

INDEPENDENT AUDITORS' REPORT

To the Members of Tata Metaliks Limited

Report on the Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying Ind AS financial statements of Tata Metaliks Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including 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.
5. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its total comprehensive income (comprising of profit and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The Ind AS financial statements of the Company for the year ended March 31 , 2017, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated April 21 , 2017 , expressed an unmodified opinion on those financial statements. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
 - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

- i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its Ind AS financial statements – Refer Note 28 and Note 15 to the Ind AS financial statements;
- ii. The Company did not have any have any material foreseeable losses on long-term contracts including derivative contracts as at March 31, 2018.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.
- iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31 , 2018.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E300009
Chartered Accountants

Kolkata
April 26, 2018

Pinaki Chowdhury
Partner
Membership Number : 057572

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Tata Metaliks Limited on the Ind AS financial statements as of and for the year ended March 31, 2018

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
 - (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items 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 programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
 - (c) The title deeds of immovable properties, as disclosed in Note 4A on Property, Plant and Equipment to the Ind AS financial statements, are held in the name of the Company.
- ii. The physical verification of inventory (excluding stocks with third parties) have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of employees' state insurance, income tax and provident fund, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including, service tax, sales tax, duty of customs, duty of excise, value added tax, cess, goods and service tax with effect from July 1, 2017 and other material statutory dues, as applicable, with the appropriate authorities.
 - (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of duty of customs, value added tax and goods and service tax as at March 31, 2018, which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, service tax and duty of excise as at March 31, 2018 which have not been deposited on account of a dispute, are as follows:

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Tata Metaliks Limited on the Ind AS financial statements as of and for the year ended March 31, 2018

Name of the statute	Nature of dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	328.15	1993-94, 1999-00, 2001-02 and 2009-10	High Court -Calcutta
Income Tax Act, 1961	Income Tax	1,768.03	2008-09, 2009-10, 2010-11 and 2011-12	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	1,524.13	2012-13, 2013-14 and 2015-16	Commissioner of Income Tax (Appeals)
West Bengal Sales tax Act, 1994	Sales Tax	94.49	2006-07	West Bengal Commercial Tax Appellate & Revision Board
West Bengal Sales tax Act, 1994	Sales Tax	221.35	2012-13, 2013-14 and 2014-15	Senior Joint Commissioner (Appeals)
Finance Act, 1994	Service Tax	58.95	2007-08	Customs Excise And Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	63.84	2008-09, 2009-10, 2012-13 and 2013-14	Commissioner (Appeals)
Finance Act, 1994	Service Tax	71.22	2010-11 to 2016-17	Assistant Commissioner
Finance Act, 1994	Service Tax	87.81	2005-06, 2006-07, 2007-08, 2008-09, 2009-10 and 2010-11	Additional Commissioner
Finance Act, 1994	Service Tax	84.31	2011-12	Joint Commissioner
Central Excise Act, 1944	Excise Duty	10,376.50	2002-03 to 2011-12	Customs Excise And Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty	211.48	2000-01 to 2015-16	Commissioner (Appeals)
Central Excise Act, 1944	Excise Duty	43.76	2010-11 and 2015-16	Joint Commissioner
Central Excise Act, 1944	Excise Duty	24.20	2010-11, 2011-12, 2012-13 and 2016-17	Assistant Commissioner
Central Excise Act, 1944	Excise Duty	99.44	2008-09, 2009-10, 2010-11, 2012-13, 2013-14, 2014-15 and 2015-16	Additional Commissioner

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Tata Metaliks Limited on the Ind AS financial statements as of and for the year ended March 31, 2018

Central Excise Act, 1944	Excise Duty	7,890.70	2005-06 to 2011-12	Commissioner
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- viii. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders, as applicable, as at the balance sheet date.
- ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans have been applied on an overall basis, for the purposes for which they were obtained. The Company has not raised any moneys by way of initial public offer and further public offer (including debt instruments).
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Ind AS financial statements as required under Indian Accounting Standard 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E 300009
Chartered Accountants

Kolkata
April 26, 2018

Pinaki Chowdhury
Partner
Membership Number 057572

Annexure A to Independent Auditors' Report

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of Tata Metaliks Limited on the Ind AS financial statements for the year ended March 31, 2018

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Tata Metaliks Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. 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 (ICAI). 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 Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.
5. 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 with reference to financial statements.

Annexure A to Independent Auditors' Report

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of Tata Metaliks Limited on the Ind AS financial statements for the year ended March 31, 2018

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2018, 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 Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E 300009
Chartered Accountants

Kolkata
April 26, 2018

Pinaki Chowdhury
Partner
Membership Number : 057572

Tata Metaliks Limited
Balance Sheet as at 31 March 2018

	Notes	As at 31.03.2018	Rs. in Lakhs As at 31.03.2017
(I) ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	4A	58,538.51	58,951.88
(b) Capital work-in-progress	4B	2,421.03	3,354.47
(c) Intangible Assets	5	15.67	21.31
(d) Financial Assets			
(i) Investments	6A	1.52	1.52
(ii) Other Financial Assets	7	580.06	154.07
(e) Non-Current Tax Assets (Net)		306.71	469.52
(f) Deferred tax assets (net)	35	306.58	-
(g) Other Non Current Assets	8	943.47	1,339.67
Total non-current assets		63,113.55	64,292.44
(2) Current assets			
(a) Inventories	9	19,865.82	16,019.06
(b) Financial Assets			
(i) Investments	6B	1,001.12	-
(ii) Trade receivables	10	21,469.03	18,792.04
(iii) Cash and Cash equivalents	11A	257.90	187.73
(iv) Other balances with banks	11B	63.16	28.39
(v) Other Financial Assets	7	2,895.02	1,952.36
(c) Other Current Assets	8	3,843.33	5,297.95
Total current assets		49,395.38	42,277.53
TOTAL ASSETS		112,508.93	106,569.97
(II) EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share capital	12	2,528.80	2,528.80
(b) Other Equity	13	33,339.40	18,189.13
Total equity		35,868.20	20,717.93
(2) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	19,980.30	15,750.63
(b) Provisions	15	1,336.76	1,292.69
Total non-current liabilities		21,317.06	17,043.32
(3) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	21,776.68	17,329.70
(ii) Trade payables	16	20,823.47	17,065.73
(iii) Other Financial Liabilities	18	8,243.37	27,668.36
(b) Provisions	15	389.26	3,529.15
(c) Current Tax Liabilities (Net)		424.87	781.76
(d) Other current liabilities	19	3,666.02	2,434.02
Total current liabilities		55,323.67	68,808.72
TOTAL EQUITY AND LIABILITIES		112,508.93	106,569.97

The accompanying notes form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our report of even date. For and on behalf of the Board of Directors

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009
Chartered Accountants

Koushik Chatterjee
Chairman

Pinaki Chowdhury
Partner
Membership Number: 057572

Sandeep Kumar
Managing Director

Subhra Sengupta
Chief Financial Officer

Sankar Bhattacharya
Company Secretary

Kolkata, 26 April, 2018

Mumbai, 26 April, 2018

Tata Metaliks Limited

Statement of Profit and Loss for the year ended March 31, 2018

Rs. in Lakhs

	Notes	For the year ended 31.03.2018	For the year ended 31.03.2017
A CONTINUING OPERATIONS			
I	Revenue from operations	189,420.68	141,009.58
II	Other Income	2,023.34	145.51
III	Total Income (I + II)	191,444.02	141,155.09
IV EXPENSES			
(a)	Cost of materials consumed	107,918.65	65,948.73
(b)	Changes in stock of finished goods and work-in-progress	919.88	(602.56)
(c)	Employee benefits expense	10,025.94	8,488.27
(d)	Finance costs	4,708.71	3,750.43
(e)	Depreciation and amortisation expense	4,906.64	3,642.69
(f)	Excise duty on sale of goods	2,088.97	7,142.99
(g)	Other expenses	40,744.00	37,538.69
	Total Expenses (IV)	171,312.79	125,909.24
V	Profit before tax (III - IV)	20,131.23	15,245.85
VI Tax Expense			
(1)	Current tax	4,426.87	3,561.00
(2)	Deferred tax	(306.58)	-
	Total tax expense (VI)	4,120.29	3,561.00
VII	Profit from continuing operations (V - VI)	16,010.94	11,684.85
B DISCONTINUED OPERATIONS			
VIII	Loss from discontinued operations before tax	(92.87)	(79.72)
IX	Tax Expense of discontinued operations	-	-
X	Loss from discontinued operations after tax (VIII-IX)	(92.87)	(79.72)
C TOTAL OPERATIONS			
XI	Profit for the year (VII + X)	15,918.07	11,605.13
XII Other comprehensive income net of tax			
Items that will not be reclassified to profit or loss (net of tax)			
(1)	Remeasurements on the defined benefit plans	(6.90)	(182.54)
	Total other comprehensive income, net of taxes (XII)	(6.90)	(182.54)
XIII	Total Comprehensive income for the year (XI + XII)	15,911.17	11,422.59
XIV (a)	Earnings per equity share (for continuing operations):		
(1)	Basic [Face Value Rs. 10 each]	63.31	46.21
(2)	Diluted [Face Value Rs. 10 each]	63.31	46.21
(b)	Earnings per equity share (for discontinued operations):		
(1)	Basic [Face Value Rs. 10 each]	(0.36)	(0.32)
(2)	Diluted [Face Value Rs. 10 each]	(0.36)	(0.32)
(c)	Earnings per equity share (for discontinued and continuing operations):		
(1)	Basic [Face Value Rs. 10 each]	62.95	45.89
(2)	Diluted [Face Value Rs. 10 each]	62.95	45.89

The accompanying notes form an integral part of the Statement of Profit and Loss.

This is the Statement of Profit and Loss referred to in our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009
Chartered Accountants

Pinaki Chowdhury
Partner
Membership Number: 057572

For and on behalf of the Board of Directors

Koushik Chatterjee
Chairman

Sandeep Kumar
Managing Director

Subhra Sengupta
Chief Financial Officer

Sankar Bhattacharya
Company Secretary

Kolkata, 26 April, 2018

Mumbai, 26 April, 2018

Tata Metaliks Limited

Statement of changes in equity for the year ended March 31, 2018

		Rs. in Lakhs			
		As at 31.03.2018	As at 31.03.2017		
(A) Equity share capital	Notes 12				
Balance at the beginning of the year		2,528.80			2,528.80
Changes in equity share capital during the year		-			-
Balance at the end of the year		<u>2,528.80</u>			<u>2,528.80</u>
(B) Other Equity					
Reserves and Surplus	13				
Year ended 31.03.2018		Capital reserve	General reserve	Retained earnings	Total Other Equity
Balance at the beginning of the year		8,885.13	8,211.99	1,092.01	18,189.13
Profit for the year		-	-	15,918.07	15,918.07
Dividend on Equity Shares		-	-	(632.20)	(632.20)
Tax on Dividend		-	-	(128.70)	(128.70)
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax		-	-	(6.90)	(6.90)
Balance at the end of the year		<u>8,885.13</u>	<u>8,211.99</u>	<u>16,242.28</u>	<u>33,339.40</u>
Year ended 31.03.2017		Capital reserve	General reserve	Retained earnings	Total Other Equity
Balance at the beginning of the year		8,885.13	8,211.99	(9,721.86)	7,375.26
Profit for the year		-	-	11,605.13	11,605.13
Dividend on Equity Shares		-	-	(505.76)	(505.76)
Tax on Dividend		-	-	(102.96)	(102.96)
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax		-	-	(182.54)	(182.54)
Balance at the end of the year		<u>8,885.13</u>	<u>8,211.99</u>	<u>1,092.01</u>	<u>18,189.13</u>

The accompanying notes form an integral part of the Statement of Changes in Equity.

This is the Statement of changes in equity referred to in our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009
Chartered Accountants

Pinaki Chowdhury
Partner
Membership Number: 057572

Kolkata, 26 April, 2018

For and on behalf of the Board of Directors

Koushik Chatterjee
Chairman

Sandeep Kumar
Managing Director

Subhra Sengupta
Chief Financial Officer

Sankar Bhattacharya
Company Secretary

Mumbai, 26 April, 2018

Tata Metaliks Limited

Cash Flow Statement for the year ended 31 March 2018

Rs. in Lakhs

	Notes	For the year ended 31.03.2018	For the year ended 31.03.2017
A. Cash Flow from Operating activities:			
Profit before tax (including Loss on discontinued operations)		20,038.36	15,166.13
Adjustments for:			
Finance Costs	25	4,708.71	3,750.43
Incentive income	20	-	(318.76)
Allowances/ reversal of allowances of doubtful debts	27	(333.47)	391.38
Liabilities no longer required written back	21	(1,956.24)	(45.90)
Depreciation and amortisation expense	26	4,906.64	3,642.69
Interest Income from Financial Assets at amortised cost	21	(64.41)	(80.97)
Net gain on investment carried at Fair Value through Profit or Loss	21	(2.62)	(3.99)
(Gain)/Loss on cancellation of forward contracts	27	784.05	771.52
(Gain)/ Loss on disposal of Property, Plant and Equipments	27	(0.98)	-
(Gain)/ Loss on foreign currency transactions	27	(242.37)	(237.53)
Operating profit before working capital changes		27,837.67	23,035.00
Adjustment for working capital			
Inventories		(3,846.76)	(3,815.94)
Non-Current/Current financial and non-financial Assets		(2,204.18)	(1,866.33)
Non-Current/Current financial and non-financial liabilities/provisions		2,401.91	(6,327.60)
Cash generated from operations		24,188.64	11,025.13
Income Taxes paid		(4,620.95)	(3,321.13)
Net cash generated/(utilised) from operating activities		19,567.69	7,704.00
B. Cash Flow from Investing activities:			
Interest income received		28.11	43.90
Payments for acquisition for Property, Plant and Equipments/ Intangible assets		(6,029.10)	(12,589.49)
Proceeds on disposal of Property, Plant and Equipment		1.45	11.38
Net Proceeds/ (investment) from/ (in) sale of investments		(998.50)	3.99
Net Cash (used in) /generated by investing activities		(6,998.04)	(12,530.22)

Tata Metaliks Limited**Cash Flow Statement for the year ended 31 March 2018**

Rs. in Lakhs

	Notes	For the year ended 31.03.2018	For the year ended 31.03.2017
C. Cash Flow from Financing activities:			
Proceeds from working capital loans (net)		2,553.17	1,462.50
Proceeds from Non-current borrowings		10,000.00	15,000.00
Repayment of Non-current borrowings		(20,413.99)	(8,969.00)
Proceeds from Buyer's credit		16,165.47	14,888.15
Repayment of buyer's credit		(14,501.44)	(12,307.87)
Interest and other borrowing costs paid		(4,792.23)	(3,828.69)
Dividend paid on equity share holders		(597.73)	(505.76)
Tax on equity dividend paid	13	(128.70)	(102.96)
Gain/ (Loss) on cancellation of forward contracts	27	(784.05)	(771.52)
Net cash from/(used) in financing activities		(12,499.50)	4,864.85
Net increase in cash and cash equivalents		70.15	38.63
Cash and cash equivalents as at 1 April	11	187.73	149.10
Cash and cash equivalents as at 31 March		257.88	187.73

Notes:

The accompanying notes form an integral part of the Cash Flow Statement.

- The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discontinued operations. Refer note no. 37 for discontinued operations cash flows.
- The above Cash Flow Statement has been prepared under 'Indirect Method' as set out in Ind AS 7 'Statement of Cash Flow'.

This is the Cash Flow Statement referred to in our report of even date.

For and on behalf of the Board of Directors

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009
Chartered Accountants

Koushik Chatterjee
Chairman

Pinaki Chowdhury
Partner
Membership Number: 057572

Sandeep Kumar
Managing Director

Subhra Sengupta
Chief Financial Officer

Sankar Bhattacharya
Company Secretary

Kolkata, 26 April, 2017

Mumbai, 26 April, 2017

Notes to the Financial Statements

1. General Corporate Information

Tata Metaliks Limited ("the Company") is a subsidiary of Tata Steel Limited. The Company is engaged in the manufacture and sale of pig iron and ductile iron pipes. The Company is having its manufacturing plant at Kharagpur in the state of West Bengal. The Company's equity shares are listed in BSE Limited and National Stock Exchange Limited.

The financial statements were approved and authorised for issue in accordance with the resolution of the Company's Board of Directors on 26th April, 2018.

2. Significant Accounting Policies

This Note provides a list of the significant accounting policies adopted in the preparation of the financial statements. These policies have been consistently applied in all material respect for all the years presented, unless otherwise stated.

2.1 Basis for preparation

(i) Statement of compliance

The financial statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") [Companies (Indian Accounting Standards) Rules, 2015] (as amended) and other provisions of the Act.

(ii) Historical Cost Convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities (including derivative instruments) that is measured at fair value.
- Defined benefit plans - plan assets measured at fair value

(iii) Current versus Non-current Classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

- a) expected to be realised or intended to be sold or consumed in the normal operating cycle,
- b) held primarily for the purpose of trading,
- c) expected to be realised within twelve months after the reporting period, or
- d) cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- a) it is expected to be settled in the normal operating cycle,
- b) it is held primarily for the purpose of trading,
- c) it is due to be settled within twelve months after the reporting period, or
- d) there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current.

(iv) Rounding of Amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakh (Rs. 00,000) as per the requirement of Schedule III, unless otherwise stated.

2.2 Intangible Assets

Intangible assets (Computer Software) has a finite useful life and are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

Computer Software:

Software for internal use, which is primarily acquired from third-party vendors is capitalised. Subsequent costs associated with maintaining such software are recognised as expense as incurred. Cost of software includes license fees and cost of implementation/system integration services, where applicable.

Amortisation Method and Periods

Computer software are amortised on a pro-rata basis using the straight-line method over their estimated useful life of 5 Years, from the date they are available for use. Amortisation method and useful lives are reviewed periodically including at each financial year end.

Notes to the Financial Statements

2.3 Property, Plant and Equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

2.4 Depreciation of Property, Plant and Equipment

Depreciation is calculated on a pro-rata basis using the straight-line method to allocate their cost, net of their estimated residual values, over their estimated useful lives in accordance with Schedule II to the Act, unless otherwise mentioned. Each component of an item of property, plant and equipment with a cost that is significant in relation to the cost of that item is depreciated separately if its useful life differs from the other components of the item.

Estimated useful lives of the assets are as follows:

a) Factory Building	30 years.
b) Building (Others)	60 years.
c) Plant and Equipment	15 to 40 years.
d) Moulds (Part of Plant and Equipment)	2 years.
e) Furniture and Fixtures	10 years.
f) Office Equipment	5 years.
g) Data Processing Equipments ¹	4 years.
h) Vehicles ¹	5 to 8 years.
i) Electrical fittings (Part of Plant and Equipment)	10 years.
j) Temporary Structure (Part of Buildings)	3 years.
k) Railway Sidings	15 years.

⁽¹⁾ Useful life of these class of assets includes assets wherein useful lives have 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.

The useful lives, residual values and the method of depreciation of property, plant and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit or loss within 'Other Income'/ 'Other Expenses'.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as 'Capital Advances' under other non-current assets and the cost of property, plant and equipment not ready to use are disclosed under 'Capital Work-in-progress'.

2.5 Impairment of Non - Financial Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). The impairment if any is reviewed for reversal at each period end.

2.6 Relining expenses

Expenses incurred on relining of Blast Furnace is capitalised and depreciated over a period of five years of average expected life. The written down value consisting of relining expenditure embedded in the cost of Blast Furnace is written off in the year of fresh lining. All other relining expenses are charged as expense in the year they are incurred.

2.7 Investments (other than Investments in Subsidiaries) and Other Financial Assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt Instruments:

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised Cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using effective interest rate method.

Fair Value through Other Comprehensive Income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in 'Other Income'/Other Expense'. Interest income from these financial assets is included in other income using effective interest rate method.

Fair Value through Profit or Loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the Statement of Profit and Loss within 'Other Income'/Other Expense' in the period in which it arises. Interest income from these financial assets is included in other income.

Equity Instruments:

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Changes in the fair value of financial assets at fair value through profit or loss are recognised in 'Other Income'/Other Expense' in the Statement of Profit and Loss.

(iii) Impairment of Financial Assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets which are not fair valued through profit or loss. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 39 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109, 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) Derecognition of Financial Assets

A financial asset is derecognised only when

- the Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(v) Income Recognition

Interest Income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Dividend

Dividend is recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

(vi) Fair Value of Financial Instruments

In determining the fair value of financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

2.8 Employee Benefits

(i) Short-term Employee Benefits

Liabilities for short-term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current (creditors for accrued wages and salaries) in Balance Sheet.

(ii) Post - employment benefits

Defined Benefit Plans

The liability or asset recognised in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually at year end by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in 'Employee Benefits Expense' in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in Other Comprehensive Income. These are included in 'Retained Earnings' in the Statement of Changes in Equity. Changes in the present value of the defined benefit obligations resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined Contribution Plans

Contributions under Defined Contribution Plans payable in keeping with the related schemes are recognised as expenses for the period in which the employee has rendered the service.

(iii) Other long-term employee benefits

The liabilities for leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured annually at year end by actuaries as the present value of expected future benefits in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields on government bonds at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

2.9 Taxation

The income tax expense/credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax credits and to unused tax losses.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Notes to the Financial Statements

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences, tax credits and losses.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax are recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, if any. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Notes to the Financial Statements

2.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories comprises cost of purchases and all other costs incurred in bringing the inventories to their present location and condition. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.11a Cash and cash equivalents

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

2.11b Trade Receivables

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.11c Trade Payables

Trade Payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.11d Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.12 Provisions and Contingencies

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, 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 Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

2.13 Revenue Recognition

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

Sale of Products

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

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

2.14 Foreign currency transactions and translation

(i) Functional and Presentation Currency

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

(ii) Transactions and Balances

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

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

Notes to the Financial Statements

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

Notes to the Financial Statements

2.15 Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

2.16 Government grants

Grants from the Government are recognized at their fair value when there is reasonable assurance that the grant will be received and the company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government Grants relating to the purchase of Property, Plant and Equipment are included in liabilities as deferred income and credited to statement of profit and loss on a straight line basis over the expected lives of the related assets and presented within other income.

2.17 Leases

As a lessee

Leases of property, plant and equipment where the company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risk and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the company is a lessor, is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

2.18 Derivative Instruments

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Derivative Instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period, with changes included in 'Other Income'/Other Expenses'.

2.19 Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.20 Dividend

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.21 Earnings per Share

(i) Basic Earnings per Share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year

(ii) Diluted Earnings per Share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.22 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Managing Director of the Company.

2.23 Contributed Equity

Equity shares are classified as equity. Incremental cost directly attributable to the issue of new shares or options are shown in equity as reduction, net of tax from the proceed.

2.24 Business combinations – common control transactions

Business combinations involve led by the company are accounted for using the pooling of interests method as follows :

The assets and liabilities of the combining entities are reflected at their carrying amounts.

No adjustments are made to reflect fair values, or recognize any new assets or liabilities. Adjustments are only made to harmonize accounting policies.

The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, were the business combination had occurred after that date, the prior period information is restated only from that date.

The balance of the retained earning appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferor or is adjusted against general reserve.

The identity of the reserves are presented and the reserves of the transferor become the reserves of the transferee.

The difference, if any, between the amounts recorded as share capital issued plus any additional considerations in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

2.25 Recent Accounting Pronouncements

The Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 on 28 March 2018. The rules among other key amendments to Ind AS 12, Income Taxes, Ind AS 21, The Effects of Changes in Foreign Exchange Rates, notify Ind AS 115, Revenue from Contracts with Customers. These rules come into force from 1 April 2018. The Company is evaluating the requirements of the amendments and the effect on the financial statements is being evaluated.

3. Use of estimates and critical accounting judgments

The preparation of the financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that impact the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each Balance Sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

This Note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each impacted line item in the financial statements.

The areas involving critical estimates or judgements are:

• Employee Benefits (Estimation of Defined Benefit Obligation) - Notes 2.8 and 41

Post-employment benefits represent obligations that will be settled in future and require assumptions to estimate benefit obligations. Post-employment benefit accounting is intended to reflect the recognition of benefit costs over the employees' approximate service period, based on the terms of the plans and the investment and funding decisions made. The accounting requires the Company to make assumptions regarding variables such as discount rate and salary growth rate. Changes in these key assumptions can have a significant impact on the defined benefit obligations.

• Estimation of Expected Useful Lives of Property, Plant and Equipment - Notes 2.4 and 4A

Management reviews its estimate of useful lives of property, plant and equipment at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of property, plant and equipment.

• Contingencies - Notes 2.12 and 28

Legal proceedings covering a range of matters are pending against the Company. Due to the uncertainty inherent in such matters, it is often difficult to predict the final outcome. The cases and claims against the Company often raise factual and legal issues that are subject to uncertainties and complexities, including the facts and circumstances of each particular case/ claim, the jurisdiction and the differences in applicable law. The Company consults with legal counsel and other experts on matters related to specific litigations where considered necessary. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed.

• Valuation of Deferred Tax Assets - Notes 2.9 and 35

Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax bases that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred tax benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned optimising measures. Economic conditions may change and lead to a different conclusion regarding recoverability.

• Fair Value Measurements - Notes 2.7 and 40

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

Tata Metaliks Limited

Notes to the Financial Statements

Rs. in Lakhs

4A. Property, Plant and Equipment

	As at 31-Mar-18	As at 31-Mar-17
Carrying Amounts of :		
Freehold Land	1,589.79	1,589.79
Freehold Buildings	10,171.53	9,915.09
Plant and Equipment	46,009.99	47,070.87
Furniture and fixtures	119.06	96.59
Office Equipments	61.39	80.98
Vehicles	492.08	79.15
Data Processing Equipment	94.67	103.47
Railway Sidings	-	15.94
Total	58,538.51	58,951.88

As at 31.03.2018	Rs. in Lakhs								
	Freehold Land	Freehold Buildings	Plant and Equipment	Furniture and fixtures	Office Equipments	Vehicles	Data Processing Equipment	Railway Sidings	Total
Gross Carrying Amount	1,589.79	10,541.07	50,758.45	136.39	138.05	130.67	167.38	84.84	63,546.64
Additions	-	722.52	3,176.75	52.62	11.16	482.78	31.51	-	4,477.34
Disposals	-	-	-	-	-	17.25	-	-	17.25
Cost Gross Carrying Amount	1,589.79	11,263.59	53,935.20	189.01	149.21	596.20	198.89	84.84	68,006.73
Accumulated Depreciation	-	625.98	3,687.58	39.80	57.07	51.52	63.91	68.90	4,594.76
Depreciation expense for the year	-	466.08	4,237.63	30.15	30.75	69.38	40.31	15.94	4,890.24
On Disposals	-	-	-	-	-	16.78	-	-	16.78
Closing Accumulated Depreciation	-	1,092.06	7,925.21	69.95	87.82	104.12	104.22	84.84	9,468.22
Net Carrying Amount at beginning of the year	1,589.79	9,915.09	47,070.87	96.59	80.98	79.15	103.47	15.94	58,951.88
Net Carrying Amount at end of the year	1,589.79	10,171.53	46,009.99	119.06	61.39	492.08	94.67	-	58,538.51
As at 31.03.2017	Freehold Land	Freehold Buildings	Plant and Machinery	Furniture and fixtures	Office Equipments	Vehicles	Data Processing Equipments	Railway Sidings	Total
Gross Carrying Amount	1,440.25	8,752.86	27,656.17	94.78	119.50	136.74	104.22	84.84	38,389.36
Additions	149.54	1,950.42	25,324.26	41.61	18.55	15.78	63.16	-	27,563.32
Disposals	-	162.84	2,224.61	-	-	21.85	-	-	2,409.30
Effect of Foreign currency exchange differences	-	0.63	2.63	-	-	-	-	-	3.26
Cost Gross Carrying Amount	1,589.79	10,541.07	50,758.45	136.39	138.05	130.67	167.38	84.84	63,546.64
Accumulated Depreciation	-	355.75	2,689.18	15.67	27.47	26.28	23.36	34.45	3,172.16
Depreciation expense for the year	-	394.17	3,063.91	24.13	29.60	35.71	40.55	34.45	3,622.52
On Disposals	-	123.94	2,065.51	-	-	10.47	-	-	2,199.92
Closing Accumulated Depreciation	-	625.98	3,687.58	39.80	57.07	51.52	63.91	68.90	4,594.76
Net Carrying Amount at beginning of year	1,440.25	8,397.11	24,966.99	79.11	92.03	110.46	80.86	50.39	35,217.20
Net Carrying Amount at end of year	1,589.79	9,915.09	47,070.87	96.59	80.98	79.15	103.47	15.94	58,951.88

Notes:

- The fixed assets inclusive of lands have been pledged to secure borrowings of the Company. The assets have been pledged as security for bank loans under a mortgage. See Note no- 14 for details of security pledged for each class of borrowings.
- Title deeds of immovable properties as set out in note 4A above, where applicable are in the name of the Company.
- The amount of contractual commitments for acquisition of Property, Plant and Equipment refer note 29.

4B Capital work-in-progress	Rs. in Lakhs	
	As at 31-Mar-18	As at 31-Mar-17
	2,421.03	3,354.47

5. Intangible assets

	As at 31.03.2018 Computer Software (Acquired) Rs. in Lakhs
Opening Gross Carrying Amount	59.54
Additions	10.76
Closing Gross Carrying Amount	70.30
Accumulated Amortisation at beginning of the year	38.23
Charge for the year	16.40
Amortisation at end of the year	54.63
Net Carrying Amount at end of the year	15.67

	As at 31.03.2017 Computer Software (Acquired) Rs. in Lakhs
Opening Gross Carrying Amount	59.54
Additions	-
Closing Balance	59.54
Accumulated Amortisation at beginning of the year	18.06
Charge for the year	20.17
Amortisation at end of the year	38.23
Net Carrying Amount at end of the year	21.31

6A. Non-Current Investments

	As at 31.03.2018 Rs. in Lakhs	As at 31.03.2017 Rs. in Lakhs
Investment carried at amortised cost		
Investments in national savings certificates (Unquoted)	1.52	1.52
Total	1.52	1.52

6B. Current Investments

	As at 31.03.2018 Rs. in Lakhs	As at 31.03.2017 Rs. in Lakhs
Investment carried at fair value through profit or loss		
Investments in Mutual Fund (Unquoted) [89,825,437 units (March 31, 2017 - Nil) in Tata Liquid Fund Direct Plan- Daily Dividend]	1,001.12	-
Total	1,001.12	-
Aggregate amount of unquoted investments	1,001.12	-
Aggregate amount of impairment in the value of investments	-	-

7. Other Financial Assets

	As at 31.03.2018		As at 31.03.2017	
	Non Current	Current	Non Current	Current
Unsecured, considered good				
(a). Security deposits	579.86	2,698.58	153.87	1,792.22
(b). Interest accrued on deposits and advances	-	196.44	-	160.14
(c). Deposits with banks submitted as security with government agency	0.20	-	0.20	-
Total	580.06	2,895.02	154.07	1,952.36

Note: The above denotes Financial Assets carried at amortised cost

8. Other Assets

	As at 31.03.2018		As at 31.03.2017	
	Rs. in Lakhs		Rs. in Lakhs	
	Non Current	Current	Non Current	Current
(a). Capital advances	865.75	-	1,248.25	-
(b). Other Deposit	-	-	12.70	-
(c). Balances with Government Authorities	-	832.05	-	4,029.56
(d). Prepaid Lease Payments	75.12	1.00	76.12	1.00
(e). Other loans and advances				
i). Advance to Supplier/Service provider (other than capital)	2.60	3,010.28	2.60	1,267.39
Total	943.47	3,843.33	1,339.67	5,297.95

9. Inventories

	As at	As at
	31.03.2018	31.03.2017
	Rs. in Lakhs	Rs. in Lakhs
(At lower of cost or net realisable value)		
(a). Raw Materials	13,992.92	9,353.97
(b). Work in progress	810.80	498.02
(c). Finished Goods	3,048.10	4,280.76
(d). Stores spares and others	2,014.00	1,886.31
Total	19,865.82	16,019.06
Included above, goods-in-transit:		
(a). Raw Materials	944.46	1,152.90
(b). Finished Goods	-	24.85
(c). Stores and spares	-	76.78
Total	944.46	1,254.53

10. Trade Receivables

	As at	As at
	31.03.2018	31.03.2017
	Rs. in Lakhs	Rs. in Lakhs
Unsecured		
a). More than six months (from the date they were due for payment)		
Considered good	1,004.55	480.65
Considered doubtful	246.98	580.45
Less: Allowance for bad and doubtful debts	(246.98)	(580.45)
b). Others - Considered good	20,464.48	18,311.39
Total	21,469.03	18,792.04
Secured, considered good	-	-
Unsecured, considered good	21,469.03	18,792.04
Unsecured, considered doubtful	246.98	580.45
Total	21,716.01	19,372.49

(i) Trade receivables are further analysed as follows :

	As at 31.03.2018 Rs. in Lakhs			
	Gross credit risk	Subject to credit insurance cover	Impairment provision	Net credit risk
Amounts not yet due	17,313.00	2,454.78	-	14,858.22
One month overdue	2,010.76	567.69	-	1,443.07
Two months overdue	768.52	24.38	-	744.14
Three months overdue	195.37	9.76	-	185.61
Between three to six months overdue	349.24	86.26	-	262.98
Greater than six months overdue	1,079.12	64.13	246.98	768.01
Total	21,716.01	3,207.00	246.98	18,262.03

	As at 31.03.2017 Rs. in Lakhs			
	Gross credit risk	Subject to credit insurance cover	Impairment provision	Net credit risk
Amounts not yet due	14,092.63	2,000.00	-	12,092.63
One month overdue	1,664.32	-	-	1,664.32
Two months overdue	653.01	-	-	653.01
Three months overdue	1,109.65	-	-	1,109.65
Between three to six months overdue	527.02	-	-	527.02
Greater than six months overdue	1,325.86	-	580.45	745.41
Total	19,372.49	2,000.00	580.45	16,792.04

(ii) Movement in the provision for impairment of trade receivables :

	As at 31.03.2018 Rs. in Lakhs	As at 31.03.2017 Rs. in Lakhs
Balance at the beginning of the period	580.45	189.08
Movement in expected credit loss allowance on trade receivables (calculated at lifetime expected credit losses)	(333.47)	391.37
Balance at the end of the period	246.98	580.45

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

(iv) Trade receivable from related parties as on March 31, 2018 amount to Rs.49.68 lakhs, as on March 31, 2017 amount to Rs.11.60 lakhs.

	As at 31.03.2018 Rs. in Lakhs	As at 31.03.2017 Rs. in Lakhs
11A. Cash and Cash equivalents		
(a). Cash on hand	0.40	0.49
(b). Balances with banks		
(i). In Current Accounts	257.50	187.24
Total	257.90	187.73
11B. Other balances with banks		
(a). Other bank balances ⁽¹⁾	61.46	26.99
(b). Fixed Deposits	1.70	1.40
Total	63.16	28.39
Included above		
(1). Earmarked balances for unpaid dividend	61.46	26.99

12 Equity Share Capital

	As at 31.03.2018	As at 31.03.2017
	Rs. in Lakhs	Rs. in Lakhs
Authorised:		
375,000,000 Equity Shares of Rs. 10 each (March 31, 2017: 50,000,000 Equity Shares of Rs. 10 each)	37,500.00	5,000.00
Issued, subscribed and fully paid up :		
25,288,000 Equity Shares of Rs. 10 each (March 31, 2017: 25,288,000 Equity Shares of Rs. 10 each)	2,528.80	2,528.80

Movement of Equity Share Capital

	For the year ended 31.03.2018		For the year ended 31.03.2017	
	No. of Shares	Amount Rs. in Lakhs	No. of Shares	Amount Rs. in Lakhs
Equity Shares				
Issued, subscribed and fully paid up:				
At beginning of the year	25,288,000	2,528.80	25,288,000	2,528.80
Issued during the year	-	-	-	-
At end of the year	25,288,000	2,528.80	25,288,000	2,528.80

Shares held by holding company or its subsidiaries

	As at 31.03.2018		As at 31.03.2017	
	No. of Shares	%	No. of Shares	%
Equity Shares				
Tata Steel Limited (Holding Company)	12,667,590	50.09%	12,667,590	50.09%
	12,667,590	50.09%	12,667,590	50.09%

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

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

Rights, preferences and restrictions attached to shares

i). Equity Shares

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

13 Other Equity

As at 31.03.2018	Capital Reserve	General Reserve	Surplus in Statement of Profit and Loss	Total Other Equity
At the beginning of the year	8,885.13	8,211.99	1,092.01	18,189.13
Profit for the year	-	-	15,918.07	15,918.07
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	-	-	(6.90)	(6.90)
Dividend on Equity Shares	-	-	(632.20)	(632.20)
Tax on Dividend	-	-	(128.70)	(128.70)
At the end of the year	8,885.13	8,211.99	16,242.28	33,339.40

As at 31.03.2017	Rs. in Lakhs			Total Other Equity
	Capital Reserve	General Reserve	Surplus in Statement of Profit and Loss.	
At the beginning of the year	8,885.13	8,211.99	(9,721.86)	7,375.26
Profit for the year	-	-	11,605.13	11,605.13
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	-	-	(182.54)	(182.54)
Dividend on Equity Shares	-	-	(505.76)	(505.76)
Tax on Dividend	-	-	(102.96)	(102.96)
At the end of the year	8,885.13	8,211.99	1,092.01	18,189.13

Distributions made and Proposed

Particulars	Rs. in Lakhs	
	For the year ended 31.03.2018	For the year ended 31.03.2017
Cash dividends on Equity shares declared and paid:		
Final Dividend for March 31, 2017 : Rs 2.5 per share (March 31,2016: Rs.2 per share)	632.20	505.76
Dividend Distribution Tax (DDT)	128.70	102.96
Total	760.90	608.72
Proposed dividends on Equity shares:		
Proposed cash dividend for March 31, 2018: Rs.3.00 per share (March 31, 2017: Rs. 2.50 per share)	758.64	632.20
Dividend Distribution Tax (DDT)	154.44	128.70
Total	913.08	760.90

i) Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including DDT thereon) as at March 31, 2018.

The nature of reserves are as follows:**Capital reserve**

Reserve includes Rs. 8,759.51 lakhs on account of Merger pursuant to the sanction of the Hon'ble High Court of Calcutta dated November 7, 2016 to the scheme of Amalgamation, where the assets and liabilities of the erstwhile Tata Metaliks DI Pipes Ltd (TMDIPL) has been merged with the company.

General reserve

Under the erstwhile Indian Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act, 2013, the requirement to mandatory transfer a specified percentage of the net profit to general reserve has been withdrawn though the Company may transfer such percentage of its profits for the financial year as it may consider appropriate. Declaration of dividend out of such reserve shall not be made except in accordance with rules prescribed in this behalf under the Act.

14 Borrowings

Rs. in Lakhs

	As at 31.03.2018		As at 31.03.2017	
	Non Current	Current	Non Current	Current
A. Secured				
(a). Repayable on Demand				
From banks				
i) Working capital demand loans	-	-	-	2,000.00
ii) Cash credit	-	4,966.85	-	198.44
(b). Buyer's credit from banks	-	3,768.80	-	1,589.20
Total	-	8,735.65	-	3,787.64
B. Unsecured				
(a). Finance Lease	4,147.00	-	4,709.00	-
(b). Term Loans from Banks	15,833.30	-	11,041.63	-
(c). Buyer's credit from banks	-	9,152.46	-	9,438.25
(d). Acceptances	-	658.11	-	1,591.12
(e). Repayable on Demand				
From banks				
i) Working capital demand loans	-	3,000.00	-	-
ii) Overdraft from banks	-	230.46	-	2,512.69
Total	19,980.30	13,041.03	15,750.63	13,542.06
Total Borrowings	19,980.30	21,776.68	15,750.63	17,329.70

Debt reconciliation

Rs. in Lakhs

	Bank Overdraft	Non-Current Borrowings (including current maturities)	Current Borrowings	Total
Debt as at April 01, 2017	2,512.69	36,635.14	14,817.01	53,964.84
Cash Flows (net)	(2,282.23)	(10,413.97)	6,499.43	(6,196.77)
Foreign Exchange Adjustments	-	-	229.78	229.78
Loan Amortization expenses	-	14.46	-	14.46
Other cash flow movements	-	(483.90)	-	(483.90)

Debt as at March 31, 2018

<u>230.46</u>	<u>25,751.73</u>	<u>21,546.22</u>	<u>47,528.41</u>
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14. Borrowings

Rs. in Lakhs

Name of the Bank/ Instrument	As at 31.03.2018			As at 31.03.2017			Repayment terms	Security
	Non Current	Current	Current Maturity (Refer Note 18)	Non Current	Current	Current Maturity (Refer Note 18)		
Secured								
Term Loan- Central Bank of India	-	-	-	-	-	1,994.00	Loan carrying a floating rate of 9.95% p.a. (linked to bank's Marginal Cost of Funds based Lending Rate (MCLR)). Repayable in 20 quarterly instalments of Rs. 500 Lakhs each, commenced from June 2013 and ending on March 2018.	Secured by first pari passu charge over fixed assets (net block inclusive of land) of Kharagpur division of the Company, both present and future with other term lenders.
Working capital demand loans	-	-	-	-	2,000.00	-	Loan carrying a fixed rate of 7.97% p.a. Loan is payable on demand	Secured by way of hypothecation first charge on Raw Material, Stock-in-process, Finished Goods, spares, stores, consumables, receivables and other current assets of the Company both present and future on pari passu basis with other working capital lenders.
Term Loan- The Federal Bank Limited	-	-	-	-	-	910.52	Loan carrying a floating rate of 8.90% p.a. (linked to bank's MCLR). Repayable in 16 quarterly instalments commencing from February 2014 and ending in November 2017.	Secured by way of first pari passu charge on the entire movable fixed assets (present and future) of the Company.
Cash credit	-	4,966.85	-	-	198.44	-	Cash credit from banks carry floating rate of interest ranging from 9.25% p.a. to 11.6% p.a. (linked to bank's MCLR) This is payable on demand.	Secured by way of hypothecation first charge on Raw Material, Stock-in-process, Finished Goods, spares, stores, consumables, receivables and other current assets of the Company both present and future on pari passu basis with other working capital lenders.
Buyer's Credit - IndusInd Bank Limited	-	3,768.80	-	-	1,589.20	-	Buyer's Credit from Banks carry fixed rate of interest ranging from 1.76% p.a. to 3.14% p.a. These are repayable at the end of six months from the respective dates of disbursement which are falling due from April 2018.	Secured by way of first pari passu charge on entire movable fixed assets both present & future.
Total secured borrowings	-	8,735.65	-	-	3,787.64	2,904.52		
Unsecured								
10,000,000 8.5% Non Cumulative Redeemable Preference Shares of Rs. 100 each	-	-	-	-	-	10,000.00	Preference shares carry a fixed coupon rate of 8.5% p.a. Redeemed fully in March 2018	Nil
Finance Lease	4,147.00	-	563.10	4,709.00	-	485.00	Refer note below	Nil
Term Loan- The Federal Bank Limited	-	-	-	-	-	3,328.33	Loan carrying a floating rate of 8.90% p.a. (linked to bank's MCLR). Repayable in 12 quarterly instalments commencing from June 2015 and ending in March 2018.	Nil
Term Loan- The Federal Bank Limited	7,499.97	-	3,333.33	10,833.30	-	3,333.33	Loan carrying a floating rate of 8.90% (linked to bank's MCLR) Repayable in 18 quarterly instalments commencing from December 2016 and ending in June 2021.	Nil
Term Loan- The Federal Bank Limited	8,333.33	-	1,666.67	-	-	-	Loan carrying a floating rate of 8.27% (linked to bank's 1 year T-Bill rate) Repayable in 18 quarterly instalments commencing from September 2018 and ending in March 2023.	Nil
Term Loan- Kotak Mahindra Bank Ltd	-	-	208.33	208.33	-	833.33	Loan carrying a floating rate of 8.80%. Repayable in 12 quarterly instalments commencing from September 2015 and ending on June 2018.	Nil
Working capital demand loans	-	3,000.00	-	-	-	-	Loan carrying a fixed rate of 7.95% p.a. Loan is payable on demand	Nil
Buyer's credit from banks	-	9,152.46	-	-	9,438.25	-	Buyer's Credit from Banks carry fixed rate of interest ranging from 1.76% p.a. to 3.14% p.a. These are repayable at the end of six months from the respective dates of disbursement which are falling due from April 2018.	Nil
Acceptances	-	658.11	-	-	1,591.12	-	Loan carrying a floating rate of 7.95% p.a. (linked to bank's MCLR). Loan is payable on demand	Nil
Overdraft from banks	-	230.46	-	-	2,512.69	-	Loan carrying a floating rate of interest ranging from 8.25% p.a. (linked to bank's MCLR). Loan is payable on demand	Nil
Total unsecured borrowings	19,980.30	13,041.03	5,771.43	15,750.63	13,542.06	17,979.99		
Total borrowings	19,980.30	21,776.68	5,771.43	15,750.63	17,329.70	20,884.51		

Note:

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

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

Currency	As at 31.03.2018			As at 31.03.2017		
	Fixed rate debt	Floating rate debt	Total	Fixed rate debt	Floating rate debt	Total
INR	7,710.10	26,897.05	34,607.15	17,194.00	25,743.39	42,937.39
US Dollars	12,921.26	-	12,921.26	11,027.45	-	11,027.45
Total	20,631.36	26,897.05	47,528.41	28,221.45	25,743.39	53,964.84

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

15. Provisions

	As at 31.03.2018		As at 31.03.2017	
	Non Current	Current	Non Current	Current
i). Retirement gratuity	-	244.67	-	467.06
ii). Post retirement pension	207.82	22.29	220.78	22.71
iii). Post retirement medical benefits	19.89	1.87	18.81	1.93
iv). Provision for Leave Salary	1,109.05	16.14	1,053.10	1.30
v). Provision for entry tax & others	-	104.29	-	3,036.15
Total	1,336.76	389.26	1,292.69	3,529.15

16. Trade Payables

	As at 31.03.2018	As at 31.03.2017
	Rs. in Lakhs	Rs. in Lakhs
(a). Outstanding dues of micro enterprises and small enterprises		
Creditors for supplies and services	193.93	69.87
Total outstanding dues of micro enterprises and small enterprises	193.93	69.87
(b). Outstanding dues of creditors other than micro enterprises and small enterprises		
(i). Creditors for supplies and services	18,800.52	15,108.34
(ii). Creditors for accrued wages and salaries	1,829.02	1,887.52
Total outstanding dues of creditors other than micro enterprises and small enterprises	20,629.54	16,995.86
Total	20,823.47	17,065.73

Trade payables to related parties as on March 31, 2018 amounts to Rs.4,719.48 lakhs, as on March 31, 2017 Rs.4,193.02 lakhs.

17. Dues to Micro, Small and Medium Enterprises

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

	As at 31.03.2018	As at 31.03.2017
	Rs. in Lakhs	Rs. in Lakhs
Amount due and Payable at the year end		
- Principal	193.93	69.87
- Interest on above Principal	-	-
Payments made during the year after the due date		
- Principal	-	-
- Interest on above Principal	-	-
Interest due and payable for principals already paid	-	-
Total Interest accrued and remained unpaid at year end	-	-

Tata Metaliks Limited

Notes to the Financial Statements

	As at 31.03.2018 Rs. in Lakhs	As at 31.03.2017 Rs. in Lakhs
18. Other Financial Liabilities		
Current:		
(a). Current maturities of long-term debts (refer Note 14)	5,208.33	20,399.51
(b). Current maturities of Finance Lease obligation (refer Note 14)	563.10	485.00
(c). Interest accrued	398.68	496.69
(d). Unpaid dividends	61.46	26.99
(e). Security deposits from vendors	9.75	13.29
(f). Interest on preference shares	850.00	850.00
(g). Creditors for Other Liabilities		
i). Creditors for capital goods and services	1,093.68	4,844.70
ii). Derivatives - foreign currency forward contracts	58.37	552.18
Total	8,243.37	27,668.36
19. Other Current Liabilities		
(a). Advances received from customers	1,337.31	1,813.49
(b). Others		
i). Statutory dues	2,328.71	620.53
Total	3,666.02	2,434.02

Tata Metaliks Limited
Notes to the Financial Statements

	For the year ended 31.03.2018	For the year ended 31.03.2017
	Rs. in Lakhs	Rs. in Lakhs
20. Revenue from Operations		
(a). Sale of Products		
i). Pig iron and allied products [including excise duty for 2017-18: Rs.1,775.04 lakhs (2016-17: Rs.5,970.08 lakhs)]	89,095.89	55,333.31
ii). DI Pipe and allied products [including excise duty for 2017-18: Rs.313.93 Lakhs (2016-17: Rs.1,172.91 lakhs)]	99,288.51	84,440.54
iii). Limestone	-	77.43
(b). Other operating income	1,036.28	1,158.30
Gross Revenue from Operations	189,420.68	141,009.58

Note :

Other operating income comprise:

(a). Subsidy from State Government	-	318.76
(b). Sale of Scrap	596.93	409.34
(c). Duty drawback and other export incentives	69.86	104.70
(d). Others	369.49	325.50
Total	1,036.28	1,158.30

	For the year ended 31.03.2018	For the year ended 31.03.2017
	Rs. in Lakhs	Rs. in Lakhs
21. Other Income		
(a). Interest Income from Financial assets at amortised cost (deposit and advance)	64.41	80.97
(b). Net gain on investment carried at Fair value through Profit or Loss	2.62	3.99
(c). Liabilities no longer required written back	1,956.24	45.90
(d). Miscellaneous Income	0.07	14.65
Total	2,023.34	145.51

	For the year ended 31.03.2018	For the year ended 31.03.2017
	Rs. in Lakhs	Rs. in Lakhs
22. Cost of materials consumed		
Raw Material Consumed		
i). Opening stock	9,353.97	6,304.60
ii). Add: Purchases	112,557.60	68,998.10
	121,911.57	75,302.70
iii). Less: Closing stock	13,992.92	9,353.97
Total	107,918.65	65,948.73
Raw Material Consumed comprises		
i). Iron ore	19,440.42	13,426.28
ii). Coke	78,216.57	44,129.53
iii). Fluxes	4,567.33	3,636.07
iv). Others	5,694.33	4,756.85
Total	107,918.65	65,948.73

	For the year ended 31.03.2018	For the year ended 31.03.2017
	Rs. in Lakhs	Rs. in Lakhs
23. Changes in stock of finished goods and work-in-progress		
Stock at the beginning of the year		
Finished goods	4,280.76	3,076.52
Work-in-progress	498.02	1,099.70
	<u>4,778.78</u>	<u>4,176.22</u>
Stock at the end of the year		
Finished goods	3,048.10	4,280.76
Work-in-progress	810.80	498.02
	<u>3,858.90</u>	<u>4,778.78</u>
Net (increase)/decrease in finished goods	<u>919.88</u>	<u>(602.56)</u>

	For the year ended 31.03.2018	For the year ended 31.03.2017
	Rs. in Lakhs	Rs. in Lakhs
24. Employee Benefits Expense		
(a). Salaries, wages and bonus	8,420.98	7,192.07
(b). Contribution to provident and other funds	846.95	691.67
(c). Staff welfare expenses	758.01	604.53
Total	<u>10,025.94</u>	<u>8,488.27</u>

	For the year ended 31.03.2018	For the year ended 31.03.2017
	Rs. in Lakhs	Rs. in Lakhs
25. Finance Costs		
(a). Interest expense		
i). Interest on term loans	1,622.13	2,117.79
ii). Interest on Finance Leases	753.00	474.00
iii). Interest on Preference Shares	850.00	850.00
iv). Interest on others	914.06	594.17
	<u>4,139.19</u>	<u>4,035.96</u>
(b). Other borrowing costs (processing/commitment fees, bill discounting charges etc)	569.52	731.55
Gross Finance Costs	<u>4,708.71</u>	<u>4,767.51</u>
Less: Amounts included in the cost of qualifying asset	-	1,017.08
Net Finance Costs	<u>4,708.71</u>	<u>3,750.43</u>

	For the year ended 31.03.2018	For the year ended 31.03.2017
	Rs. in Lakhs	Rs. in Lakhs
26. Depreciation and amortisation expense		
(a). Depreciation on Property, Plant and Equipment as per Note 4A	4,890.24	3,622.52
(b). Amortisation on intangible assets as per Note 5.	16.40	20.17
Total	<u>4,906.64</u>	<u>3,642.69</u>

	For the year ended 31.03.2018	For the year ended 31.03.2017
	Rs. in Lakhs	Rs. in Lakhs
27. Other Expenses		
(a). Consumption of stores and spare parts	11,923.53	9,658.40
(b). Repairs & Maintenance to buildings	39.34	40.63
(c). Repairs & Maintenance to machinery	1,856.12	1,071.44
(d). Repairs & Maintenance - others	1,082.24	767.57
(e). Power and fuel	969.98	949.44
(f). Electricity charges	1,862.29	4,773.61
(g). Freight and handling charges	15,562.71	10,747.36
(h). Rent	215.45	205.65
(i). Rates and taxes	1,669.77	3,458.40
(j). Insurance charges	331.00	275.53
(k). Commission	233.21	205.38
(l). Excise duties on change in finished goods	(446.08)	193.46
(m). Allowances/ reversal of allowances for doubtful debts	(333.47)	391.38
(n). Bad debts written off	-	4.02
(o). Other expenses		
i). (Gain)/ Loss on foreign currency transactions	(242.37)	(237.53)
ii). (Gain)/ Loss on cancellation of forward contracts	784.05	771.52
iii). (Gain)/Loss on sale of Property, Plant and Equipment	(0.98)	-
iv). Auditors remuneration and out-of-pocket expenses		
As Auditors - statutory audit	28.75	32.68
For Other Services (includes tax audit fees)	31.08	16.05
Auditors out-of-pocket expenses	1.23	1.96
v). Legal and other professional costs	559.84	250.10
vi). Consultancy for sales	1,017.21	537.27
vii). Advertisement, sales promotion and other selling expenses	83.39	84.62
viii). Travelling expenses	554.73	482.85
ix). Bank charges	100.60	129.73
x). Expenditure towards Corporate Social Responsibility Activities	300.00	205.21
xi). Other general expenses	2,560.38	2,521.96
Total	40,744.00	37,538.69

	As at 31.03.2018 Rs. in Lakhs	As at 31.03.2017 Rs. in Lakhs
28. Contingent Liabilities		
Claims against the company not acknowledged as debts		
(a). Excise & Service Tax	10,094.58	9,485.23
(b). Income Tax (refer note below)	95.89	129.90
(c). Sales Tax & VAT	357.10	137.73

The Company had claimed a deduction u/s 80-IA of the Income Tax Act, 1961 amounting to Rs. 7,682 lakhs during the AY 2003-04 to AY 2008-09 on its Captive Power Plant. The entire claim amount was allowed by the CIT(Appeals) & ITAT. However, tax department preferred an appeal before the Hon'ble Calcutta High Court for AY 2003-04 & AY 2004-05 on the ground that no real profit existed in Captive Power generation since same is not sold outside i.e. Tata Metaliks has consumed the power.

The Hon'ble Calcutta High Court vide its order dated August 3, 2016 allowed the deduction u/s 80-IA 'on the captive power unit' in favour of the Company, however remanded back to AO on account of transfer price with respect to rate on which such benefit was computed. The Company have filed an appeal in Hon'ble Supreme Court where vide its order dated July 14, 2017, the case has been admitted and High Court order on re-computation of transfer price has been stayed. Final hearing is pending for disposal.

	As at 31.03.2018 Rs. in Lakhs	As at 31.03.2017 Rs. in Lakhs
29. Capital and other commitments		
(a). Capital commitments		
Estimated value of contracts in capital account remaining to be executed (net of advances)	4,542.83	1,875.69
(b). Other Commitments		
Export Obligation against import of capital goods under EPCG Scheme	5,830.72	5,950.97
	For the year ended 31.03.2018 Rs. in Lakhs	For the year ended 31.03.2017 Rs. in Lakhs

30. Earnings Per Share		
i). Profit for the period from continuing operation	16,010.94	11,684.85
ii). Profit for the period from discontinued and continuing operations	15,918.07	11,605.13
iii). Weighted average no. of Equity shares for Basic and Diluted EPS (Numbers in lakhs)	252.88	252.88
iv). Nominal Value per Equity Share (Rs.)	10.00	10.00
v). Earnings Per Equity Share for the year from continuing operation (Rs.) - Basic	63.31	46.21
vi). Earnings Per Equity Share for the year from discontinued and continuing operations (Rs.) - Basic	62.95	45.89
vii). Earnings Per Equity Share for the year from continuing operation (Rs.) - Diluted	63.31	46.21
viii). Earnings Per Equity Share for the year from discontinued and continuing operations (Rs.) - Diluted	62.95	45.89

31. Segment Reporting

A. Description of Segments and Principal Activities

The Company's Managing Director examines the Company's performance on the basis of its business and has identified two reportable segments:

The segments are comprised of Pig Iron and Ductile Iron (DI) pipes.

Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the Financial Statements. Also, the Company's borrowings (including Finance costs), income taxes, investments and derivative instruments are managed at head office and are not allocated to operating segments.

Sales between segments are carried out on cost plus appropriate margin and are eliminated on consolidation. The segment revenue is measured in the same way as in the Statement of Profit and Loss.

Segment assets and liabilities are measured in the same way as in the Financial Statements. These assets and liabilities are allocated based on the operations of the segment and the physical location of the assets.

B. Segment Revenues, Segment Result and Other Information as at/for the year

Particulars	Pig Iron	D I Pipe	Elimination	Unallocable	Total
Revenue					
Total External Sales	89,452.26	99,968.42	-	-	189,420.68
	55,993.91	85,015.67	-	-	141,009.58
Add: Inter Segment Revenue	49,800.42	-	(49,800.42)	-	-
	40,220.18	-	(40,220.18)	-	-
Total Revenue	139,252.68	99,968.42	(49,800.42)		189,420.68
	96,214.09	85,015.67	(40,220.18)		141,009.58
Segment Result	13,613.55	14,651.37	-	-	28,264.92
	7,755.93	15,269.79	-	-	23,025.72
Depreciation	2,713.28	2,193.36			4,906.64
	1,716.17	1,926.52			3,642.69
Reconciliation to Profit Before Tax:					
(Gain)/ Loss on foreign currency transactions				(242.37)	(242.37)
				(237.53)	(237.53)
(Gain)/ Loss on cancellation of forward contracts				784.05	784.05
				771.52	771.52
Finance costs	-	-	-	4,708.71	4,708.71
	-	-	-	3,750.43	3,750.43
Other Income	1,109.25	914.09	-	-	2,023.34
	104.81	42.43	-	-	147.24
Profit before taxes	12,009.52	13,372.10	-	(5,250.39)	20,131.23
	6,144.57	13,385.70	-	(4,284.42)	15,245.85
Tax expenses					4,120.29
					3,561.00
Profit/ (Loss) after tax from continuing operations					16,010.94
					11,684.85
Profit/ (Loss) after tax from discontinued operations					(92.87)
					(79.72)
Profit/ (Loss) for the period from discontinued and continuing operations					15,918.07
					11,605.13
Segment Asset	60,277.63	50,294.31	-	1,936.99	112,508.93
	55,644.25	50,238.56	-	687.16	106,569.97
Reconciliation to Total Assets:					
Investments in national savings certificates (Unquoted)				1.52	1.52
				1.52	1.52
Non-current tax assets (Net)				306.71	306.71
				469.52	469.52
Deferred tax assets (Net)				306.58	306.58
				-	-
Investments in Mutual Fund (Unquoted)				1,001.12	1,001.12
				-	-
Cash and Cash equivalents including Other balances with banks				321.06	321.06
				216.12	216.12
Segment Liabilities	16,707.45	11,174.59	-	48,758.69	76,640.73
	17,206.72	11,972.86	-	56,672.46	85,852.04
Reconciliation to Total Liabilities:					
Borrowings				46,965.31	46,965.31
				53,964.84	53,964.84
Interest on preference shares				850.00	850.00
				850.00	850.00
Derivatives - foreign currency forward contracts				58.37	58.37
				552.18	552.18
Current Tax Liabilities (Net)				424.87	424.87
				781.76	781.76
Other Unallocable Liabilities				460.14	460.14
				523.68	523.68

C. Entity-wide Disclosures

The Company is domiciled in India. The amount of its revenue from external customers segregated by location of the customers is shown below:

	For the year ended 31.03.2018 Rs. in Lakhs	For the year ended 31.03.2017 Rs. in Lakhs
External Revenue by Geographical location of customers		
India	188,158.14	137,637.16
Rest of the world	1,262.54	3,372.42
	189,420.68	141,009.58
Additions to fixed assets		
India	4,477.34	27,563.32
	4,477.34	27,563.32
	As at 31.03.2018 Rs. in Lakhs	As at 31.03.2017 Rs. in Lakhs
Carrying value of Segment Assets		
India	111,749.22	106,324.02
Rest of the world	759.71	245.95
	112,508.93	106,569.97

No Customer individually accounted for more than 10% of the revenues from external customer during the year ended 31st March'18.

32. 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 NIL (2016-17: Rs. 3.26 Lakhs) availed for purchase of capital assets has been capitalised and is included under the applicable fixed assets classification.

	For the year ended 31.03.2018 Rs. in Lakhs	For the year ended 31.03.2017 Rs. in Lakhs
Foreign exchange loss capitalised in the fixed assets block	-	3.26
Depreciation impact on account of exchange fluctuation capitalised during the year	-	0.13
Depreciation impact on account of exchange fluctuation capitalised till 31 March 2018	33.08	31.27

33. Related Party Transactions

Related party relationship:

Name of the related party	Nature of Relationship
Tata Sons Limited	Company having significant Influence- Ultimate Controlling Party (UCP)
Tata Services Limited	Subsidiary of Tata Sons Limited
Tata Consultancy Services	
Tata International Limited	
Tata Steel Limited	
TRL Krosaki Refractories Limited	Associate of Tata Steel Limited
Jamshedpur Utilities & Services Company Limited	Fellow Subsidiary
Tayo Rolls Limited	
Tata Sponge Iron Limited	
Tata Steel Processing and Distribution Limited	
Tata Steel Global Procurement Pte Limited	
The Indian Steel and Wire Products Limited	
Mjunction Services Limited	Joint Venture of Parent Company
Tata Bluescope Steel Limited	
TM International Logistics Limited	
TKM Global Logistics Limited	
International Shipping & Logistics FZE	
Argus Partners - Solicitors & Advocates	Firm where Director is partner
Key Managerial Person -	
Mr. Sanjiv Paul (upto 30th June'17)	: Managing Director
Mr. Sandeep Kumar (from 1st July'17)	: Managing Director
Mr. Sankar Bhattacharya	: Company Secretary
Mr. Subhra Sengupta	: Chief Financial Officer
Key Managerial Person - Non- Executive Directors (NED)	
Mr. Koushik Chatterjee - Chairman	Non- Executive Directors (NED)
Mr. Krishnava Dutt - Director	
Ms Samita Shah - Director	
Dr. Pingali Venugopal - Director	
Dr Rupali Basu - Director	
Mr. Amit Ghosh - Director	
Tata Metaliks Limited Employee Provident Fund Trust	Post Employment Benefit Plans (PEBP)
Tata Metaliks Limited Employee Superannuation Fund Trust	
Tata Metaliks Limited Employee Gratuity Fund	

Related Party Transactions

Rs. in Lakhs

Name of the related party	Nature of transaction	For the year ended 31.03.2018	For the year ended 31.03.2017
Tata Steel Limited	Purchase of raw materials	35,859.75	12,094.93
	Services received	146.86	30.05
	Reimbursement of Expenses	42.80	11.93
	Sale of Materials	-	11.60
	Rent Paid	233.87	162.28
	Redemption of Preference Shares	10,000.00	-
	Interest due on Preference shares	850.00	850.00
	Rendering of Services	37.28	-
TOTAL-Parent Company		47,170.56	13,160.79
Tata Steel Processing and Distribution Limited	Purchase of materials	-	100.84
Jamshedpur Utilities & Services Company Limited	Sale of materials	721.41	-
	Advertisement expenses paid	2.00	-
Tata Steel Global Procurement Pte Limited	Purchase of goods	13,575.87	7,699.34
Tata Sponge Iron Limited	Purchase of goods	198.37	19.12
The Indian Steel and Wire Products Limited	Purchase of goods	2.59	-
TOTAL- Fellow Subsidiary		14,500.24	7,819.30
Tata Sons Limited	Services received	362.18	147.64
TOTAL- Company having significant influence- UCP		362.18	147.64
Tata Services Limited	Services received	40.25	1.49
Tata Consultancy Services	Services received	43.51	-
Tata International Limited	Sale of Materials	2,003.59	1,490.65
TOTAL-Subsidiary of Tata Sons Ltd		2,087.35	1,492.14

Rs. in Lakhs

Name of the related party	Nature of transaction	For the year ended 31.03.2018	For the year ended 31.03.2017
TRL Krosaki Refractori Limited	Purchase of goods	442.94	-
TOTAL- Associate of Tata Steel Limited		442.94	-
Tata Bluescope Steel Limited	Purchase of goods	-	5.70
TM International Logistics Limited	Services received	570.54	1,305.09
TKM Global Logistics Limited	Services received	51.02	5.32
Mjunction Services Limited	Services received	113.24	-
International Shipping & Logistics FZE	External Services	37.91	-
TOTAL- Joint Venture of Parent Company		772.71	1,316.11
Argus Partners - Solicitors & Advocates	Services received	8.24	-
TOTAL- Firm where Director is partner		8.24	-
Mr. Sanjiv Paul	Short term employee benefits	114.86	190.59
	Post employment benefits	1.04	3.49
	Other long term employment	-	6.37
Mr. Sandeep Kumar	Short term employee benefits	74.40	-
	Post employment benefits	10.12	-
	Other long term employment benefits	4.52	-
Mr. Sankar Bhattacharya	Short term employee benefits	29.32	24.12
	Post employment benefits	0.37	0.74
	Other long term employment benefits	0.61	1.10
Mr. Subhra Sengupta	Short term employee benefits	62.58	55.77
	Post employment benefits	1.46	2.15
	Other long term employment benefits	1.76	2.84
Mr. Krishna Dutt - Director	Sitting Fees	2.80	3.40
Dr. Pingali Venugopal - Director	Sitting Fees	4.00	5.00
Dr Rupali Basu - Director	Sitting Fees	2.20	0.20
Mr. Amit Ghosh - Director	Sitting Fees	2.80	0.20
Ms Samita Shah - Director	Sitting Fees	-	1.00
Mr. Ashok Kumar Basu - Director	Sitting Fees	-	2.20
TOTAL- Key Managerial Person		312.84	299.17
Tata Metaliks Limited Employee Provident Fund	Contribution made	415.56	356.41
Tata Metaliks Limited Employee Superannuation Fund	Contribution made	195.41	178.24
Tata Metaliks Limited Employee Gratuity Fund	Contribution made	199.60	136.74
TOTAL-Contribution to PEBP		810.57	671.39
Name of the related party	Nature of outstanding	As at 31.03.2018	As at 31.03.2017
Tata Steel Limited	Outstanding payables	1,636.62	576.97
	Outstanding receivables	21.03	11.60
	Interest due on Preference shares	850.00	850.00
	Interest payable	317.78	317.78
TOTAL-Parent Company		2,825.43	1,756.35
Tayo Rolls Limited	Other credit balances	1.74	1.74
Tata Sponge Iron Limited	Outstanding payables	43.43	-
Jamshedpur Utilities & Services Company Limited	Outstanding Receivables	6.00	-
Tata Steel Global Procurement Pte Limited	Outstanding payables	3,025.33	3,615.61
TOTAL- Fellow Subsidiary		3,076.50	3,617.35
TM International Logistics Limited	Advance Paid	225.28	22.32
TKM Global Logistics Limited	Outstanding payables	8.35	0.44
Mjunction Services Limited	Earnest Money Deposit	8.00	-
	Advance Paid	0.12	-
	Outstanding payables	1.43	-
	Security Deposit - Transporter	6.00	-
TOTAL- Joint Venture of Parent Company		249.18	22.76
Tata Sons Limited	Outstanding payables	2.70	-
TOTAL- Company having significant influence-UCP		2.70	-
Tata Consultancy Services	Outstanding payables	1.62	-
Tata International Ltd.	Outstanding Receivables	22.65	-
TOTAL-Subsidiary of Tata Sons Ltd		24.27	-

Notes to the Financial Statements

Terms and conditions of transactions with related parties

Transactions related to dividend were on the same terms and conditions that applied to other shareholders. The sale to and purchases from related parties are made in the ordinary course of business. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. No provision are held against receivable from related parties.

34. Income taxes

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

	For the year ended 31.03.2018	For the year ended 31.03.2017
	Rs. in Lakhs	Rs. in Lakhs
Current taxes	4,426.87	3,561.00
Deferred taxes	(306.58)	-
	<u>4,120.29</u>	<u>3,561.00</u>

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

	For the year ended 31.03.2018	For the year ended 31.03.2017
	Rs. in Lakhs	Rs. in Lakhs
Income before Income taxes	20,038.36	15,166.13
Tax at the applicable tax rate of 34.608%	6,934.88	5,248.69
Tax effect of income that are not deductible in determining taxable profit	482.73	602.98
MAT Credit recognized	(2,368.13)	-
Investment Allowance u/s 32AC allowed under Tax	-	(2,290.67)
Utilisation / Credit of unrecognised tax loss and unabsorbed depreciation	(411.20)	-
Tax effect of Other Adjustments	(517.99)	-
	<u>4,120.29</u>	<u>3,561.00</u>

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

	For the year ended 31.03.2018	For the year ended 31.03.2017
	%	%
Applicable tax rate	34.61%	34.61%
Tax effect of income that are not taxable in determining taxable profit	2.41%	3.97%
MAT Credit recognized	(11.82%)	0.00%
Investment Allowance u/s 32AC allowed under Tax	0.00%	(15.10%)
Utilisation / Credit of unrecognised tax loss and unabsorbed depreciation	(2.05%)	0.00%
Tax effect of Other Adjustments	(2.59%)	0.00%
Effective tax rate	<u>20.56%</u>	<u>23.48%</u>

(iv) Income tax recognised in Other Comprehensive Income

	For the year ended 31.03.2018	For the year ended 31.03.2017
	Rs. in Lakhs	Rs. in Lakhs
Current Tax		
- Remeasurement of defined benefit obligation	1.88	49.53

35. Deferred Tax Balances

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

	As at 31.03.2018 Rs. in Lakhs	As at 31.03.2017 Rs. in Lakhs
Deferred tax assets	7,785.26	5,371.35
Deferred tax liabilities	<u>(7,478.68)</u>	<u>(5,371.35)</u>
	<u>306.58</u>	<u>-</u>

	Opening Balance	Recognised in profit or loss	Rs. in Lakhs Closing Balance
2017-18			
Deferred tax liabilities/ (assets) in relation to:			
Property, plant & equipment	5,371.35	2,107.33	7,478.68
Unabsorbed business loss	(4,322.86)	3,909.99	(412.87)
Other Provisions	(1,048.49)	1,021.00	(27.49)
MAT Credit Entitlement	-	(6,795.00)	(6,795.00)
Freehold Land	-	(549.90)	(549.90)
	<u>-</u>	<u>(306.58)</u>	<u>(306.58)</u>

	Opening Balance	Recognised in profit or loss	Rs. in Lakhs Closing Balance
2016-17			
Deferred tax liabilities/ (assets) in relation to:			
Property, plant & equipment	4,794.18	577.17	5,371.35
Unabsorbed business loss	(4,016.12)	(306.74)	(4,322.86)
Other Provisions	(778.06)	(270.43)	(1,048.49)
	<u>-</u>	<u>-</u>	<u>-</u>

(b) Unrecognised deferred tax assets on tax losses, unabsorbed depreciation and minimum alternate tax credit:

	As at 31.03.2018	As at 31.03.2017
(i) tax losses	-	76.03
(ii) unabsorbed depreciation	-	1,176.73
(iii) Mat credit	<u>5,029.76</u>	<u>8,939.51</u>
	<u>5,029.76</u>	<u>10,192.27</u>

The amount of unrecognised tax losses, unabsorbed depreciation and minimum alternate tax credits on which no deferred tax assets has been recognized as at March 31, 2018 is Rs. 5,029.76 lakhs (March 31, 2017 : Rs 10,192.27 lakhs) [the expiry periods within next 3 years being Rs.779.70 lakhs (March 31, 2017: Rs. 514.98 lakhs), 3 to 5 years being Rs Nil (March 31, 2017: Rs. 340.75 lakhs) and more than 5 years being Rs. 4,250.06 lakhs (March 31, 2017: Rs. 9,336.54 lakhs)]. The non-recognition of the same is based on the company's best estimate of the future economic benefits and probability of utilization of the temporary differences.

36. Leases:

Finance lease — as lessee

The company has entered into following finance leases:

- (i) Company has entered into agreement with Metaliks Fuel Private Ltd. to construct two coke oven batteries for the purpose of coke conversion.
- (ii) Company has voluntarily offered to be a committed user of the facilities for the fixed tenure.
- (iii) The agreement is for a period of 10 years.
- (iv) The facility is of a specialised nature as the drawings and design of the same is integrated with the power plant.

Disclosure under Finance Lease as Lessee:

	Rs. in Lakhs	
	As at 31.03.2018	As at 31.03.2017
(i) Minimum lease payments		
- Within one year	1,237.10	1,237.00
- After one year but not more than five years	4,510.00	4,143.00
- More than five years	2,500.00	4,105.00
Total	8,247.10	9,485.00
(ii) Present value of minimum lease payments		
- Within one year	563.10	485.00
- After one year but not more than five years	2,147.00	1,849.00
- More than five years	2,000.00	2,860.00
Add: Future finance charges	3,537.00	4,291.00
Total	8,247.10	9,485.00
The Net Carrying amount of the assets acquired under Finance Lease included in Note – 4A	4,716.00	5,211.00

37. Discontinued Operations:

Based on decision of the Board of Directors of the Company at its meeting held on November 19, 2012 the Company has filed an application with the appropriate authority for closure of the Redi Plant, located at Terekhol Road, District: Sindhudurg, Redi - 416 517, Maharashtra, in accordance with the provisions of the Industrial Disputes Act, 1947. The application was initially rejected by the authority and the company has filed a review petition before the same authority. In the mean time the Company has negotiated with the employees for settlement and an agreement was signed on March 25, 2013 with the employees' union. The Company and the employees' union have filed the settlement details with the Commissioner of Labour to facilitate the closure process. The carrying value of Land, current assets and current liabilities of the Redi Plant as at March 31, 2018, were Rs. 1,187.91 lakhs (March 31, 2017 Rs. 1,187.91 lakhs), Rs. 15.87 lakhs (March 31, 2017 Rs. 18.70 lakhs) and Rs. 27.63 lakhs (March 31, 2017 Rs.22.60 lakhs) respectively.

Rs. in Lakhs

	Discontinued Operations	
	Year Ended 31.03.2018	Year Ended 31.03.2017
Gross Revenue	-	-
Revenue from Operations	-	-
Other Income	2.32	1.73
Total	2.32	1.73
Raw materials consumed	-	-
Changes in stock of finished goods	-	-
Employee benefits expense	18.50	13.22
Depreciation	-	-
Other expenses	76.69	68.23
Operating Expenses	95.19	81.45
Finance Cost	-	-
Profit/(Loss) from Operating activities Before exceptional items and tax	(92.87)	(79.72)
Exceptional items	-	-
Profit/(Loss) from Operating activities Before tax	(92.87)	(79.72)
Tax (incl Deferred Tax)	-	-
Profit/(Loss) from Operating activities after tax	(92.87)	(79.72)
Net Cash flow from/(used in) Operating activities	(92.87)	(79.72)
Net Cash flow from Investing activities	-	-
Net Cash flow from Financing activities	-	-

38. Capital Management

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

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

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

	Rs. in Lakhs	
	<u>As at 31.03.2018</u>	<u>As at 31.03.2017</u>
(i) Equity Share capital	2,528.80	2,528.80
(ii) Other Equity	33,339.40	18,189.13
Total equity (a)	35,868.20	20,717.93
(i) Short-term borrowings	21,776.68	17,329.70
(ii) Long-term borrowings	19,980.30	15,750.63
(iii) Current Maturity of long term debt	5,771.43	20,884.51
Total debt (b)	47,528.41	53,964.84
(i) Cash and cash equivalents and Other balances with banks	321.06	216.12
Total cash (c)	321.06	216.12
Net debt {d=(b-c)}	47,207.35	53,748.72
Total capital (equity + net debt)	83,075.55	74,466.65
Net debt to equity ratio	1.32	2.59

The company has no material financial covenants.

39. Financial risk management objectives and policies

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

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

Market risk

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

The sensitivity analyses in the following sections relate to the position as at March 31, 2018 and March 31, 2017.

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

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

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2018 and March 31, 2017.

- The sensitivity of equity is calculated by considering the effect of any associated derivatives at March 31, 2018 and March 31, 2017 for the effects of the assumed changes of the underlying risk

Interest rate risk

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

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

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

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

	Increase/decrease in basis points	Effect on profit before tax Rs. In Lakhs	Effect on post-tax equity Rs. In Lakhs
31-Mar-18	+100	(268.97)	(213.66)
	-100	268.97	213.66
31-Mar-17	+100	(175.30)	(137.89)
	-100	175.30	137.89

Foreign currency risk

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

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

The company exposure to foreign currency risk at the end of reporting period expressed in INR are as follows:

	As at 31.03.2018	Rs. in Lakhs As at 31.03.2017
	USD	USD
Financial Assets		
Trade Receivables	339.36	170.22
Derivative Assets		
Foreign Exchange Forward Contracts	(339.36)	(0.02)
Net Exposure to Foreign Currency Risk (Assets)	-	170.20
Financial Liabilities		
Borrowings	12,921.26	11,027.45
Trade Payables	4,076.73	5,192.48
Other Financial liabilities	70.23	22.50
Derivative Liabilities		
Foreign Exchange Forward Contracts	(15,685.51)	(14,931.85)
Net Exposure to Foreign Currency Risk (Liabilities)	1,382.71	1,310.58
Net Exposure to Foreign Currency Risk (Assets - Liabilities)	(1,382.71)	(1,140.38)

Foreign currency sensitivity

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

	Change in USD rate	Effect on profit before tax	Effect on post-tax equity
		Rs in Lakhs	Rs in Lakhs
31-Mar-18	+9%	(124.44)	(98.85)
	-9%	124.44	98.85
31-Mar-17	+10%	(114.04)	(89.70)
	-10%	114.04	89.70

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

Credit risk

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

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

The companies maximum exposure to credit risk for the components of the Balance Sheet as of March 31, 2018 and March 31, 2017 is the carrying amounts as disclosed in Note 40

The risk relating to trade receivables is shown under Note 10.

Other Financial Assets

Credit risk from balances with banks, term deposits, loan, investments and derivative instruments is managed by Company's finance department. Investment of surplus fund are made only with approved counterparties who meet the minimum threshold requirement. The Company monitors rating, credit spreads and financial strength of its counterparties.

Liquidity risk

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

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

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

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The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2018 and March 31, 2017.

	Rs in Lakhs				
	On demand	less than 1 year	1 to 5 years	> 5 years	Total
As at 31-03-2018					
Borrowings	8,197.31	18,787.70	15,833.30	-	42,818.31
Finance Lease	-	563.10	2,147.00	2,000.00	4,710.10
Trade payables	-	20,823.47	-	-	20,823.47
Derivatives - foreign currency forward contracts	-	58.37	-	-	58.37
Other financial liabilities	-	2,413.57	-	-	2,413.57
	8,197.31	42,646.21	17,980.30	2,000.00	70,823.82
As at 31-03-2017					
Borrowings	6,302.25	21,426.96	11,041.63	-	38,770.84
Finance Lease	-	485.00	1,849.00	2,860.00	5,194.00
Non Cum. Redeemable Pref. Shares	-	10,000.00	-	-	10,000.00
Trade payables	-	17,065.73	-	-	17,065.73
Derivatives - foreign currency forward contracts	-	552.18	-	-	552.18
Other financial liabilities	-	6,231.67	-	-	6,231.67
	6,302.25	55,761.54	12,890.63	2,860.00	77,814.42

The Company has pledged its receivables in order to fulfil the collateral requirements for secured borrowings and secured working capital limits. At March 31, 2018 and March 31, 2017, the fair values of the receivables pledged were Rs. 21,469.03 lakhs and Rs. 18,792.01 lakhs respectively.

40. Financial Instruments

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the financial statements

(a) Financial assets and liabilities

The carrying value of financial instruments by categories as of March 31, 2018 is as follows:

	Derivative instruments not in hedging relationship	Amortised cost	Fair Value through Profit and Loss	Total carrying value	Total fair value
Rs in Lakhs					
Assets:					
Trade receivables	-	21,469.03	-	21,469.03	21,469.03
Investments	-	1.52	1,001.12	1,002.64	1,002.64
Cash and cash equivalents	-	257.90	-	257.90	257.90
Other Bank Balance	-	63.16	-	63.16	63.16
Other financial assets	-	3,475.08	-	3,475.08	3,475.08
Total	-	25,266.69	1,001.12	26,267.81	26,267.81
Liabilities:					
Borrowings	-	41,756.98	-	41,756.98	41,756.98
Trade payables	-	20,823.47	-	20,823.47	20,823.47
Other financial liabilities	58.37	8,185.00	-	8,243.37	8,243.37
Total	58.37	70,765.45	-	70,823.82	70,823.82

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

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

Fair value hierarchy:

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

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

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

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

As at March 31, 2018	Level 1	Level 2	Level 3
Financial Assets:			
Investments(Mutual Fund)	1,001.12	-	-
Derivative Financial Assets	-	-	-
Total	1,001.12	-	-

Financial Liabilities:			
Derivative Financial Liabilities	-	58.37	-
Total	-	58.37	-

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

Financial Liabilities:			
Derivative Financial Liabilities	-	552.18	-
Total	-	552.18	-

Notes

- i The other financial assets and liabilities are stated at amortized cost which is approximately equal to their fair value.
- ii Derivatives are fair valued using market observable rates and published prices together with forecast cash flow information where applicable.
- iii There have been no transfers between level 1 and level 2 for the years ended March 31, 2018 and March 31, 2017.

41. Employee benefits

i) Superannuation fund

The company have a superannuation plan. Separate irrevocable trusts are maintained for employees covered and entitled to benefits. The company contribute up to 15% or ₹1,00,000, whichever is lower, of the eligible employees salary to the trust every year. Such contributions are recognized as an expense when incurred. The company have no further obligation beyond this contribution. Total amount charged to the Statement of Profit and Loss for the year Rs 195.41 lakhs (Previous year Rs 178.24 lakhs).

ii) Retiring gratuity

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

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

Change in defined benefit obligation	Rs. In Lakhs	
	For the year ended March 31, 2018	For the year ended March 31, 2017
a Obligation as at the beginning of the year	1,498.61	1,140.31
b Current service cost	165.27	125.44
c Interest cost	103.05	85.11
d Employees' Contributions	-	-
e Remeasurement Actuarial (gains)/losses experience	136.22	232.06
f Exchange rate variation	-	-
g Benefits paid	(52.94)	(84.31)
h Past Service costs-plan amendments	10.26	-
i Obligations of new companies acquired	35.85	-
j Obligations of companies disposed off	-	-
k Settlements	-	-
l Actuarial (gain)/Losses - finance assumptions	(108.56)	-
Obligation as at the end of the year	1,787.76	1,498.61
Change in plan assets		
a Fair value of plan assets as at beginning of the year	1,024.14	954.54
b Interest income	86.40	73.81
c Remeasurement gains/(losses)	-	-
d Employers' Contributions	437.30	80.10
e Employees' Contributions	-	-
f Return on plan assets greater/(lesser) than discount rate	12.34	-
g Benefits paid	(52.94)	(84.31)
h Assets of new companies acquired	-	-
i Acquisition adjustments	35.85	-
j Settlements	-	-
Fair value of plan assets as at end of the year	1,543.09	1,024.14
Amount recognised in the balance sheet consists of		
	As at March 31, 2018	As at March 31, 2017
a Fair value of plan assets as at end of the year	1,543.09	1,024.14
b Present value of obligation as at the end of the year	1,787.76	1,498.61
Net Asset/(liability)	(244.67)	(474.47)
Retirement benefit asset - Current	-	-
Retirement benefit asset - Non current	-	-
Retirement benefit liability - Current	(244.67)	(474.47)
Retirement benefit liability - Non current	-	-
Cost recognised in the statement of profit and loss		
	For the year ended March 31, 2018	For the year ended March 31, 2017
a Service cost		
Current service cost	165.27	125.44
Past Service Cost	10.26	-
b Net interest expense	16.65	11.30
	192.18	136.74
Cost recognised in the statement of other comprehensive income		
a The return on plan assets (excluding amounts included in net interest expense)	(12.34)	-
b Actuarial gains and losses arising from changes in demographic assumption	-	-
c Actuarial gains and losses arising from changes in financial assumption	136.22	128.40
d Actuarial gains and losses arising from changes in experience adjustments	(108.56)	103.66
	15.32	232.06
Total cost recognised in the statement of profit and loss	207.50	368.80

Notes to the Financial Statements

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

a Discount rate	7.50%	7.00%
b Rate of escalation in salary	7.50%	7.50%
c Withdrawal rates	0.10 to 0.50%	0.10 to 0.50%

The weighted average duration of the defined benefit obligation as at March 31, 2018 is 12 years (March 31, 2017: 10 years)

The Company expects to contribute Rs. 244.67 lakhs to the funded retiring gratuity plans in financial year 2019.

The fair value of Company's plan asset as of March 31, 2018 and March 31, 2017 by category are as follows:

Investment details (%)	As at	As at
	March 31, 2018	March 31, 2017
a Funded with LIC	100%	100%
	100%	100%

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

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1% -> 11.00%, decrease by 1% -> 13.00%	Decrease by 11.57%, increase by 12.62%
Salary escalation	Increase by 1% -> 12.88%, decrease by 1% -> 11.00%	Increase by 12.53%, decrease by 11.62%

The above sensitivity analyses are based on change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligations to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit obligation recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

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

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

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

Change in defined benefit obligation	Rs. In Lakhs	
	For the year ended March 31, 2018	For the year ended March 31, 2017
a Obligation as at the beginning of the year	243.49	197.15
b Current service cost	-	-
c Interest cost	16.22	14.37
d Employees' Contributions	-	-
e Remeasurement (gains)/losses	(6.12)	55.45
f Exchange rate variation	-	-
g Benefits paid	(23.48)	(23.48)
h Past Service costs	-	-
i Obligations of new companies acquired	-	-
j Obligations of companies disposed off	-	-
k Settlements	-	-
l Curtailments	-	-
Obligation as at the end of the year	230.11	243.49
Change in plan assets		
a Fair value of plan assets as at beginning of the year	-	-
b Interest income	-	-
c Remeasurement gains/(losses)	-	-
d Employers' Contributions	-	-
e Employees' Contributions	-	-
f Exchange rate variation	-	-
g Benefits paid	-	-
h Assets of new companies acquired	-	-
i Assets of companies disposed off	-	-
j Settlements	-	-
Fair value of plan assets as at end of the year	-	-
Amount recognised in the balance sheet consists of		
	As at	As at
	March 31, 2018	March 31, 2017
a Fair value of plan assets as at end of the year	-	-
b Present value of obligation as at the end of the year	230.11	243.49
Net Asset/(liability)	230.11	243.49
Retirement benefit asset - Current	-	-
Retirement benefit asset - Non current	-	-
Retirement benefit liability - Current	22.29	22.71
Retirement benefit liability - Non current	207.82	220.78

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Cost recognised in the statement of profit and loss	Rs. In Lakhs	
	For the year ended March 31, 2018	For the year ended March 31, 2017
a Service cost		
Current service cost	-	-
Past Service Cost		
b Net interest expense	16.22	14.37
	<u>16.22</u>	<u>14.37</u>
Cost recognised in the statement of other comprehensive income		
a The return on plan assets (excluding amounts included in net interest expense)	-	-
b Actuarial gains and losses arising from changes in demographic assumption	-	-
c Actuarial gains and losses arising from changes in financial assumption	(8.83)	13.55
d Actuarial gains and losses arising from changes in experience adjustments	2.71	41.90
	<u>(6.12)</u>	<u>55.45</u>
Total cost recognised in the statement of profit and loss	<u>10.10</u>	<u>69.82</u>

The assumptions used in accounting for the pension plan of Ex- Managing Director (Mr. Harsh K Jha) is set out below:

	For the year	For the year
a Discount rate	7.50%	7.75%

The Company expects to contribute Rs. 230.11 lakhs to the pension plan - Ex- Managing Director (Mr. Harsh K Jha) in financial year 2019.

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

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

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

iv) Post retirement medical benefits

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

Change in defined benefit obligation	Rs. In Lakhs	
	For the year ended March 31, 2018	For the year ended March 31, 2017
a Obligation as at the beginning of the year	20.74	19.91
b Current service cost	-	-
c Interest cost	1.44	1.55
d Employees' Contributions	-	-
e Remeasurement (gains)/losses	(0.42)	(0.72)
f Exchange rate variation	-	-
g Benefits paid	-	-
h Past Service costs	-	-
i Obligations of new companies acquired	-	-
j Obligations of companies disposed off	-	-
k Settlements	-	-
l Curtailments	-	-
Obligation as at the end of the year	<u>21.76</u>	<u>20.74</u>
Change in plan assets		
a Fair value of plan assets as at beginning of the year	-	-
b Interest income	-	-
c Remeasurement gains/(losses)	-	-
d Employers' Contributions	-	-
r Employees' Contributions	-	-
f Exchange rate variation	-	-
g Benefits paid	-	-
h Assets of new companies acquired	-	-
i Assets of companies disposed off	-	-
j Settlements	-	-
Fair value of plan assets as at end of the year	<u>-</u>	<u>-</u>

Notes to the Financial Statements

Amount recognised in the balance sheet consists of	Rs. In Lakhs	
	As at March 31, 2018	As at March 31, 2017
a Fair value of plan assets as at end of the year	-	-
b Present value of obligation as at the end of the year	21.76	20.74
Net Asset/(liability)	21.76	20.74
Retirement benefit asset - Current	-	-
Retirement benefit asset - Non current	-	-
Retirement benefit liability - Current	1.87	1.93
Retirement benefit liability - Non current	19.89	18.81
		Rs. In Lakhs
Cost recognised in the statement of profit and loss	For the year ended March 31, 2018	For the year ended March 31, 2017
a Service cost		
Current service cost	-	-
Past Service Cost	-	-
b Net interest expense	1.44	1.55
	1.44	1.55
Cost recognised in the statement of other comprehensive income		
a The return on plan assets (excluding amounts included in net interest expense)	-	-
b Actuarial gains and losses arising from changes in demographic assumption	0.48	(1.87)
c Actuarial gains and losses arising from changes in financial assumption	(0.90)	1.15
d Actuarial gains and losses arising from changes in experience adjustments	-	-
	(0.42)	(0.72)
Total cost recognised in the statement of profit and loss	1.02	0.83

The assumptions used in accounting for the post retirement medical benefits plans are set out below:

	Rs. In Lakhs	
	For the year ended March 31, 2018	For the year ended March 31, 2017
a Discount rate	7.50%	7.00%

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

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1% -> 16%, decrease by 1% -> 3%	Increase by 1% -> 16%, decrease by 1% -> 3%

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

v) Provident Fund

Contributions towards provident funds are recognised as expense for the year. The Company has set up a Provident Fund Trust which is administered by Trustees. Both the employees and the Company make monthly contributions to the Fund at specified percentage of the employee's salary and aggregate contributions along with interest thereon are paid to the employees/nominees at retirement, death or cessation of employment.

The Trust invests funds following a pattern of investments prescribed by the Government. The interest rate payable to the members of the Trust is not lower than the rate of interest declared annually by the Government under The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, on account of interest is to be made good by the Company.

The Actuary has carried out actuarial valuation of plan's liabilities and interest rate guarantee obligations as at the Balance Sheet date using Projected Unit Credit Method and Deterministic Approach as outlined in the Guidance Not 29 issued by the Institute of Actuaries of India. Based on such valuation, no amount is required to be provided towards future anticipated shortfall with regard to interest rate obligation of the Company as at the Balance Sheet date. Disclosures given hereunder are restricted to the information available as per the Actuary's Report.

Principal Actuarial Assumptions	31 st March 2018
Discount Rate	7.50%
Mortality Rate	Indian Assured Lives Mortality (2006-08) (modified)
Expected Return on Fund	8.55%

Total amount charged to the Statement of Profit and Loss for the year Rs 273.17 lakhs (Previous year Rs 227.48 lakhs)

vi) Others

Others consist of company and employee contribution to:

- Employees Pension Scheme [Total amount charged to the Statement of Profit and Loss for the year Rs 132.15 lakhs (Previous year 2016-17 Rs 113.02 lakhs)]
- Employees State Insurance [Total amount charged to the Statement of Profit and Loss for the year Rs 36.38 lakhs (Previous year 2016-17 Rs 20.27 lakhs)]

Contribution to these schemes are made by the company as required as per the statute.

Notes to the Financial Statements

42. Assets Pledged as Security

The carrying amounts of assets pledged as security/collateral for current and non current borrowings as follows:

	As at March 31, 2018	Rs. in Lakhs As at March 31, 2017
Current		
First Charge		
Inventories	19,865.82	16,019.06
Trade receivables	21,469.03	18,792.04
Cash and Cash equivalents	257.90	187.73
Other balances with banks	63.16	28.39
Other Financial Assets	2,895.02	1,952.36
Other Current Assets	3,843.33	5,297.95
Investments	1,001.12	-
	49,395.38	42,277.53
Non Current		
First Charge		
Freehold Land	-	1,589.79
Freehold Buildings	10,171.53	9,915.09
Plant and Equipment	46,009.99	47,070.87
Furniture & Fixtures	119.06	96.59
Office Equipments	61.39	80.98
Vehicles	492.08	79.15
Data Processing Equipment	94.67	103.47
Railway Sidings	-	15.94
	56,948.72	58,951.88

43. Specified Bank Notes (SBNs)

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

[#] For the purpose of this note, the term " Specified Bank Notes (SBNs) shall have the same meaning as provided in the notification of the Government of India, in the Ministry of Finance, Department of economic Affairs number S.O.3407(E) dated 8th November, 2016.

44. Corporate social responsibility expense

Gross amount required to be spent by the company during the year 2017-18 was Rs 300.00 lakhs. The details of the amount spent during the year CSR activity as covered under Schedule-VII to the Companies Act, 2013 is given below:

Particulars	In cash (Rs in lakhs)		Yet to be paid in cash (Rs in lakhs)		Total (Rs in lakhs)	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
(i) Construction /Acquisition of any asset	-	-	-	-	-	-
(ii) On purposes other than (i) above	300.00	205.21	-	-	300.00	205.21

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

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E/E-300009
Chartered Accountants

Pinaki Chowdhury

Partner
Membership Number: 057572

For and on behalf of the Board of Directors

Koushik Chatterjee
Chairman

Sandeep Kumar
Managing Director

Subhra Sengupta
Chief Financial Officer

Sankar Bhattacharya
Company Secretary

Kolkata, 26 April, 2018

Mumbai, 26 April, 2018