consumed	19	3,209,814,172	2,844,907,630
(b) Changes in stock of finished goods and work-in-progress	20	59,851,380	155,744,744
(c) Employee benefits expense	21	265,604,407	212,647,438
(d) Finance costs	22	91,082,684	171,351,154
(e) Depreciation and amortisation expense	23	183,674,599	152,414,994
(f) Other expenses	24	1,875,279,144	1,807,874,854
Total Expenses (IV)		5,685,306,386	5,344,940,814
V Profit / (Loss) before tax (III - IV)		254,786,319	(291,241,507)
VI Tax Expense			
(1) Current tax		-	-
(2) Deferred tax		-	-
Total tax expense (VI)		-	-
VII Profit / (Loss) after tax (V - VI)		254,786,319	(291,241,507)
VIII Earnings per equity share:	30		
(1) Basic (Face Value of share Rs.10 each)		1.42	(1.62)
(2) Diluted (Face Value of share Rs.10 each)		1.42	(1.62)

See accompanying notes forming part of the financial statements

In term of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Abhijit Bandyopadhyay
Partner

Kolkata, 23 April, 2015

For and on behalf of the Board of Directors

Sanjiv Paul
Chairman

Sudhin Mitter
CEO & Executive Director

Joydeep Seal
Chief Financial Officer

Kolkata

Tata Metaliks DI Pipes Limited ("Formerly known as Tata Metaliks Kubota Pipes Limited")

Cash Flow Statement for the year ended 31 March 2015

	For the year ended 31.03.2015	For the year ended 31.03.2014
A. Cash Flow from Operating activities:		
Profit / (Loss) before taxes	254,786,319	(291,241,507)
<i>Adjustments for:</i>		
Depreciation and amortisation expense	183,674,599	152,414,994
Provision for doubtful debts	3,461,235	-
Liabilities no longer required written back	(29,467,833)	(823,319)
Interest income	(1,915,236)	(4,068,441)
Finance Costs	91,082,684	171,351,154
Loss on cancellation of forward contracts	955,147	3,607,974
Loss on sale of asset (incl. discarded asset written off)	15,792,930	2,040,145
Unrealised exchange loss	2,368,871	9,447,623
Realised exchange (gain)/loss	(5,632,466)	3,308,236
Operating profit / (loss) before working capital changes	515,106,250	46,036,859
<i>Adjustments for (increase)/decrease in operating assets</i>		
Inventories	49,357,817	136,216,847
Trade receivables	(148,057,995)	(48,650,118)
Short-term loans and advances	(61,141,921)	130,333
Long-term loans and advances	(54,565,796)	(10,031,389)
Other current assets	3,251,021	(3,621,126)
<i>Adjustments for increase/(decrease) in operating liabilities</i>		
Trade Payables	559,790,913	364,625,629
Other current liabilities	(110,405,741)	82,300,105
Short-term provision	29,810	14,430
Long-term provisions	13,243,600	5,131,900
Cash generated from operations	766,607,958	572,153,470
Direct taxes paid	(895,149)	(893,939)
Net cash generated from operating activities	765,712,809	571,259,531
B. Cash Flow from Investing activities:		
Capital Expenditure on fixed assets, including capital advances	(265,025,844)	(132,297,042)
Proceeds from sale of fixed assets	987,402	685,170
Interest income received	492,218	3,019,552
Net cash used in investing activities	(263,546,224)	(128,592,320)

Tata Metaliks DI Pipes Limited ("Formerly known as Tata Metaliks Kubota Pipes Limited")

Cash Flow Statement for the year ended 31 March 2015

	For the year ended 31.03.2015	For the year ended 31.03.2014
C. Cash Flow from Financing activities:		
Proceeds from issue of Preference Shares	-	350,000,000
Repayment of Bills discounted	-	(99,099,716)
Proceeds from buyer's credit	-	23,843,045
Proceeds from working capital loans	-	1,410,000,000
Proceeds from short term borrowings	-	76,837,197
Repayment of long term borrowings	(413,409,309)	(297,504,913)
Repayment of working capital loans	-	(1,691,574,007)
Repayment of buyer's credit	(21,436,282)	(82,056,290)
Loss on cancellation of forward contract	(955,147)	(3,607,974)
Interest and other borrowing costs paid	(91,763,205)	(164,521,067)
Net cash used in financing activities	(527,563,943)	(477,683,725)
Net decrease in cash or cash equivalents	(25,397,358)	(35,016,514)
Cash and cash equivalents as at 1st April ¹	37,443,628	72,460,142
Cash and cash equivalents as at 31st March ¹	12,046,270	37,443,628

Notes:

1. Includes cash on hand and balance in current accounts with banks.
2. Figures in brackets represent outflows.
3. Previous year's figures have been regrouped wherever necessary.

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

For and on behalf of the Board of Directors

Sanjiv Paul
 Chairman

Abhijit Bandyopadhyay
 Partner

Sudhin Mitter
 CEO & Executive Director

Joydeep Seal
 Chief Financial Officer

Kolkata, 23 April, 2015

Kolkata, 23 April, 2015

Notes to the Financial Statements

1. General Corporate Information

Tata Metaliks DI Pipes Limited ("the Company") is a wholly owned subsidiary of Tata Metaliks Limited. The company was originally formed as a joint venture between Tata Metaliks Limited, Kubota Corporation and Metal One Corporation. The shareholdings of Kubota Corporation and Metal One Corporation were purchased by Tata Metaliks Limited on 9 April 2013 and consequently the Company became a wholly owned subsidiary of Tata Metaliks Limited. The Company is engaged in the manufacture of ductile iron pipe with state-of-art technology and having initial capacity of 110,000 TPA. The Company is having its ductile iron pipe manufacturing plant at Kharagpur in the state of West Bengal.

2. Summary of Significant Accounting Policies

2.01 Basis of Accounting

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

2.02 Use of Estimates

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

2.03 Changes in accounting estimates

The Company has revised its estimates of useful life of its fixed assets as prescribed in Part C of Schedule II of the Companies Act, 2013, except for furniture & fixtures and vehicles for which an useful life of 5 years have been considered. Carrying amount less residual value of the assets whose remaining useful life has become nil at the beginning of the year, has been adjusted with the opening balance of retained earnings.

The useful life of Furniture and Fixtures and Vehicles has been considered to be 5 years in whose case the life of the assets has been assessed as under based on technical advice, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, etc.

2.04 Tangible Assets

- i). Tangible assets are stated at cost less accumulated depreciation and impairment, if any. 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. Interest on borrowings used to finance the construction of qualifying assets are capitalised as part of the cost of the asset until such time that the asset is ready for its intended use. The Company has adopted the provisions of para 46 / 46A of AS 11 The Effects of Changes in Foreign Exchange Rates, accordingly, exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets.
- ii). Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, etc.:

Category of Asset	Estimated Useful life
Furniture and Fixture	5 years
Moulds	2 years

Notes to the Financial Statements

2. Summary of Significant Accounting Policies

2.05 Intangible Assets

Intangible Assets are stated at acquisition cost, net of accumulated amortisation and impairment, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives. The estimated useful life for each category is as under :

Category of Asset	Estimated Useful life
Computer Software	5 Years

2.06 Impairment

Wherever events or changes in circumstances indicate that the carrying value of fixed assets may be impaired, the Company subjects such assets to a test of recoverability, based on discounted cash flows expected from use or disposal of such assets. If the assets are impaired, the Company recognises an impairment loss as the difference between the carrying value and value in use.

2.07 Inventories

Raw Materials, Stores and spares are valued at cost comprising purchase price, freight and handling, non-refundable taxes and duties and other directly attributable costs. Finished products are valued at lower of cost and net realisable value. Cost of inventories are ascertained on the "weighted average" basis.

2.08 Leases

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the statement of profit and loss on straight line basis over the lease term.

2.09 Revenue recognition

i). Income from operation

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

ii). Export Incentives

Exports incentives under duty drawback scheme are recognised on the basis of credits afforded in the Company's bank accounts.

iii). Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

2.10 Foreign Currency Transactions

Foreign currency transactions are recorded on initial recognition in the reporting currency i.e. Indian rupees, using the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities in currencies other than the reporting currency and foreign exchange contracts remaining unsettled are remeasured at the rates of exchange prevailing at the balance sheet date. Exchange difference arising on the settlement of monetary items, and on the remeasurement of monetary items, other than long-term foreign currency monetary items are included in the statement of profit and loss.

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

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

Notes to the Financial Statements

2. Summary of Significant Accounting Policies

2.11 Borrowing costs

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

2.12 Employee Benefits

Short term Benefits

Short term employee benefits are recognised as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

Defined Contribution Plans

Defined contribution plans are those plans where the Company pays fixed contributions to a fund managed by government authorities. Contributions are paid in return for services rendered by the employees during the year. The company has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay employee benefits. The Company provides Provident Fund benefits to all employees, Employee State Insurance to covered employees and Superannuation benefits to selected employees. The contributions are expensed as they are incurred in line with the treatment of wages and salaries.

Defined Benefit Plans

The Company provides Gratuity to its employees. Gratuity liabilities are funded through a separate trust with its funds managed by Life Insurance Corporation of India. The present value of these defined benefit obligations are ascertained by an 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 Profit and Loss in full in the year in which they occur.

Long Term Employee Benefit Plans

The Company provides benefits in the nature of Compensated absences to its employees. The liability towards compensated absence is not funded. The present value of these defined benefit obligations are ascertained by an 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). All actuarial gains and losses are recognised in the Statement Profit and Loss in full in the year in which they occur.

2.13 Taxes on Income

Current Tax

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of the Income-tax Act, 1961.

Deferred tax

Deferred tax assets and liabilities are recognised by computing the tax effect on timing differences which arise during the year and reverse in the subsequent periods. Deferred tax assets against unabsorbed depreciation and carried forward loss under tax laws, are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets on other timing differences are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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

Notes to the Financial Statements

2. Summary of Significant Accounting Policies

2.14 Provisions, Contingent liabilities and Contingent assets

Provision

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

Contingent Liabilities and Assets

Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise, or is a present obligation that arises from past events but is not recognised because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made. Contingent liabilities are disclosed and not recognised. Contingent Assets are neither recognised nor disclosed.

2.15 Earnings Per Share

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

2.16 Cash Flow Statement

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

2.17 Cash and Cash Equivalents

Cash comprises cash on hand and balances in current accounts with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.18 Segment Reporting

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

Tata Metaliks DI Pipes Limited ("Formerly known as Tata Metaliks Kubota Pipes Limited")

Notes to the Financial Statements

3. Share Capital

	As at 31.03.2015	As at 31.03.2014
	Rs.	Rs.
Authorised:		
183,000,000 Equity Shares of Rs. 10 each	1,830,000,000	1,830,000,000
<i>(31.03.2014: 183,000,000 Equity Shares of Rs. 10 each)</i>		
4,200,000 8% Non-Cumulative Redeemable Preference Shares of Rs. 100 each	420,000,000	420,000,000
<i>(31.03.2014: 4,200,000 8% Non-Cumulative Redeemable Preference Shares of Rs. 100 each)</i>		
	2,250,000,000	2,250,000,000
Issued:		
179,400,007 Equity Shares of Rs. 10 each	1,794,000,070	1,794,000,070
<i>(31.03.2014: 179,400,007 Equity Shares of Rs. 10 each)</i>		
4,200,000 8% Non-Cumulative Redeemable Preference Shares of Rs. 100 each	420,000,000	420,000,000
<i>(31.03.2014: 4,200,000 8% Non-Cumulative Redeemable Preference Shares of Rs. 100 each)</i>		
	2,214,000,070	2,214,000,070
Subscribed and fully paid up:		
179,400,007 Equity Shares of Rs. 10 each	1,794,000,070	1,794,000,070
<i>(31.03.2014: 179,400,007 Equity Shares of Rs. 10 each)</i>		
4,200,000 8% Non-Cumulative Redeemable Preference Shares of Rs. 100 each	420,000,000	420,000,000
<i>(31.03.2014: 4,200,000 8% Non-Cumulative Redeemable Preference Shares of Rs. 100 each)</i>		
	2,214,000,070	2,214,000,070

Details of shares held by holding company

	As at 31.03.2015		As at 31.03.2014	
	No. of Shares	%	No. of Shares	%
Tata Metaliks Limited				
Equity Shares (refer Note (i) below)	179,400,007	100%	179,400,007	100%
8% Non-Cumulative Redeemable Preference Shares of Rs. 100 each	4,200,000	100%	4,200,000	100%

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

	As at 31.03.2015		As at 31.03.2014	
	No. of Shares	%	No. of Shares	%
Equity Shares				
Tata Metaliks Limited	179,400,007	100%	179,400,007	100%

Note (i):

Pursuant to the Board's approval in their meeting held on 25 March 2013, the Company on 9 April 2013, recorded the transfer of equity shares held by Kubota Corporation and its nominee shareholders (79,200,002 nos. of equity shares) to Tata Metaliks Limited and its nominee shareholders and transfer of equity shares held by Metal One Corporations (84,000,001 equity shares) to Tata Metaliks Limited. Effective such transfer, the Company has become a wholly owned subsidiary of Tata Metaliks Limited, effective from the date of such transfer.

3. Share Capital

Reconciliation of Number of shares

Equity Shares

	For the year ended		For the year ended	
	31.03.2015		31.03.2014	
	No. of Shares	Amount Rs.	No. of Shares	Amount Rs.
Issued:				
At the beginning of the year	179,400,007	1,794,000,070	179,400,007	1,794,000,070
Issued during the year	-	-	-	-
At the end of the year	179,400,007	1,794,000,070	179,400,007	1,794,000,070
Subscribed and fully paid up:				
At the beginning of the year	179,400,007	1,794,000,070	179,400,007	1,794,000,070
Issued during the year	-	-	-	-
At the end of the year	179,400,007	1,794,000,070	179,400,007	1,794,000,070

Reconciliation of Number of shares

	For the year ended		For the year ended	
	31.03.2015		31.03.2014	
	No. of Shares	Amount Rs.	No. of Shares	Amount Rs.
8% Non Cumulative Redeemable Preference Shares				
Issued:				
At the beginning of the year	4,200,000	420,000,000	700,000	70,000,000
Issued during the year	-	-	3,500,000	350,000,000
At the end of the year	4,200,000	420,000,000	4,200,000	420,000,000
Subscribed and fully Paid up:				
At the beginning of the year	4,200,000	420,000,000	700,000	70,000,000
Issued during the year	-	-	3,500,000	350,000,000
At the end of the year	4,200,000	420,000,000	4,200,000	420,000,000

Rights, preferences and restrictions attached to shares

Equity Shares

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

Preference Shares

Non-cumulative redeemable preference shares having a par value of Rs. 100 carry a fixed rate of dividend of 8%. The dividends proposed by the board of directors are subject to approval of the members in the ensuing annual general meeting. The dividends are not accumulated in case it is not approved in the annual general meeting. 700,000 [Seven Lakh] preference shares issued on 29 March 2013 are redeemable at par value on 1 April 2016 and 3,500,000 [Thirty Five Lakh] preference shares issued on 27 March 2014 are redeemable at par value on 1 April 2017. In case of liquidation the preference shareholders will have preference over the equity shareholders over the distribution of the remaining assets of the Company, but shall not have any further or other right to participate either in profits or assets. The holders of such shares shall have the right to receive all notices of general meetings of the Company but shall not have the right to vote at any meetings of the Company save to the extent and in the manner provided in the Companies Act, 2013, or any re-enactment thereof.

4. Reserves and Surplus

	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
Deficit in Statement of Profit and Loss		
Balance at the beginning of the year	(2,130,064,122)	(1,838,822,615)
Profit/(Loss) for the year	254,786,319	(291,241,507)
Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Refer Note: 9)	(12,986,189)	-
Balance at the end of the year	<u>(1,888,263,992)</u>	<u>(2,130,064,122)</u>

5. Borrowings

	As at 31.03.2015		As at 31.03.2014	
	Long-term	Short-term	Long-term	Short-term
	Rs.	Rs.	Rs.	Rs.
A. Secured				
(a). Term loans				
i). From banks	250,324,350	-	512,639,625	-
ii). From others	38,461,200	-	115,384,400	-
(b). Buyer's Credit	-	-	22,796,293	21,198,202
Total Secured Borrowings	<u>288,785,550</u>	<u>-</u>	<u>650,820,318</u>	<u>21,198,202</u>
B. Unsecured				
Loan from Holding Company	-	51,000,000	-	51,000,000
Total Unsecured Borrowings	<u>-</u>	<u>51,000,000</u>	<u>-</u>	<u>51,000,000</u>
Total Borrowings	<u>288,785,550</u>	<u>51,000,000</u>	<u>650,820,318</u>	<u>72,198,202</u>

Tata Metaliks DI Pipes Limited ("Formerly known as Tata Metaliks Kubota Pipes Limited")

Notes to the Financial Statements

5. Borrowings

(a) Nature of Security and terms of Repayment

Borrowings:	As at 31.03.2015			As at 31.03.2014			Repayment terms	Nature of Security and terms of repayment
	Long-term	Short-term	Current Maturities of long term debt (refer note 8)	Long-term	Short-term	Current Maturities of long term debt (refer note 8)		
SECURED								
Term loans from Banks								
Sumitomo Mitsui Banking Corporation	37,043,100		148,172,400	177,483,375	-	141,986,701	Denominated in US\$. Repayable in 20 quarterly instalments denominated in US \$ 592,500 each commencing from September 2011.	External Commercial Borrowings from Sumitomo Mitsui Banking Corporation is secured by way of first charge on all the present and future movable fixed assets of the Company ranking pari passu with other term lenders and Guaranteed by Tata Metaliks Limited to the extent of 51%.
The Federal Bank Limited	213,281,250		121,875,000	335,156,250	-	121,875,000	Repayable in 16 quarterly instalments commencing from February 2014	Secured by way of first pari passu charge on the entire movable fixed assets (present and future) of the Company.
Term loans from Others								
Tata Capital Limited	-		-	-	-	66,666,400	Repayable in 11 quarterly instalments of Rs.16,666,700 each from June 2012 and balance of Rs. 16,666,300 in March 2015.	Secured by second charge on all movable fixed assets of the company both present and future.
Tata Capital Limited	38,461,200		76,923,200	115,384,400	-	76,923,200	Repayable in 12 quarterly instalments of Rs. 19,230,800 and balance of Rs. 19,230,400 in 13th quarter, commencing from June 2013 and ending on July 2016.	Secured by first pari passu charge on all movable fixed assets of the company both present and future.

Tata Metaliks DI Pipes Limited ("Formerly known as Tata Metaliks Kubota Pipes Limited")

Notes to the Financial Statements

5. Borrowings

(a) Nature of Security and terms of Repayment

Borrowings:	As at 31.03.2015			As at 31.03.2014			Repayment terms	Nature of Security and terms of repayment
	Long-term	Short-term	Current Maturities of long term debt (refer note 8)	Long-term	Short-term	Current Maturities of long term debt (refer note 8)		
SECURED								
Buyer's Credit								
ING Vysya Bank Limited	-	-	-	-	9,158,688	-	Payable on Maturity being less than one year from the date of availment	Secured by hypothecation of all current assets of the Company both present and future.
IndusInd Bank Limited	-	-	20,240,850	22,796,293	12,039,514	-	Payable on Maturity, period being more than one year for Long Term and less than one year for short term	Secured by way of first pari passu charge on entire movable fixed assets both present & future.
	<u>288,785,550</u>	<u>-</u>	<u>367,211,450</u>	<u>650,820,318</u>	<u>21,198,202</u>	<u>407,451,301</u>		
UNSECURED								
Loan from Holding Company	-	51,000,000	-	-	51,000,000	-	Repayable after 6 months from 23 November 2012 with an option to rollover at the time of maturity. The loan has been rolled over four times for 6 months on 22 May 2013, 18 November 2013, 17 May 2014 and 13 Nov 2014	
Total Unsecured	<u>-</u>	<u>51,000,000</u>	<u>-</u>	<u>-</u>	<u>51,000,000</u>	<u>-</u>		
Total Borrowings	<u>288,785,550</u>	<u>51,000,000</u>	<u>367,211,450</u>	<u>650,820,318</u>	<u>72,198,202</u>	<u>407,451,301</u>		

Notes to the Financial Statements

6. Provisions

	As at 31.03.2015		As at 31.03.2014	
	Long-term	Short-term	Long-term	Short-term
	Rs.	Rs.	Rs.	Rs.
Provision for employee benefits				
(a). Post-employment Defined Benefits				
Retiring Gratuity	6,382,190	-	903,670	-
(b). Other Employee Benefits - Compensated absence	18,399,700	108,060	10,634,620	78,250
Total Provisions	24,781,890	108,060	11,538,290	78,250

7. Trade Payable

	As at 31.03.2015	As at 31.03.2014
	Rs.	Rs.
(a). Creditors for supplies and services	1,929,608,493	1,416,830,097
(b). Creditors for accrued wages and salaries	39,461,683	23,987,338
Total Trade Payables	1,969,070,176	1,440,817,435

8. Other Current Liabilities

(a). Current maturities of long-term debt (refer Note (i) below)	367,211,450	407,451,301
(b). Interest accrued but not due on borrowings	5,033,292	7,917,073
(c). Advances received from customers	74,843,008	172,099,469
(d). Creditors for other liabilities		
i). Creditors for capital goods	105,208,768	89,526,102
ii). Employee recoveries and employer contributions	2,203,743	1,943,233
iii). Statutory dues (Excise duty, service tax, sales tax, TDS etc.)	13,899,014	22,352,220
iv). Derivatives - Foreign currency forward contract	481,407	8,349,614
Total Other Current Liabilities	568,880,682	709,639,012

Note (i):

Current maturities of long-term debt (refer Note 5 Long-term borrowings for details of security and guarantee.)

Secured

(a). Term loans		
i). From banks	270,047,400	263,861,701
ii). From others	76,923,200	143,589,600
(b). Buyer's Credit	20,240,850	-
Total Current Maturities	367,211,450	407,451,301

Tata Metaliks DI Pipes Limited ("Formerly known as Tata Metaliks Kubota Pipes Limited")

Notes to the Financial Statements

Rs.

**9 Tangible assets
(OWNED)**

As at 31.03.2015	Factory Buildings	Non Factory Buildings	Plant and Machinery	Furniture and fixtures	Office Equipments	Vehicles	Data Processing Equipments	Total Tangible Assets
Cost at beginning of the period	273,689,884	127,645,354	1,772,073,282	4,320,781	6,694,372	3,551,865	30,369,552	2,218,345,090
Additions	-	44,936,510	109,087,283	547,981	304,744	600,000	2,605,475	158,081,993
Exchange differences capitalised	1,518,276	465,366	9,151,049	-	-	-	-	11,134,691
Disposals & other adjustments	-	-	30,184,058	-	-	606,227	-	30,790,285
Cost at end of the period	275,208,160	173,047,230	1,860,127,556	4,868,762	6,999,116	3,545,638	32,975,027	2,356,771,489
Depreciation at beginning of the year	42,249,376	9,045,291	474,141,560	1,976,106	2,159,405	788,734	23,665,382	554,025,854
Charge for the year	9,273,076	6,408,809	160,758,187	1,490,552	1,608,155	1,204,579	2,634,985	183,378,343
Transition adjustment recorded against deficit balance in Statement of Profit and Loss (Refer Note 2)	-	7,310,274	13,016	-	2,474,187	-	3,188,712	12,986,189
Disposals & other adjustments	-	-	11,403,726	-	-	606,227	-	12,009,953
Depreciation at end of the year	51,522,452	22,764,374	623,509,037	3,466,658	6,241,747	1,387,086	29,489,079	738,380,433
Net book value at beginning of the year	231,440,508	118,600,063	1,297,931,722	2,344,675	4,534,967	2,763,131	6,704,170	1,664,319,236
Net book value at end of the year	223,685,708	150,282,856	1,236,618,519	1,402,104	757,369	2,158,552	3,485,948	1,618,391,056
As at 31.03.2014	Factory Buildings	Non Factory Buildings	Plant and Machinery	Furniture and fixtures	Office Equipments	Vehicles	Data Processing Equipments	Total Tangible Assets
Cost at beginning of the year	269,010,038	124,718,429	1,626,112,858	3,952,796	6,684,556	3,350,148	30,156,989	2,063,985,814
Additions	-	262,845	127,174,585	511,965	53,451	1,650,000	338,815	129,991,661
Exchange differences capitalised	4,679,846	2,664,080	29,831,705	-	-	-	-	37,175,631
Disposals	-	-	11,045,866	143,980	43,635	1,448,283	126,252	12,808,016
Cost at end of the year	273,689,884	127,645,354	1,772,073,282	4,320,781	6,694,372	3,551,865	30,369,552	2,218,345,090
Depreciation at beginning of the year	33,215,837	6,998,966	347,601,023	1,803,092	1,890,805	1,259,649	19,238,801	412,008,173
Charge for the year	9,033,539	2,046,325	135,766,030	200,951	279,736	265,327	4,508,474	152,100,382
Disposals	-	-	9,225,493	27,937	11,136	736,242	81,893	10,082,701
Depreciation at end of the year	42,249,376	9,045,291	474,141,560	1,976,106	2,159,405	788,734	23,665,382	554,025,854
Net book value at beginning of the year	235,794,201	117,719,463	1,278,511,835	2,149,704	4,793,751	2,090,499	10,918,188	1,651,977,641
Net book value at end of the year	231,440,508	118,600,063	1,297,931,722	2,344,675	4,534,967	2,763,131	6,704,170	1,664,319,236

Note:

1. Depreciation for the year on building includes adjustment of **Rs.280,619** (Previous year Rs. 207,438) and depreciation for the period on plant and machinery includes adjustment of **Rs.1,758,849** (Previous year Rs. 16,89,070) on account of depreciation attributable to exchange fluctuations on long term foreign currency loans for purchase of building and plant and machinery.
2. Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and has adjusted an amount of **Rs. 12,986,189/-** against the opening Deficit balance in the Statement of Profit and Loss under Reserves and Surplus.
3. The depreciation expense in the Statement of Profit and Loss for the year is higher by **Rs. 20,029,598/-** (Inclusive of transition adjustment of Rs. 12,986,189 routed against the Opening Deficit balance in the Statement of Profit and loss under Reserve and Surplus) consequent to the change in the useful life of the assets.

Notes to the Financial Statements

10. Intangible assets
(Acquired)

Rs.

As at 31.03.2015	Computer Software	Total Intangible Assets
Cost at beginning of the year	1,573,062	1,573,062
Additions	-	-
Cost at end of the year	1,573,062	1,573,062
Amortisation at beginning of the year	535,760	535,760
Charge for the year	296,256	296,256
Amortisation at end of the year	832,016	832,016
Net book value at beginning of the year	1,037,302	1,037,302
Net book value at end of the year	741,046	741,046
As at 31.03.2014	Computer Software	Total Intangible Assets
Cost at beginning of the year	1,573,062	1,573,062
Additions	-	-
Cost at end of the year	1,573,062	1,573,062
Amortisation at beginning of the year	221,148	221,148
Charge for the year	314,612	314,612
Amortisation at end of the year	535,760	535,760
Net book value at beginning of the year	1,351,914	1,351,914
Net book value at end of the year	1,037,302	1,037,302

Tata Metaliks DI Pipes Limited ("Formerly known as Tata Metaliks Kubota Pipes Limited")

Notes to the Financial Statements

11. Loans and Advances

	As at 31.03.2015		As at 31.03.2014	
	Long-term	Short-term	Long-term	Short-term
	Rs.	Rs.	Rs.	Rs.
(a). Capital advances	1,888,191	-	-	-
(b). Security deposits	71,888,412	29,606,119	17,322,616	65,978,040
(c). Advance with public bodies	-	280,279,314	-	182,350,455
(d). Other loans and advances				
i). Retirement benefit assets				
a) Superannuation fund	-	1,219,551	-	1,082,071
ii). Prepayments and others	-	11,111,951	-	10,730,263
iii). Advance Tax	3,302,513	-	2,407,364	
Total Loans and Advances	77,079,116	322,216,935	19,729,980	260,140,829
Classification of loans and advances				
Secured, considered good	-	-	-	-
Unsecured, considered good	77,079,116	322,216,935	19,729,980	260,140,829
Doubtful	-	-	-	-
Gross Loans and advances	77,079,116	322,216,935	19,729,980	260,140,829
			As at 31.03.2015	As at 31.03.2014
			Rs.	Rs.

12. Other Non-current assets

(a). Balances held as margin money deposits with maturity period of more	13,858,520	13,858,520
(b). Interest accrued on deposits, loans and advances	7,871,550	6,448,532
(c). Unamortised long term loan issue expenses	2,128,413	3,925,183
Total Other Non Current assets	23,858,483	24,232,235

13. Inventories

(a). Raw materials (At lower of cost and net realisable value)	20,074,519	31,283,899
(b). Work in progress (At lower of cost and net realisable value)	112,884,893	87,702,869
(c). Finished goods (At lower of cost and net realisable value)	81,618,884	166,652,288
(d). Stores and spares (At or lower than cost)	96,415,841	74,712,898
Total Inventories	310,994,137	360,351,954

Tata Metaliks DI Pipes Limited ("Formerly known as Tata Metaliks Kubota Pipes Limited")

Notes to the Financial Statements

	<u>As at 31.03.2015</u>	As at 31.03.2014
	<u>Rs.</u>	<u>Rs.</u>
14. Trade Receivables		
Current trade receivable		
(a). Current Trade receivables		
i). More than six months (from the date they were due for payment)		
Considered good	28,110,061	8,084,413
Considered doubtful	3,888,963	427,728
Less: Provision for bad and doubtful debts	3,888,963	427,728
	<u>-</u>	<u>-</u>
ii). Others - Considered good	665,315,673	539,535,311
Net Current Trade Receivables	<u><u>693,425,734</u></u>	<u><u>547,619,724</u></u>
Classification of Current Trade Receivables		
Secured, considered good	-	-
Unsecured, considered good	693,425,734	547,619,724
Doubtful	3,888,963	427,728
Total Current Trade Receivables	<u><u>697,314,697</u></u>	<u><u>548,047,452</u></u>
15. Cash and Bank Balances		
Cash and Cash equivalents		
(a). Cash on hand	12,303	6,161
(c). Cheques on hand	48,750	-
(b). Balances with banks		
In Current Accounts	11,985,217	37,437,467
Total cash and cash equivalents	<u><u>12,046,270</u></u>	<u><u>37,443,628</u></u>
16. Other Current Assets		
(a). Unamortised short term loan issue expenses	1,796,769	2,203,259
(b). Deferred premium on forward contract	370,105	3,621,126
Total Other current assets	<u><u>2,166,874</u></u>	<u><u>5,824,385</u></u>

Tata Metaliks DI Pipes Limited ("Formerly known as Tata Metaliks Kubota Pipes Limited")

Notes to the Financial Statements

	For the year ended 31.03.2015 Rs.	For the year ended 31.03.2014 Rs.
17. Revenue from Operations		
(a). Sale of products	5,992,043,653	5,128,655,009
(b). Other operating income (refer note (i) below)	54,769,070	55,051,645
Gross Revenue from Operations	<u>6,046,812,723</u>	<u>5,183,706,654</u>
Note (i)		
Other operating income comprise:		
(a). Sale of miscellaneous scrap (net of excise)	39,091,385	25,402,919
(b). Duty drawback and other export incentives	15,677,685	29,648,726
	<u>54,769,070</u>	<u>55,051,645</u>
18. Other Income		
(a). Interest received on sundry advances, deposits, customers' balances etc.	1,915,236	4,068,441
(b). Liabilities no longer required written back	29,467,833	823,319
Total Other Income	<u>31,383,069</u>	<u>4,891,760</u>
19. Cost of Materials Consumed		
Raw Material Consumed		
i). Opening Stock	31,283,899	21,040,951
ii). Add: Purchases	3,198,604,792	2,855,150,578
	<u>3,229,888,691</u>	<u>2,876,191,529</u>
iii). Less: Closing Stock	20,074,519	31,283,899
	<u>3,209,814,172</u>	<u>2,844,907,630</u>
Raw Material Consumed comprises:		
(a). Molten metal	2,686,800,505	2,285,290,868
(b). Steel scrap	133,640,274	157,795,469
(c). Others	389,373,393	401,821,293
	<u>3,209,814,172</u>	<u>2,844,907,630</u>

Tata Metaliks DI Pipes Limited ("Formerly known as Tata Metaliks Kubota Pipes Limited")

Notes to the Financial Statements

	For the year ended 31.03.2015 Rs.	For the year ended 31.03.2014 Rs.
20. Changes in stock of finished goods and work-in-progress		
Stock at the beginning of the year		
(a). Finished goods	166,652,288	317,591,158
(b). Work-in-progress	87,702,869	92,508,743
	<u>254,355,157</u>	<u>410,099,901</u>
Stock at the end of the year		
(a). Finished goods	81,618,884	166,652,288
(b). Work-in-progress	112,884,893	87,702,869
	<u>194,503,777</u>	<u>254,355,157</u>
Changes in stock of finished goods and work-in-progress	<u>59,851,380</u>	<u>155,744,744</u>
21. Employee Benefits Expense		
(a). Salaries and wages, including bonus	222,623,008	177,718,443
(b). Contribution to provident and other funds	26,790,631	21,004,576
(c). Staff welfare expenses	16,190,768	13,924,419
Total Employee Benefits Expense	<u>265,604,407</u>	<u>212,647,438</u>
22. Finance Costs		
(a). Interest expense		
Interest on borrowings	84,306,839	139,649,592
(b). Other borrowing costs	6,775,845	31,701,562
Total Finance cost	<u>91,082,684</u>	<u>171,351,154</u>
23. Depreciation and Amortisation Expense		
Depreciation on tangible assets as per Note 9.	183,378,343	152,100,382
Amortisation on Intangible assets as per Note 10.	296,256	314,612
Total Depreciation and amortisation	<u>183,674,599</u>	<u>152,414,994</u>

Notes to the Financial Statements

	For the year ended 31.03.2015 Rs.	For the year ended 31.03.2014 Rs.
24. Other Expenses		
(a). Stores and spares consumed	442,564,865	350,691,291
(b). Consumption of packing materials	23,717,024	27,211,740
(c). Repairs to buildings	1,604,575	1,594,523
(d). Repairs to machinery	23,166,578	20,342,633
(e). Repairs to others	25,104,036	30,055,812
(f). Fuel	67,730,689	94,723,891
(g). Purchase of power	282,774,348	292,963,991
(h). Freight and handling charges	507,301,093	518,701,731
(i). Rent	9,003,125	8,356,373
(j). Rates and taxes	281,312,311	253,748,255
(k). Insurance charges	6,807,712	4,918,760
(l). Commission on sales	118,293,545	108,713,938
(m). Royalty	-	5,242,141
(n). Excise duties [Refer Note 31]	(9,263,578)	(16,603,813)
(o). Bad Debts written-off	50,461	80,746
(p). Provison for Doubtful debts	3,461,235	-
(q). Other expenses		
i). Loss/ (gain) on foreign currency transactions	(3,263,595)	12,755,859
ii). Loss/ (gain) on cancellation of forward contracts	955,147	3,607,974
iii). Amortisation of forward premium	7,439,923	4,769,652
iv). Loss on fixed assets sold/discarded	15,792,930	2,040,145
v). Auditors remuneration and out-of-pocket expenses		
Audit Fee	650,000	500,000
Tax Audit Fee	100,000	100,000
Other Services	650,000	400,000
Auditors out-of-pocket expenses	5,600	10,000
vi). Legal and other professional costs	5,325,146	19,117,417
vii). Advertisement, promotion and selling expenses	1,615,330	1,357,808
viii). Travelling expenses	14,671,287	16,007,684
ix). Testing & Inspection Charges	15,478,328	17,123,753
x). Bank charges	3,591,912	2,400,659
xi). Other general expenses	28,639,117	26,941,891
Total Other Expenses	1,875,279,144	1,807,874,854

Tata Metaliks DI Pipes Limited ("Formerly known as Tata Metaliks Kubota Pipes Limited")

Notes to the Financial Statements

	As at 31.03.2015	As at 31.03.2014
	Rs.	Rs.
25. Capital and Other Commitments		
(a). Capital Commitments		
Estimated value of contracts in capital account remaining to be executed (net of advances)	38,585,820	37,606,025
(b). Other Commitments		
Export Obligation against import of capital goods under EPCG Scheme	421,587,829	306,339,793
	For the year ended 31.03.2015	For the year ended 31.03.2014
	Rs.	Rs.
26. CIF Value of Imports		
i). Raw materials	2,545,620	6,842,966
ii). Components, store and spares	108,289,524	85,270,945
iii). Capital Goods	169,662,001	97,446,168
27. Expenditure in Foreign Currency (On accrual basis)		
i). Interest	5,747,066	12,502,634
ii). Royalty	-	6,609,266
iii). Technical fees	849,649	3,643,952
iv). Foreign Travel	1,098,980	861,164
v). Commission on exports	1,020,645	761,457
vi). Advertisement	359,150	-
28. Earnings in Foreign currency		
i). Export Sales (FOB Value)	268,773,348	316,571,158

29. Consumption of Imported and Indigenous Materials

	For the year ended 31.03.2015		For the year ended 31.03.2014	
	%	Rs.	%	Rs.
Consumption of Imported and Indigenous Materials				
a). Raw Materials consumed				
- Indigenous	99.83%	3,204,381,795	99.69%	2,836,118,454
- Imported	0.17%	5,432,377	0.31%	8,789,176
	100.00%	3,209,814,172	100.00%	2,844,907,630
b). Stores and Spare parts				
- Indigenous	74.85%	331,259,207	74.67%	261,845,838
- Imported	25.15%	111,305,658	25.33%	88,845,453
	100.00%	442,564,865	100.00%	350,691,291

Tata Metaliks DI Pipes Limited ("Formerly known as Tata Metaliks Kubota Pipes Limited")

Notes to the Financial Statements

30. Earnings Per Share

	For the year ended 31.03.2015	For the year ended 31.03.2014
	Rs.	Rs.
i). Profit/(Loss) for the period attributable to equity shareholders	254,786,319	(291,241,507)
ii). Weighted average no.of equity shares for basic and diluted EPS (Nos)	179,400,007	179,400,007
iii). Nominal value per equity share (Rs.)	10	10
iv). Earnings Profit/(Loss) per equity share for the year (Rs.) - Basic	1.42	(1.62)
v). Earnings Profit/(Loss) per equity share for the year (Rs.) - Diluted	1.42	(1.62)

31. Details of Excise duty pertaining to (accretion)/reduction to stock of finished goods is as under

i). On Opening Stock	18,332,345	34,936,158
ii). On Closing Stock	9,068,767	18,332,345
	<u>(9,263,578)</u>	<u>(16,603,813)</u>

32. Unhedged Foreign Currency exposures

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

	As at 31.03.2015		As at 31.03.2014	
	Foreign Currency	Amount Rs.	Foreign Currency	Amount Rs.
a). i). Creditors for capital imports (USD)	1,549,400	96,868,488	1,388,400	83,179,044
ii). Creditors for capital imports (GBP)	9,899	916,823	-	-
b). i). Creditors for other goods (USD)	15,290	955,931	21,234	1,272,129
ii). Creditors for other goods (EUR)	32,036	2,149,322	83,305	6,880,985
c). Advance from customers (EUR)	15,343	1,028,774	-	-
d). i). Advance for other goods (USD)	-	-	14,767	884,408
ii). Advance for other goods (EUR)	112,979	7,579,748	112,979	9,327,530
iii) Advance for other goods (GBP)	1,925	178,294	647	64,480
e). Receivables against export of goods	449,597	28,090,847	252,557	15,125,661
f). i). Interest payable (USD)	16,372	1,023,552	11,101	665,054
ii). Interest payable (EUR)	-	-	418	34,513
g). i). Loan payable (USD)	2,693,750	168,413,250	4,528,009	271,273,019

Tata Metaliks DI Pipes Limited ("Formerly known as Tata Metaliks Kubota Pipes Limited")

Notes to the Financial Statements

33. Derivative Instruments

a). Outstanding Interest Rate Swap to hedge against fluctuations in interest rate changes:

As at	No. of Contracts	Foreign Currency	INR Equivalent Rs.
31.03.2015	1	US \$ 58,447	3,654,137
31.03.2014	1	US \$ 188,472	11,291,335

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

As at	No. of Contracts	Foreign Currency	INR Equivalent Rs.
31.03.2015 (USD)	1	592,500	37,043,100
31.03.2015 (EUR)	-	-	-
31.03.2014 (USD)	15	1,832,602	109,754,537
31.03.2014 (EUR)	2	522,315	43,122,326

c). Outstanding short-term forward exchange contracts entered into by the Company on account of receivables :

As at	No. of Contracts	Foreign Currency	INR Equivalent Rs.
31.03.2015	-	-	-
31.03.2014	1	US \$ 17,815	1,067,299

34. Disclosure in respect of Long-term Foreign Currency Monetary Items

Foreign exchange translation loss for the year ended on long term-foreign currency loan amounting to Rs.11,134,691 (Previous year Rs. 37,175,631) availed for purchase of capital assets has been capitalised and is included under the applicable fixed assets classification.

	For the year ended 31.03.2015 Rs.	For the year ended 31.03.2014 Rs.
Foreign exchange loss capitalised in the fixed assets block	11,134,691	37,175,631
Depreciation impact on account of exchange fluctuation capitalised during the current year	271,692	1,861,499
Depreciation impact on account of exchange fluctuation capitalised till 31st March 2015	2,039,468	1,896,508

Tata Metaliks DI Pipes Limited ("Formerly known as Tata Metaliks Kubota Pipes Limited")

Notes to the Financial Statements

35. Segment Reporting

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

Particulars	India	Asia Excl.India	Africa	Others	Total	
Revenue						
Total External Sales	5,614,039,977	145,161,538	95,162,202	54,345,919	5,908,709,636	
	<i>4,709,295,403</i>	<i>180,041,513</i>	<i>149,847,517</i>	<i>9,623,114</i>	<i>5,048,807,547</i>	
Total Revenue	5,614,039,977	145,161,538	95,162,202	54,345,919	5,908,709,636	
	<i>4,709,295,403</i>	<i>180,041,513</i>	<i>149,847,517</i>	<i>9,623,114</i>	<i>5,048,807,547</i>	
Segment Result	250,944,647	23,344,839	26,232,472	13,963,976	314,485,934	
	<i>(197,577,883)</i>	<i>31,990,787</i>	<i>38,383,481</i>	<i>2,421,502</i>	<i>(124,782,113)</i>	
Interest expenses					91,082,684	
					<i>171,351,154</i>	
Interest income					1,915,236	
					<i>4,068,441</i>	
Liability no longer required written back					29,467,833	
					<i>823,319</i>	
Profit/(Loss) from ordinary activities					254,786,319	
					<i>(291,241,507)</i>	
Net Profit/ (Loss)					254,786,319	
					<i>(291,241,507)</i>	
Particulars	India	Asia Excl.India	Africa	Others	Unallocable	Total
Segment Assets	3,196,969,098	7,249,880	8,285,902	12,555,043	3,302,513	3,228,362,436
	<i>2,950,427,488</i>	<i>10,861,903</i>	-	<i>5,330,700</i>	<i>2,407,364</i>	<i>2,969,027,455</i>
Segment Liabilities	2,195,629,358	-	-	-	-	2,195,629,358
	<i>1,754,621,686</i>	-	-	-	-	<i>1,754,621,686</i>
Total Cost incurred during the year to acquire segment assets	288,331,287	-	-	-	-	288,331,287
	<i>162,708,629</i>	-	-	-	-	<i>162,708,629</i>
Segment Depreciation	183,674,599	-	-	-	-	183,674,599
	<i>152,414,994</i>	-	-	-	-	<i>152,414,994</i>
Non Cash expenses other than depreciation	16,830,793	-	-	-	-	16,830,793
	<i>2,806,061</i>	-	-	-	-	<i>2,806,061</i>

Note: Figures disclosed in *italics* are for the previous year

Tata Metaliks DI Pipes Limited ("Formerly known as Tata Metaliks Kubota Pipes Limited")

Notes to the Financial Statements

35. Segment Reporting

	For the year ended 31.03.2015	For the year ended 31.03.2014
	Rs.	Rs.
Revenue by Geographical location of customers		
India	5,614,039,977	4,709,295,403
Asia Excluding India	145,161,538	180,041,513
Africa	95,162,202	149,847,517
Others	54,345,919	9,623,114
	<u>5,908,709,636</u>	<u>5,048,807,547</u>
Revenue by Business Segment		
Ductile Iron Pipes	5,908,709,636	5,048,807,547
Total carrying value of Segment Assets		
Ductile Iron Pipes	3,228,362,436	2,969,027,455
Total cost incurred to acquire segment assets		
Ductile Iron Pipes	288,331,287	162,708,629
	<u>As at 31.03.2015</u>	<u>As at 31.03.2014</u>
	Rs.	Rs.
Unallocable liabilities excludes		
Secured Loans	288,785,550	672,018,520
Unsecured Loans	51,000,000	51,000,000
Current maturities of long term debts	367,211,450	407,451,301
	<u>706,997,000</u>	<u>1,130,469,821</u>

36. Leases

As a lessee :

(i) Operating lease:

The company has entered into a non-cancellable operating lease for motor vehicles, and the lease rental expenses recognised for the year is Rs. 367,160 (Previous year : Rs. 367,516). The lease agreement provides for an option to the company to renew the lease period at the end of the non-cancellable period. There are no exceptional/ restrictive covenants in the lease agreements.

The totals of future minimum lease payments under non-cancellable operating lease as at 31.03.2015 are as follows:

Minimum Lease Payments

SI No.	Particulars	As at 31.03.2015	As at 31.03.2014
		Rs.	Rs.
i).	Payable not later than one year	366,740	367,160
ii).	Payable later than one year and not later than five years	289,795	656,535
iii)	Payable later than five years		

37.

As per the statement of financial position the Company has incurred accumulated losses of Rs. 1,888,263,992 as at 31 March 2015. The financial statements have been prepared on a going concern basis based on the comfort letter received from its holding Company for a continued support to the Company with all necessary assistances including financial and operational to continue with the operations of the Company.

Tata Metaliks DI Pipes Limited ("Formerly known as Tata Metaliks Kubota Pipes Limited")

Notes to the Financial Statements

38. Related Party Transactions

Related party relationship:

Name of the related party	Nature of Relationship
Tata Steel Limited	Promoter Company/Ultimate parent
Tata Metaliks Limited	Promoter Company/Immediate parent
Kubota Corporation	Promoter Company holding more than 20% [upto 9 April 2013]
Metal One	Promoter Company/Joint venturer [upto 9 April 2013]
Jamshedpur Utilities & Services Company Limited	Fellow Subsidiary
TKM Global Logistics Limited	Fellow Subsidiary
Tayo Rolls Limited	Fellow Subsidiary
Key Management Personnel	
Mr. Sudhin Mitter	CEO & Executive Director [From 20 November 2012]
Mr. Joydeep Seal	Chief Financial Officer [From 22 April 2014]
Ms. Jyoti Purohit	Company Secretary [From 7 October 2014 to 29 January 2015]

Related party Transactions

Rs.

Nature of transaction	Name of the related party	For the year ended 31.03.2015	For the year ended 31.03.2014
Rent Paid	Tata Steel Limited	1,786,873	1,573,338
	Tata Metaliks Limited	5,702,746	5,635,094
Preference shares issued	Tata Metaliks Limited	-	350,000,000
Loan from Holding Company	Tata Metaliks Limited	51,000,000	51,000,000
Purchase of materials	Tata Metaliks Limited	3,201,875,699	2,715,146,773
	Tata Steel Limited	12,439	-
Reimbursement of expenses	Tata Metaliks Limited	576,120	238,398
Sale of materials	Jamshedpur Utilities & Services Company Limited	35,438,489	13,488,237
	Tayo Rolls Limited	5,264,576	-
Royalty Paid	Kubota Corporation	-	127,083
Receiving of Services	TKM Global Logistics Limited	4,381,864	8,813,019
Remuneration paid	Mr. Sudhin Mitter	4,963,973	4,695,803
	Mr. Joydeep Seal	2,043,986	-
	Ms. Jyoti Purohit	784,476	-
		As at 31.03.2015	As at 31.03.2014
		Rs.	Rs.
Outstanding payables	Tata Steel Limited	523,820	135,814
	Tata Metaliks Limited	1,597,425,594	1,055,549,895
	TKM Global Logistics Limited	176,041	220,979
Outstanding receivables	Jamshedpur Utilities & Services Company Limited	4,731,020	-
Loan from Holding Company	Tata Metaliks Limited	51,000,000	51,000,000
Other credit balances	Tayo Rolls Limited	173,534	-

Notes to the Financial Statements

39. Employee Benefits

Defined Contribution plans

The Company has recognised an amount of **Rs. 18,614,161** in expenses for the year ended 31.03.2015 (Previous year Rs.16,524,507) towards contribution to the following defined contribution plans:

	For the year ended 31.03.2015	For the year ended 31.03.2014
	Rs.	Rs.
Provident Fund	10,870,136	9,163,549
Superannuation Fund	5,658,417	4,999,136
Employees State Insurance	2,085,608	2,361,822
Total	18,614,161	16,524,507

Defined Benefit Plans

The Company provided the following employee benefits

Funded : Gratuity

Non Funded: Compensated absence

Details of the Gratuity Plan are as follows

Description	2014-15	2013-14
	Rs.	Rs.
1. Reconciliation of opening and closing balances of obligation		
a. Obligation as at beginning of the year	10,026,360	4,906,532
b. Current service cost	2,855,810	1,729,628
c. Interest cost	907,320	402,340
d. Actuarial (gain)/loss	5,289,470	2,987,860
e. Benefits paid	328,440	-
f. Obligation as at end of the year	18,750,520	10,026,360
2. Change in fair value of plan assets		
a. Fair value of plan assets as at beginning of the year	9,122,690	6,570,350
b. Expected return on plan assets	876,130	564,500
c. Actuarial gain/(loss)	-	75,260
d. Contributions made by the company	2,697,950	1,912,580
e. Benefits paid	328,440	-
f. Fair value of plan assets as at end of the year	12,368,330	9,122,690
3. Reconciliation of fair value of plan assets and obligations		
a. Present value of obligation as at 31.03.2015	18,750,520	10,026,360
b. Fair value of plan assets as at 31.03.2015	12,368,330	9,122,690
c. Amount recognised in the balance sheet Asset/(Liability)	(6,382,190)	(903,670)
4. Expenses recognised during the year		
a. Current service cost	2,855,810	1,729,628
b. Interest cost	907,320	402,340
c. Expected return on plan assets	(876,130)	(564,500)
d. Actuarial (gain)/loss	5,289,470	2,912,600
e. Expenses recognised during the year	8,176,470	4,480,068

Tata Metaliks DI Pipes Limited ("Formerly known as Tata Metaliks Kubota Pipes Limited")

39. Employee Benefits

				2014-15	2013-14
				Rs.	Rs.
5. Investment details				% invested	% invested
Others (Funds with Life Insurance Corporation of India) #				100	100
# The breakup of the fund assets are not provided by the insurance company.					
6. Assumptions				%	%
a. Discount rate (per annum)				7.80%	9.20%
b. Estimated rate of return on plan assets (per annum)				8.50%	8.50%
c. Rate of escalation in salary				7.50%	7.50%
7. Experience adjustments	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
a. Present value of obligation	18,750,520	10,026,360	4,906,532	2,801,832	1,917,610
b. Fair value of plan assets	12,368,330	9,122,690	6,570,350	3,376,161	2,925,700
c. Amount recognised in the balance sheet Asset/(Liability)	(6,382,190)	(903,670)	1,663,818	574,329	1,008,090
d. Experience adjustments on plan liabilities (gain)/loss	881,720	416,480	(111,980)	108,380	124,290
e. Experience adjustments on plan assets (gain)/(loss)	-	75,260	2,253,190	-	-
Details of the Compensated absence Benefit are as follows					
Description				2014-15	2013-14
				Rs.	Rs.
1. Reconciliation of opening and closing balances of obligation					
a. Obligation as at beginning of the year				10,712,870	6,470,210
b. Current service cost				2,439,220	1,470,440
c. Interest cost				969,090	438,680
d. Actuarial (gain)/loss				4,745,240	4,574,330
e. Benefits paid				358,660	2,240,790
f. Obligation as at end of the year				18,507,760	10,712,870
2. Reconciliation of fair value of plan assets and obligations					
a. Present value of obligation				18,507,760	10,712,870
b. Fair value of plan assets				-	-
c. Amount recognised in the balance sheet Asset/(Liability)				(18,507,760)	(10,712,870)
3. Expenses recognised during the year					
a. Current service cost				2,439,220	1,470,440
b. Interest cost				969,090	438,680
c. Actuarial gain/(loss)				4,745,240	4,574,330
d. Expenses recognised during the year				8,153,550	6,483,450
4. Assumptions				%	%
a. Discount rate (per annum)				7.80%	9.20%
b. Rate of escalation in salary				7.50%	7.50%
5. Experience adjustments	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
a. Present value of obligation	18,507,760	10,712,870	6,470,210	3,971,650	2,873,670
b. Amount recognised in the balance sheet Asset/(Liability)	(18,507,760)	(10,712,870)	(6,470,210)	(3,971,650)	(2,873,670)
c. Experience adjustments on plan liabilities ((gain)/loss)	1,134,800	2,381,130	1,152,600	778,960	121,320
d. Actuarial Gain/(Loss) due to change on assumptions	(3,610,440)	(2,193,200)	(603,560)	245,920	(46,210)

Tata Metaliks DI Pipes Limited ("Formerly known as Tata Metaliks Kubota Pipes Limited")

Notes to the Financial Statements

40. Deferred Tax (liability)/Assets

	As at 31.03.2014	Charge/(Credit) to the statement of profit and loss	As at 31.03.2015
	Rs.	Rs.	Rs.
Deferred tax liabilities			
Difference between book depreciation and tax depreciation	224,156,306	21,611,259	245,767,565
	224,156,306	21,611,259	245,767,565
Deferred tax assets			
Unabsorbed losses	224,156,306	(21,611,259)	245,767,565
	224,156,306	(21,611,259)	245,767,565
Net Deferred tax liability/(asset)	-	-	-

The Company has recognised deferred tax asset on brought forward business losses to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax.

41. Due to Micro and Small Enterprises

Based on and to the extent of information obtained from suppliers regarding their status as Micro, Small or Medium enterprises under Micro, Small and Medium Enterprises Development Act, 2006, there are no amounts due to them as at the end of the year.

42. Contingent Liabilities

The Company has received a demand order issued by Sales Tax Department for the financial year 2011-12 for **Rs. 6,209,243** on account of Central Sales Tax on outward freight value on all interstate sales.

Company has filed an appeal before Joint Commissioner of Commercial Taxes stating that in the invoice on all interstate sale the freight value is charged separately and no CST is payable on the freight value since the definition of sale price under the CST Act specifically excludes tax on freight if charged separately.

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

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

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

For and on behalf of the Board of Directors

Sanjiv Paul
Chairman

Sudhin Mitter
CEO & Executive Director

Joydeep Seal
Chief Financial Officer

Kolkata, 23 April, 2015