

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF JAMSHEDPUR CONTINUOUS ANNEALING AND PROCESSING
COMPANY PRIVATE LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of **JAMSHEDPUR CONTINUOUS ANNEALING AND PROCESSING COMPANY PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting

and the operating effectiveness of such control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2015, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the Balance Sheet, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164(2) of the Act.
- (f) With respect to 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 information and according to the explanation given to us:

- i. The Company has disclosed the impact of the pending litigations on its financial position in its financial statements – Refer Note 25 to the financial statements;
- ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm Registration No.
302009E)

Place: KOLKATA
Date: April 24, 2015

Abhijit Bandyopadhyay
Partner
(Membership No. 054785)

ANNEXURE TO THE AUDITORS' REPORT

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

- (i) Having regard to the nature of the Company's business/activities/result, clauses (v), and (viii) of CARO are not applicable.
- (ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- (iii) In respect of its inventories:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and discrepancies noticed on physical verification has been correctly adjusted in the books.
- (iv) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that, *prima facie*, the

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

- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.
 - (c) There were no dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on 31st March, 2015 on account of disputes.
 - (d) There were no amounts which were required to be transferred to the investor education and protection fund by the Company.
- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or bank.
- (ix) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (x) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained.
- (xi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS

Chartered Accountants

(Firm Registration No. 302009E)

(Abhijit Bandyopadhyay)

(Partner)

(Membership No. 054785)

Kolkata, April 24, 2015

Jamshedpur Continuous Annealing and Processing Company Private Limited

Rs Lakhs

Balance Sheet as at 31st March, 2015

| | Note | | As at 31-March-2014 |
|--|------|--------------------|---------------------|
| (I) EQUITY AND LIABILITIES | | | |
| (1) Shareholders' funds | | | |
| (a) Share Capital | 02 | 87,400.00 | 87,400.00 |
| (b) Reserves and surplus | 03 | (3,828.67) | (1,056.07) |
| | | 83,571.33 | 86,343.93 |
| (2) Non-current liabilities | | | |
| (a) Long-term borrowings | 04 | 1,33,846.86 | 1,07,212.43 |
| (b) Other long-term liabilities | 05 | - | 3,624.48 |
| (c) Long-term provisions | 06 | 129.83 | 37.93 |
| | | 1,33,976.69 | 1,10,874.84 |
| (3) Current liabilities | | | |
| (a) Trade payables | 07 | 749.77 | 823.66 |
| (b) Other current liabilities | 07 | 30,656.85 | 20,905.71 |
| (c) Short term provisions | 06 | 0.32 | 44.12 |
| | | 31,406.94 | 21,773.49 |
| TOTAL EQUITY AND LIABILITIES | | 2,48,954.96 | 2,18,992.26 |
| (II) ASSETS | | | |
| (1) Non-current assets | | | |
| (a) Fixed assets | | | |
| (i) Tangible assets | 08 | 2,09,162.06 | 162.06 |
| (ii) Intangible assets | 09 | 4,944.80 | 136.14 |
| (iii) Capital work-in-progress | | 96.79 | 1,97,312.19 |
| (iv) Intangible assets under development | | - | 3,187.02 |
| | | 2,14,203.65 | 2,00,797.41 |
| (b) Long-term loans and advances | 10 | 3,376.74 | 9,156.98 |
| (c) Other non current assets | 11 | 7,844.81 | 3,990.38 |
| | | 2,25,425.20 | 2,13,944.77 |
| (2) Current assets | | | |
| (a) Current investments | 12 | 859.37 | 859.37 |
| (b) Inventories | 13 | 1,888.34 | 579.23 |
| (c) Trade receivables | 14 | 860.83 | - |
| (d) Cash and bank balances | 15 | 14,081.96 | 3,426.51 |
| (e) Short-term loans and advances | 16 | 4,444.47 | 1.36 |
| (f) Other current assets | 17 | 1,394.79 | 181.02 |
| | | 23,529.76 | 5,047.49 |
| TOTAL ASSETS | | 2,48,954.96 | 2,18,992.26 |

Notes to Balance Sheet and Statement of Profit and Loss 1

In terms of our report attached

For and on behalf of the Board of Directors

Taisuke Nomura
Chairman

For Deloitte Haskins & Sells
Chartered Accountants

Harish Seth
Chief Financial Officer

Dibyendu Dutta
Director

Abhijit Bandyopadhyay
Partner

Subhashish Neogi
Company Secretary

C.V. Sastry
Managing Director

Kolkata, April 24, 2015

Mumbai, April 24, 2015

Jamshedpur Continuous Annealing and Processing Company Private Limited

Statement of Profit & Loss for the year ended 31st March, 2015

Rs Lakhs

| | Note | | Previous Year |
|--|--------|-------------------|-------------------|
| I REVENUE | | | |
| (a) Revenue from operations | 18 | 7,146.73 | - |
| Less : Excise duty | | 56.00 | - |
| | | 7,090.73 | - |
| (b) Other Income | 19 | 355.35 | 249.85 |
| Total Revenue | | 7,446.08 | 249.85 |
| II EXPENSES | | | |
| (a) Raw materials consumed | 20 | 98.49 | - |
| (b) Changes in inventories of finished goods | 21 | (885.74) | - |
| (c) Employee benefit expense | 22 | 1,922.89 | 1,328.05 |
| (d) Depreciation and amortisation expense | 08, 09 | 1,009.18 | 104.90 |
| (e) Finance costs | 23 | 1,066.46 | - |
| (f) Other expenses | 24 | 7,098.76 | 1,877.96 |
| Total Expenses | | 10,310.04 | 3,310.91 |
| III Net Expenditure (other than interest) transferred to capital account | | 91.36 | 2,007.39 |
| IV Profit/(loss) before tax (I -II+ III) | | (2,772.60) | (1,053.67) |
| V Tax Expense | | | |
| Current tax | | - | 78.05 |
| Tax for previous years | | - | 88.84 |
| Deferred Tax | | | |
| VI Profit/(loss) after tax (IV-V) | | (2,772.60) | (1,220.56) |
| VII Earnings per equity share: | | | |
| (1) Basic earnings in Rs. | | (0.32) | (0.14) |
| (2) Diluted earnings in Rs. | | (0.32) | (0.14) |

Notes to Balance Sheet and Statement of Profit and Loss

1

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells

Chartered Accountants

Taisuke Nomura

Chairman

Harish Seth
Chief Financial Officer

Dibyendu Dutta
Director

Abhijit Bandyopadhyay
Partner

Subhashish Neogi
Company Secretary

C.V. Sastry
Managing Director

Kolkata, April 24, 2015

Mumbai, April 24, 2015

Jamshedpur Continuous Annealing and Processing Company Private Limited

Cash Flow Statement for the year ended April -March 2015

Rs Lakhs

| | | <i>Previous Year</i> |
|--|--------------------|----------------------|
| A. Cash Flow from Operating activities: | | |
| Profit before taxes | (2,772.60) | (1,053.67) |
| <i>Adjustments for:</i> | | |
| (G)/L on cancellation of forward covers / options | 52.86 | - |
| Income from investment | (67.15) | (9.57) |
| Non cash Depreciation | 927.37 | - |
| Amortisation of forward premium | 10.93 | 156.68 |
| Finance Costs | 1,066.46 | - |
| (Gain)/Loss on revaluation of foreign currency liability and MTM | (45.81) | 47.61 |
| | 1,944.66 | 194.72 |
| Operating profit before working capital changes | (827.94) | (858.95) |
| <i>Adjustments for:</i> | | |
| Movements in trade and other receivables | (990.55) | - |
| Inventories | (1,309.11) | (579.23) |
| Movements in trade and other payables | (225.98) | 12.92 |
| | (2,525.64) | (566.31) |
| Cash generated from operations | (3,353.58) | (1,425.26) |
| Direct taxes paid | (1.26) | (165.61) |
| Net cash used in operating activities | (3,354.84) | (1,590.87) |
| B. Cash Flow from Investing activities: | | |
| (Purchase) / Sale of fixed assets | (14,455.01) | (62,758.25) |
| Sale/(Purchase) of mutual fund investments (net) | - | 99.00 |
| Income from investment | 67.15 | - |
| Margin money with bank | (105.00) | (65.00) |
| Net cash used In investing activities | (14,492.86) | (62,724.25) |
| C. Cash Flow from Financing activities: | | |
| Proceeds from borrowings | 38,387.79 | 65,145.85 |
| Issue of Equity Capital | - | - |
| Interest paid | (9,831.77) | (3,816.97) |
| Amount received / (paid) on cancellation of forward covers / options | (52.86) | - |
| Net cash from financing activities | 28,503.16 | 61,328.88 |
| Net increase/ (decrease) in cash or cash equivalents: (A+B+C) | 10,655.46 | (2,986.24) |
| Cash and cash equivalents at the beginning of the period | 3,426.51 | 6,412.75 |
| Cash and cash equivalents at the end of the period | 14,081.97 | 3,426.51 |

Additional information -

- (1) Figures in bracket represent outflows
(2) Previous year figures have been recasted / restated where necessary.

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells

Chartered Accountants

Taisuke Nomura
Chairman

Harish Seth
Chief Financial Officer

Dibyendu Dutta
Director

Abhijit Bandyopadhyay
Partner

Subhashish Neogi
Company Secretary

C.V. Sastry
Managing Director

Kolkata, April 24, 2015

Mumbai, April 24, 2015

Jamshedpur Continuous Annealing and Processing Company Private Limited

| | | Rs Lakhs | |
|---|------------------|---------------------|------------------|
| | | As at 31-March-2014 | |
| 02 - Share Capital | | | |
| Authorised: | | | |
| 950 million Equity Shares of Rs 10/- each with voting rights (31.03.2014: 950 million Equity Shares of Rs 10/- each) | 95,000.00 | 95,000.00 | 95,000.00 |
| | 95,000.00 | 95,000.00 | 95,000.00 |
| Issued: | | | |
| 874 million Equity Shares of Rs 10/- each with voting rights (31.03.2014: 874 million Equity Shares of Rs 10/- each) | 87,400.00 | 87,400.00 | 87,400.00 |
| | 87,400.00 | 87,400.00 | 87,400.00 |
| Subscribed and fully paid up : | | | |
| 874 million Equity Shares of Rs 10/- each with voting rights (31.03.2014: 874 million Equity Shares of Rs 10/- each) | 87,400.00 | 87,400.00 | 87,400.00 |
| | 87,400.00 | 87,400.00 | 87,400.00 |
| Total Share Capital | | | |

Additional information:

(1) The movement in subscribed and paid up share capital is as mentioned below:

| Ordinary Equity Shares of Rs 10 each | No of Shares | Rs Lakhs | As at 31-Mar-2014 | |
|--------------------------------------|---------------------|---------------|---------------------|---------------|
| | | | No of Shares | Rs Lakhs |
| At the beginning of The year | 87,40,00,000 | 87,400 | 87,40,00,000 | 87,400 |
| Shares allotted during the year | - | - | - | - |
| Total | 87,40,00,000 | 87,400 | 87,40,00,000 | 87,400 |

(2). Terms / rights attached to equity shares

The Company has only equity shares having a per value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

(3) Shareholders holding more than 5 percent shares in the Company and shares held by the holding company:

| Name of Shareholders | No of Shares | % | As at 31-Mar-2014 | |
|---|---------------------|-----|---------------------|-----|
| | | | No of Shares | % |
| Tata Steel Limited (The Holding Company) | 44,57,40,000 | 51% | 44,57,40,000 | 51% |
| Nippon Steel & Sumitomo Metal Corporation | 42,82,60,000 | 49% | 42,82,60,000 | 49% |
| | 87,40,00,000 | | 87,40,00,000 | |

(4) Aggregate no. of shares issued for consideration other than cash

29,64,83,085 Shares of the face value of Rs.10 per share were issued to Tata Steel Limited on acquisition of assets, for consideration other than cash.

Jamshedpur Continuous Annealing and Processing Company Private Limited

Rs Lakhs

03 - Reserves & Surplus

Surplus / (Deficit) In The Statement of Profit & Loss

| | | |
|-----------------------------------|-------------------|-------------------|
| Balance as per last account | (1,056.07) | 164.49 |
| Profit / (loss) for the period | (2,772.60) | (1,220.56) |
| Total Reserves And Surplus | (3,828.67) | (1,056.07) |

As at 31-March-2014

04 - Long Term Borrowings

| | | |
|--|--------------------|--------------------|
| Term loan from banks and financial institution | 1,33,846.86 | 1,07,212.43 |
| Secured Loans | | |
| Total long Term Borrowings | 1,33,846.86 | 1,07,212.43 |

Rs Lakhs

As at 31-March-2014

Additional information:

A. Indian Rupee Loan from Punjab National Bank, amounting to Rs. 16,850 Lakhs drawn till Mar 31, 2015 (31.03.2014 :Rs 7,050). The loan is repayable in 40 quarterly installments commencing from 30th June, 2016. The loan is secured by charge of equitable mortgage / deposit of all title deeds of all immovable properties, by hypothecation on all movable machinery, accessories, attachments, spares tools and assets of the borrower excluding project land.

B. Foreign currency loan (External Commercial Borrowing) from Japan Bank for International Cooperation and other lenders amounting to USD 126.94 million equivalent to Rs. 79,335.70 Lakhs is drawn till Mar 31, 2015 (31.03.2014: USD 85.92 million equivalent to Rs.51,467.48 Lakhs). The loan is in two tranche , Tranche -A being lend by Japan Bank for International Cooperation and Tranche-B lend by others. Interest is payable semi-annually, commenced from 9th May, 2013. The Loan will be repaid in 16 semi-annual installments commencing from 9th May, 2015. The loan is secured against the project assets at Jamshedpur Plant. Further the loan has been guaranteed by M/s. Nippon Steel & Sumitomo Metal Corporation , the Joint Venturer.

C. Foreign currency loan (External Commercial Borrowing) from ICICI Bank, Dubai branch amounting to USD 87 million equivalent to Rs.54,375.00 Lakhs is drawn till Mar 31, 2015 (31.03.2014 : USD 81.29 million equivalent to Rs 48,694.95 Lakhs). The Interest is payable semi-annually, commenced from 9th May, 2013. The Loan will be repaid in 16 semi-annual installments commencing from 9th May, 2015. The loan is secured by first pari passu charge over all the Project Assets created by the Borrower by way of hypothecation in favour of the Security Trustee for the benefit of the Other Project Lenders.

Jamshedpur Continuous Annealing and Processing Company Private Limited

Rs Lakhs

05 - Other Long-Term Liabilities

Creditors for capital supplies/services

Total Other Long-Term Liabilities

| | |
|--|---|
| | |
| | - |
| | - |

| | |
|----------------------------|-----------------|
| As at 31-March-2014 | |
| | 3,624.48 |
| | 3,624.48 |

Rs Lakhs

06 - Long Term / Short Term Provisions

(I) Long Term Provisions

Provision for employee benefits

(a) Provision for gratuity

(b) Provision for compensated absence

(II) Short Term Provisions

(a) Provision for taxation (net of advance taxes)

(b) Provision for estimated loss on derivatives (MTM)

Total Provisions

| | |
|--|---------------|
| | |
| | 57.59 |
| | 72.24 |
| | 129.83 |
| | - |
| | 0.32 |
| | 0.32 |
| | 130.15 |

| | |
|----------------------------|--------------|
| As at 31-March-2014 | |
| | 17.52 |
| | 20.41 |
| | 37.93 |
| | 1.26 |
| | 42.86 |
| | 44.12 |
| | 82.05 |

07 - Current Liabilities

(I) Trade Payables

(a) Creditors for suppliers / services

(b) Creditors for accrued wages and salaries

Total Trade Payables

| | |
|--|---------------|
| | |
| | 590.72 |
| | 159.05 |
| | 749.77 |

| | |
|----------------------------|---------------|
| As at 31-March-2014 | |
| | 641.18 |
| | 182.48 |
| | 823.66 |

Rs Lakhs

(II) Other Current Liabilities

(a) Current maturities of long-term borrowings

(b) Interest accrued but not due on borrowings

(c) Creditors for capital supplies/services

(d) Creditors for other liabilities

Total Other Current Liabilities

Total Current Liabilities

| | |
|--|------------------|
| | |
| | 16,713.84 |
| | 4,142.97 |
| | 9,518.76 |
| | 281.28 |
| | 30,656.85 |
| | 31,406.62 |

| | |
|----------------------------|------------------|
| As at 31-March-2014 | |
| | - |
| | 2,961.43 |
| | 17,101.16 |
| | 843.12 |
| | 20,905.71 |
| | 21,729.37 |

Jamshedpur Continuous Annealing and Processing Company Private Limited

Rs Lakhs

08 - Tangible Assets

| | Buildings | Furniture and Fixtures | Office Equipments | Vehicles | Plant and Machinery | Roads | Railway Sidings | Total |
|---|------------------|------------------------|-------------------|--------------|---------------------|---------------|-----------------|--------------------|
| Gross Block at beginning of the period | 52.74 | 40.53 | 141.47 | - | - | - | - | 234.74 |
| | <i>(18.95)</i> | <i>(7.67)</i> | <i>(27.51)</i> | - | - | - | - | <i>(54.13)</i> |
| Additions during the period | 25,079.56 | 135.99 | 285.84 | 24.45 | 1,81,996.50 | 902.51 | 586.20 | 2,09,011.05 |
| | <i>(33.79)</i> | <i>(32.86)</i> | <i>(113.96)</i> | - | - | - | - | <i>(180.61)</i> |
| Exchange fluctuations capitalised during the year | - | - | - | - | 911.22 | - | - | 911.22 |
| | - | - | - | - | - | - | - | - |
| Gross Block at end of the period | 25,132.30 | 176.52 | 427.31 | 24.45 | 1,82,907.72 | 902.51 | 586.20 | 2,10,157.01 |
| | <i>(52.74)</i> | <i>(40.53)</i> | <i>(141.47)</i> | - | - | - | - | <i>(234.74)</i> |
| Accumulated Depreciation at beginning of the period | 1.62 | 35.97 | 35.09 | - | - | - | - | 72.68 |
| | <i>(0.06)</i> | <i>(7.67)</i> | <i>(8.18)</i> | - | - | - | - | <i>(15.91)</i> |
| Depreciation during the period | 70.32 | 28.74 | 69.53 | 1.63 | 733.75 | 15.04 | 3.26 | 922.27 |
| | <i>(1.56)</i> | <i>(28.30)</i> | <i>(26.91)</i> | - | - | - | - | <i>(56.77)</i> |
| Depreciation at end of the period | 71.94 | 64.71 | 104.62 | 1.63 | 733.75 | 15.04 | 3.26 | 994.95 |
| | <i>(1.62)</i> | <i>(35.97)</i> | <i>(35.09)</i> | - | - | - | - | <i>(72.68)</i> |
| Net book value at end of the period | 25,060.36 | 111.81 | 322.69 | 22.82 | 1,82,173.97 | 887.47 | 582.94 | 2,09,162.06 |
| | <i>(51.12)</i> | <i>(4.56)</i> | <i>(106.38)</i> | - | - | - | - | <i>(162.06)</i> |

Note: Figures in italics are in respect of the previous year ended on 31st March, 2014.

Rs Lakhs

09 - Intangible Assets

| | Software Costs | Technological Licences | Total |
|---|-----------------|------------------------|-----------------|
| Gross Block at beginning of the period | 184.27 | - | 184.27 |
| | <i>(184.27)</i> | - | <i>(184.27)</i> |
| Additions during the period | 1,215.20 | 3,680.37 | 4,895.57 |
| | <i>(184.27)</i> | - | <i>(184.27)</i> |
| Gross Block at end of the period | 1,399.47 | 3,680.37 | 5,079.84 |
| | <i>(184.27)</i> | - | <i>(184.27)</i> |
| Accumulated amortisation at beginning of the period | 48.13 | - | 48.13 |
| | - | - | - |
| Amortisation during the period | 56.24 | 30.67 | 86.91 |
| | <i>(48.13)</i> | - | <i>(48.13)</i> |
| Amortisation at end of the period | 104.37 | 30.67 | 135.04 |
| | <i>(48.13)</i> | - | <i>(48.13)</i> |
| Net book value at end of the period | 1,295.10 | 3,649.70 | 4,944.80 |
| | <i>(136.14)</i> | - | <i>(136.14)</i> |

Note: Figures in italics are in respect of the previous year ended on 31st March, 2014.

Additional information:**Capital Work in Progress includes :****Expenditure during construction as follows :****Rs Lakhs**

| | | As at 31-March-2014 |
|---|------------|----------------------------|
| Balance at the beginning of the year | 9,409.07 | 818.98 |
| Add : Expenditure during construction | | |
| Finance Costs | 10,077.58 | 6,582.71 |
| Power and fuel | 2,435.80 | 542.50 |
| Employee benefit expenses | 1,493.69 | 1,198.46 |
| Consumption of stores & spares | 1,201.11 | 53.73 |
| Packing Charges | 969.61 | - |
| IT hardware & Software maintenance | 415.97 | - |
| Operation & Maintenance Services | 345.15 | 0.26 |
| Insurance | 134.08 | 66.83 |
| Freight and handling charges | 83.19 | - |
| Depreciation | 81.82 | 104.90 |
| Travelling expenses | 51.93 | 84.27 |
| Legal and other professional costs | 14.14 | 23.81 |
| Rates and taxes | - | 8.43 |
| General expenses | 97.64 | 164.46 |
| Changes in inventories of finished goods | (1,192.06) | - |
| Income | - | - |
| Revenue during trial run | (5,752.53) | - |
| Other Income | (288.20) | (240.28) |
| Less : Net income and expenses from above capitalised during the year | 19,578.01 | - |
| Balance at end of the year | - | 9,409.07 |

Jamshedpur Continuous Annealing and Processing Company Private Limited

10 - Long Term Loans And Advances

Rs Lakhs

| | | As at 31-March-2014 |
|--|-----------------|----------------------------|
| (I) Capital advances | 6.39 | 16.58 |
| (II) Loans and advances to related parties | - | 4.04 |
| (III) Advance with public bodies | 3,218.62 | 9,100.57 |
| (IV) Advance income tax (net of provision) | 151.73 | - |
| (V) Other loans and advances | - | 35.79 |
| Total Long Term Loans And Advances | 3,376.74 | 9,156.98 |

Classification of loans and advances

| | | |
|----------------------------|-----------------|-----------------|
| Secured considered good | - | - |
| Unsecured, considered good | 3,376.74 | 9,156.98 |
| | 3,376.74 | 9,156.98 |

11 - Other Non Current Assets

Rs Lakhs

| | | As at 31-March-2014 |
|---|-----------------|----------------------------|
| (I) Interest accrued on deposits | 7.06 | 1.34 |
| (II) Unamortised ancillary borrowing cost | 777.85 | 1,008.58 |
| (III) Margin money with bank | 170.00 | 65.00 |
| (IV) Net receivable on currency swap | 6,889.90 | 2,915.46 |
| Total Other Non Current Assets | 7,844.81 | 3,990.38 |

12 - Current Investments

Rs Lakhs

| | | As at 31-March-2014 |
|---|---------------|----------------------------|
| (I) Liquid Mutual Funds - Quoted | 859.37 | 859.37 |
| Market Value as at 31st March 15 : Rs 10,80,42,168.82 (31.03.2014 : Rs 9,91,38,980.58) | | |
| Total Current Investments | 859.37 | 859.37 |

13 - Inventories

Rs Lakhs

| | | As at 31-March-2014 |
|---------------------------------------|-----------------|----------------------------|
| (I) Raw Materials | 306.86 | - |
| (II) Finished And Semi-Finished Goods | 885.74 | - |
| (III) Stores and spares | 695.74 | 579.23 |
| Total Inventory | 1,888.34 | 579.23 |

Jamshedpur Continuous Annealing and Processing Company Private Limited

Rs Lakhs

14 - Trade Receivables

- (I) More than six months
(II) Others

Less : Provision for bad and doubtful debts

Total Trade Receivables

Unsecured and considered good
Doubtful

15 - Cash And Bank Balances

- (I) Balances with banks
(a) In current accounts
(b) In deposit accounts

Total Cash And Bank Balances

16 - Short Term Loans And Advances
(Unsecured, considered good)

- (I) Advance with public bodies
(II) Other loans and advances

Total Short Term Loans And Advances

Classification of loans and advances

Secured considered good
Unsecured, considered good

17 - Other Current Assets

- (I) Interest accrued on deposits
(II) Unamortised premium on currency swap and forward
(III) Unamortised ancillary borrowing cost
(IV) Net receivable on currency swap
(V) Others *

Total Other Current Assets

*** Others include:**

Other advances
Unbilled revenue

| | | |
|---|---------------|----------------------------|
| | | As at 31-March-2014 |
| (I) More than six months | - | - |
| (II) Others | 860.83 | - |
| | 860.83 | - |
| Less : Provision for bad and doubtful debts | - | - |
| Total Trade Receivables | 860.83 | - |

| | | |
|-------------------------------|---------------|----------|
| Unsecured and considered good | 860.83 | - |
| Doubtful | - | - |
| | 860.83 | - |

Rs Lakhs

| | | |
|-------------------------------------|------------------|----------------------------|
| | | As at 31-March-2014 |
| (I) Balances with banks | | |
| (a) In current accounts | 3,638.13 | 826.51 |
| (b) In deposit accounts | 10,443.83 | 2,600.00 |
| Total Cash And Bank Balances | 14,081.96 | 3,426.51 |

Rs Lakhs

| | | |
|--|-----------------|----------------------------|
| | | As at 31-March-2014 |
| (I) Advance with public bodies | 4,338.18 | - |
| (II) Other loans and advances | 106.29 | 1.36 |
| Total Short Term Loans And Advances | 4,444.47 | 1.36 |

| | | |
|----------------------------|-----------------|-------------|
| Secured considered good | - | - |
| Unsecured, considered good | 4,444.47 | 1.36 |
| | 4,444.47 | 1.36 |

Rs Lakhs

| | | |
|---|-----------------|----------------------------|
| | | As at 31-March-2014 |
| (I) Interest accrued on deposits | 18.49 | 4.46 |
| (II) Unamortised premium on currency swap and forward | 65.90 | 176.56 |
| (III) Unamortised ancillary borrowing cost | 128.68 | - |
| (IV) Net receivable on currency swap | 984.27 | - |
| (V) Others * | 197.45 | - |
| Total Other Current Assets | 1,394.79 | 181.02 |

| | | |
|------------------|---------------|----------|
| Other advances | 122.18 | - |
| Unbilled revenue | 75.27 | - |
| | 197.45 | - |

Jamshedpur Continuous Annealing and Processing Company Private Limited

| | | Rs Lakhs |
|--------------------------------------|-----------------|----------------------|
| 18 - Revenue From Operations | | Previous Year |
| (I) Sale of Products | 506.80 | - |
| (II) Processing Fees | 6,639.93 | - |
| (III) Other Operating Income | - | - |
| Total Revenue From Operations | 7,146.73 | - |

| | | |
|---|---------------|----------|
| Class Of Products | | |
| (a) Saleable CRCA, including seconds (Finished) | 504.14 | - |
| (b) Scrap | 2.66 | - |
| | <u>506.80</u> | <u>-</u> |

| | | Rs Lakhs |
|--|---------------|----------------------|
| 19 - Other Income | | Previous Year |
| (I) Interest on bank deposit | 355.35 | 240.28 |
| (II) Net gain on sale of current investments | - | 9.57 |
| (III) Other income | - | - |
| Total Other Income | 355.35 | 249.85 |

| | | Rs Lakhs |
|-------------------------------------|--------------|----------------------|
| 20 - Raw Material Consumed | | Previous Year |
| (I) Full hard cold rolled coils | 98.49 | - |
| Total Raw Materials Consumed | 98.49 | - |

| | | Rs Lakhs |
|--|---------------|----------------------|
| 21 - Changes In Inventories Of Finished Goods | | Previous Year |
| Inventories at the end of the year | | |
| (I) Finished goods | 885.74 | - |
| | <u>885.74</u> | <u>-</u> |
| Inventories at the beginning of the year | | |
| (I) Fininshed goods | - | - |
| | <u>-</u> | <u>-</u> |
| Total Changes In Inventoreis | 885.74 | - |

| | | |
|---|---------------|----------|
| Class Of Products | | |
| (a) Saleable CRCA, including seconds (Finished) | 853.12 | - |
| (b) Scrap | 32.62 | - |
| | <u>885.74</u> | <u>-</u> |

| | | Rs Lakhs |
|---|-----------------|----------------------|
| 22- Employee Benefit Expense | | Previous Year |
| (I) Salaries and wages, including bonus | 1,859.23 | 1,249.50 |
| (II) Contribution to provident Funds | 62.07 | 39.76 |
| (III) Staff welfare expenses | 1.59 | 38.79 |
| Total Employee Benefit Expense | 1,922.89 | 1,328.05 |

Jamshedpur Continuous Annealing and Processing Company Private Limited

23- Finance Costs

Rs Lakhs

| | | Previous Year |
|-------------------------------------|------------------|----------------------|
| (I) Interest expense on fixed loans | 11,013.32 | 6,204.78 |
| (II) Other borrowing costs | 130.72 | 377.93 |
| | <u>11,144.04</u> | <u>6,582.71</u> |
| Less: Finance costs capitalised | 10,077.58 | 6,582.71 |
| Total Finance Costs | 1,066.46 | - |

24 - Other Expenses

Rs Lakhs

| | | Previous Year |
|---------------------------------------|-----------------|----------------------|
| | - | |
| (I) Power and fuel | 2,646.68 | 542.50 |
| (II) Rent | 0.53 | 2.35 |
| (III) Rates and taxes | 6.36 | 8.55 |
| (IV) Insurance charges | 150.60 | 66.83 |
| (V) Consumption of stores & spares | 1,322.87 | 53.73 |
| (VI) Operation & Maintenance Services | 306.75 | - |
| (VII) Freight and handling charges | 91.81 | - |
| (VIII) Excise duty | 97.63 | - |
| (IX) Others* | 2,475.53 | 1,204.00 |
| Total Other Expenses | 7,098.76 | 1,877.96 |

*** Others include :**

| | | |
|--|----------|--------|
| (a) (Gain) / Loss on cancellation of forwards, swaps and options | 52.86 | 177.99 |
| (b) Net (gain) / loss on foreign currency transactions | (26.26) | 202.40 |
| (c) Bank Charges | 14.38 | 74.87 |
| (d) Travelling Expenses | 90.79 | 97.01 |
| (e) Legal and other professional costs | 56.39 | 39.71 |
| (f) Auditors remuneration and out-of-pocket expenses | | |
| (i) As Auditors | 12.00 | 7.25 |
| (ii) For Other services | 1.25 | - |
| (iii) Auditors out -of-pocket expenses | 0.05 | 0.11 |
| (g) Amortisation of forward premium | 320.26 | 425.89 |
| (h) Packing Charges | 1,106.35 | - |
| (i) Directors' Sitting Fees | 0.30 | |
| (j) Maintenance of IT assets hardware & Software | 453.42 | - |
| (k) Miscellaneous expenses | 393.74 | 178.77 |

Notes to Balance Sheet and Statement of Profit and Loss -

1. Significant Accounting Policies

(a) Basis for Accounting

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

(b) Use of Accounting Estimates

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

(c) Fixed Assets

i. Tangible Assets –

Tangible assets are stated at cost less accumulated depreciation. Pre-operation expenses including trial run expenses (net of revenue) are capitalised. Borrowing costs during the period of construction are added to the cost of qualifying tangible assets.

ii. Intangible Assets -

Intangible assets are recorded at cost less accumulated amortization. An intangible asset is recognized if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and its cost can be measured reliably. Intangible assets having finite useful lives are amortised on a straight-line basis over their estimated useful lives.

(d) Depreciation and Amortization

Depreciation is provided on a straight line basis over the useful life of the assets as specified in Schedule II to the Companies Act, 2013, except in case of Computer & Data Processing Units –End User Devices Such as Laptop & Desktop where the estimated useful life of 4 years has been considered. However, asset value up to Rs 25,000 is fully depreciated in the year of acquisition. The details of estimated life for each category of asset are as under:

| | | |
|-------|--|-----------------|
| i) | Buildings | 30 to 60 years. |
| ii) | Roads | 5 Years |
| iii) | Plant and Machinery- (Continuous processing Plant) | 25 years |
| iv) | Plant and Machinery (Others) * | 10 to 25 years. |
| v) | Railway Siding | 15 years |
| vi) | Furniture and fittings | 10 years |
| vii) | Motor vehicles | 5 years |
| viii) | Electrical installations | 10 years |
| ix) | Computer & Data Processing Units | 4 to 6 years |
| x) | Office equipment | 5 years |
| xi) | Intangible assets | 6 to 10 years. |

**For these class of assets, based on internal assessment and independent technical evaluation carried out by external valuers the company believes that the useful lives as given above best represent the period over which company expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.*

(e) Foreign Currency Transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are restated at year-end rates.

The Company has elected to account for exchange differences arising on reporting of long term foreign currency monetary items in accordance with Companies (Accounting Standards) Amendment, Rules 2009 pertaining to Accounting Standard 11 notified by Ministry of Corporate Affairs on 31st March, 2009 (As amended on 29th December, 2011). Accordingly, the effect of exchange differences on foreign currency loans of the Company is accounted by addition or deduction to the cost of assets so far it relates to depreciable capital assets.

The difference in translation and settlement of foreign currency transactions and forward contract used to hedge foreign currency transactions (excluding the long term foreign currency monetary items accounted in line with Companies Accounting Standard (Amendment) Rules 2009 on Accounting Standard notified by the Ministry of Corporate Affairs on 31st March, 2009 as amended on 29th December, 2011) are recognized in the statement of Profit & Loss. The outstanding derivative contracts other than those used to hedge foreign currency transactions are valued by marking them to market and losses, if any, are recognized in the statement of Profit & Loss.

(f) Investments

Current investments are carried in the financial statements at lower of cost and fair value.

Interest income is recognized on a time proportionate basis taking into account the amount outstanding and the applicable interest rate.

(g) Revenue Recognition

Sale of Goods- Revenue from sale of goods is recognised net of rebates and discounts on transfer of significant risks and rewards of ownership to the buyer. Sale of goods is recognised gross of excise duty but net of sales tax and value added tax.

Income from Services- revenue from processing activity is recognized as and when service for this activity is completed.

(h) Inventories

Finished products produced and raw materials purchased are carried at lower of cost and net realizable value.

Store and spare parts are carried at cost.

(i) Retirement & other employee's benefits

Short term employee benefits are recognized as an expense at the undiscounted amount in the statement of Profit & Loss of the year in which employees has rendered service.

The Company makes provision for its employees, Gratuity and Leave Salary. The costs of providing benefits under these plans are determined on the basis of actuarial valuation as at the end of each year. Separate actuarial valuation is carried out for each plan using projected unit credit method.

The Company provides for leave with pay, subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for availing in future. The liability is provided based on the number of days of unutilized leave as at balance sheet date on the basis of an independent actuarial valuation.

(j) Borrowing Cost

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowing. Fees towards structuring / arrangements and underwriting and other incidental costs incurred in connection with borrowings are amortized over the period of the loan.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as a part of cost of the assets.

(k) Provision for Tax and Deferred Tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

(l) Provisions:

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

25. Contingent Liability

The Deputy Labour Commissioner, Jamshedpur (DLC) had sent a demand notice to the Company for payment of cess under the Building & Other Construction Workers (regulation of employment & conditions of service) Act, 1996 (BOCW) for engaging building workers for construction of plant and other establishments. The Company has represented to the Deputy Labour Commissioner that the constructions have happened inside Tata Steel Limited which is covered under Factories Act, 1948 therefore provisions of the BCOW would not be applicable to the company. The company has obtained factory license from October 25, 2013.

Potential liability on construction between the period of asset transfer from Tata Steel Limited till the date license was obtained would be Rs.186.54 lakhs, excluding interest, if any.

26. Commitment

Estimated amounts of contracts remaining to be executed on Capital Account and not provided for: Rs 1021.87 Lakhs (31.03.2014: Rs 6,780.25 Lakhs)

27. Earnings Per Share (EPS)

Statement showing computation of EPS

Profit/ (Loss) available to Equity Shareholders (A)
Weighted Average number of Equity Shares (B)
Basic & Diluted earnings per share = A / B
(in Rupees)

| | | Rs. Lakhs |
|--|---------------------|----------------------|
| | | <i>Previous Year</i> |
| | (2,772..60) | (1,220.56) |
| | 87,40,00,000 | 87,40,00,000 |
| | (0.32) | (0.14) |

28. Statement of Profit and Loss

(a) Value of Imports (C.I. F value) –

| | | Rs Lakhs |
|------------------|--------|-----------------------------------|
| Capital Goods | 331.21 | <i>Previous Year</i> 16,528.30 |
| Store and Spares | 134.07 | - |

(b) Expenditure in Foreign Currency

| | | Rs Lakhs |
|--|----------|----------------------------------|
| (1) Interest, Loan Processing & Commitment Charges | 1,971.18 | <i>Previous Year</i> 1,656.02 |
| (2) Professional ,Technical & Supervision Fees | 1,673.02 | 10,013.44 |
| (3) Commission | 1.30 | 278.59 |
| (4) On Other Account | 7.37 | 48.43 |

29. Derivative Instruments and unhedged foreign currency exposure

Derivative outstanding as at the Balance Sheet date -

- a) The Company uses currency swap contracts to hedge the interest rate and currency risk on its capital account. Such transactions are governed by the strategy approved by the Board of Directors which provides principles on the use of these instruments, consistent with the Company's Risk Management Policy. The Company does not use these contracts for speculative purpose.
- i) Outstanding Currency Swap:

Particulars

Currency Swap

| | | <i>As at 31.03.2014</i> |
|---|-------------|-------------------------|
| No. of Contracts | 18 | 13 |
| Notional Amount in US Dollar (in million) | 213.94 | 167.22 |
| Equivalent (Rs Lakhs) | 1,33,710.70 | 1,00,162.43 |

- ii) The company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations. The use of foreign currency forward contracts is governed by the company's strategy approved by the Board of Directors, which provide principles on the use of such forward contracts consistent with the company's risk management policy. The company does not use forward contracts for speculative purposes.

Outstanding short-term forward exchange contracts entered into by the company on account of payables including forecast payables:

Particulars

Forward Exchange Contract

| | | As at 31.03.2014 |
|---|---------------|-------------------------|
| No. of Contracts | 7 | 26 |
| Notional Amount in US Dollar (in million) | 1.23 | 8.76 |
| INR Equivalent (Rs Lakhs) | 767.25 | 5249.91 |

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

| | | | As at 31.03.2014 | |
|---|---------------------------------|----------------------------------|---------------------------------|----------------------------------|
| | USD Equivalent (million) | INR Equivalent (Rs Lakhs) | USD Equivalent (million) | INR Equivalent (Rs Lakhs) |
| Amount payable in foreign currency on account of the following: | | | | |
| (i) Import of Capital Goods & Services | 1.78 | 1,109.62 | 3.10 | 1857.01 |
| (ii) Commitment charges & Legal fees | 0.02 | 15.05 | 0.06 | 35.80 |

30. Related Party Transaction

(a) List of Related Party and relationships

Name of Party

- A. Holding Company – Tata Steel Limited
- B. Fellow Subsidiaries
 - i) TM International Logistics Limited
 - ii) TKM Global Logistics Limited
- C. Co- Venturer Group
 - i) Nippon Steel & Sumitomo Metal Corporation
 - ii) Nippon Steel and Sumikin Engineering Co. Ltd
- D. Key Management Personnel –
 - Mr C.V. Sastry - Managing Director

Related Party Transaction

Rs Lakhs

| Transaction | Holding | Subsidiary of Holding | Co -Venturer having significant influence | Key Management Personnel | Gross Total |
|---|-------------------------------|-----------------------------|---|--------------------------|--------------------------------|
| Purchase of Fixed Assets | | | | | |
| Nippon Steel & Sumitomo Metal Corporation Group | - (-) | - (-) | - (4,241.14) | - (-) | - (4,241.14) |
| Total | - (-) | - (-) | - (4,241.14) | - (-) | - (4,241.14) |
| Receiving of Services | | | | | |
| Tata Steel Limited | 3,959.32 (3,014.58) | - (-) | - (-) | - (-) | 3,959.32 (3,014.58) |
| TM International Logistics Ltd | - (-) | 119.72 (3,639.57) | - (-) | - (-) | 119.72 (3,639.57) |
| TKM Global Logistics Ltd | - (-) | 0.15 (1.83) | - (-) | - (-) | 0.15 (1.83) |
| Nippon Steel & Sumitomo Metal Corporation Group | - (-) | - (-) | 1,263.72 (10,288.12) | - (-) | 1,263.72 (10,288.12) |
| Total | 3,959.32 (3,014.58) | 119.87 (3,641.4) | 1,263.72 (10,288.12) | - (-) | 5,342.91 (16,944.10) |
| Purchase of Goods | | | | | |
| Tata Steel Limited | 1,218.96 (2,047.54) | - (-) | - (-) | - (-) | 1,218.96 (2,047.54) |
| Total | 1,218.96 (2,047.54) | - (-) | - (-) | - (-) | 1,218.96 (2,047.54) |
| Outstanding Payable | | | | | |
| Tata Steel Limited | 675.21 (736.97) | - (-) | - (-) | - (-) | 675.21 (736.97) |
| TM International Logistics Ltd | - (-) | 11.03 (51.08) | - (-) | - (-) | 11.03 (51.08) |
| TKM Global Logistics Ltd | - (-) | - (0.33) | - (-) | - (-) | - (0.33) |
| Nippon Steel & Sumitomo Metal Corporation Group | - (-) | - (-) | 981.66 (4,402.75) | - (-) | 981.66 (4,402.75) |
| Total | 675.21 (736.97) | 11.03 (51.41) | 981.66 (4,402.75) | - (-) | 1,667.90 (5,191.13) |

| Transaction | Holding | Subsidiary of Holding | Co-Venturer having significant influence | Key Management Personal | Gross Total |
|---|-----------------|-----------------------|--|-------------------------|------------------|
| Unsecured Advances Given | | | | | |
| TM International Logistics Ltd | - (-) | - (3.98) | - (-) | - (-) | - (3.98) |
| Total | - (-) | - (3.98) | - (-) | - (-) | - (3.98) |
| Rendering of Services | | | | | |
| Tata Steel Limited | 6,615.62 (-) | - (-) | - (-) | - (-) | 6,615.62 (-) |
| Total | 6,615.62 (-) | - (-) | - (-) | - (-) | 6,615.62 (-) |
| Sale of Goods | | | | | |
| Tata Steel Limited | 45.05 (-) | - (-) | - (-) | - (-) | 45.05 (-) |
| Total | 45.05 (-) | - (-) | - (-) | - (-) | 45.05 (-) |
| Outstanding Receivables-Debtors | | | | | |
| Tata Steel Limited | 860.23 (-) | - (-) | - (-) | - (-) | 860.23 (-) |
| Total | 860.23 (-) | - (-) | - (-) | - (-) | 860.23 (-) |
| Outstanding Receivables-Advances | | | | | |
| Tata Steel Limited | 122.17 (-) | - (-) | - (-) | - (-) | 122.17 (-) |
| Total | 122.17 (-) | - (-) | - (-) | - (-) | 122.17 (-) |
| Remuneration paid | | | | | |
| C. V. Sastry –Managing Director | - (-) | - (-) | - (-) | 78.03 (63.80) | 78.03 (63.80) |

31. Employee Benefits

- (a) The Company has recognized in the Statement of Profit and Loss, expense for the following defined contribution plans for the year ended 31st March, 2015 –

| | Rs Lakhs | |
|--------------------------------|---------------------|---------------------|
| | Apr-Mar 2015 | Apr-Mar 2014 |
| Contribution to Provident fund | 62.07 | 39.76 |

- (b) The Company has provided towards post retirement gratuity contribution, which is yet to be funded, pending formation of the plan and funding formalities. The contribution for the year are actuarially determined, details of which are as follows:

(i) Reconciliation of opening and closing balances of obligation

| | | 2013-14 |
|--|--------------|----------------|
| Obligation as at beginning of the year | 17.51 | 2.64 |
| Current service cost | 19.23 | 9.00 |
| Interest cost | 1.58 | 0.21 |
| Actuarial (gain)/loss | 19.27 | 5.66 |
| Benefits paid | - | - |
| Obligation as at end of the year | 57.59 | 17.51 |

(ii) Expenses recognised during the year

| | | |
|--|--------------|-------|
| Current service cost | 19.23 | 9.00 |
| Interest cost | 1.58 | 0.21 |
| Actuarial (gain) / loss | 19.27 | 5.66 |
| Expense recognised during the year (included in the line item Employee benefits expense) | 40.08 | 14.87 |

(iii) Assumptions

| | | |
|---|---------------|--------|
| Discount rate (per annum) as at the beginning of the year | 9.00% | 8.10% |
| Discount rate (per annum) as at the end of the year | 7.75% | 9.00% |
| Rate of escalation in salary per annum | | |
| (a) Officers | 10.00% | 10.00% |
| (b) Non – Officers | 7.50% | 7.50% |

32. The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises as at 31st March, 2015 are as under:

| | Rs Lakhs | |
|--|-----------------|----------------|
| | | 2013-14 |
| (i) The principal amount remaining unpaid to supplier as at the end of the year | - | - |
| (ii) The interest due thereon remaining unpaid to supplier as at the end of the year | - | - |
| (iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this act | 0.08 | <i>0.06</i> |
| (iv) The amount of interest accrued during the year and remaining unpaid at the end of the year | 0.08 | <i>0.06</i> |

33. Previous year's figures have been recast / restated where ever necessary.

34. Figures in italics are in respect of the previous year.

For and on behalf of the Board of Directors

Taisuke Nomura **Chairman**

Harish Seth
Chief Financial Officer

Dibyendu Dutta **Director**

Subhashish Neogi
Company Secretary

C.V. Sastry **Managing Director**

Jamshedpur, April 24, 2015

