

## INDEPENDENT AUDITOR'S REPORT

### To THE MEMBERS OF TAYO ROLLS LIMITED

#### Report on the Financial Statements

We have audited the accompanying financial statements of **TAYO ROLLS 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.

2. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the Balance Sheet, 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.
    - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Abhijit Bandyopadhyay  
Partner  
(Membership No. 054785)

Kolkata  
April 21, 2015

## ANNEXURE TO THE AUDITORS' REPORT

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

- (i) 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.
- (ii) In respect of its inventories:
  - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) 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.
- (iv) 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.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act.
- (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. We are informed that the Company intends to obtain exemption from operations of the Employees' State Insurance for which necessary application has been made to 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) Details of 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 are given below:

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount Involved (Rs. In Lakhs)
Income Tax Act	Income Tax	Commissioner- Appeals	2007-08, 2008-09 and 2011-12	138.60
		CESTAT	2002-04, 2005-06	100.16
		High Court	2002-03	46.21
Central Excise and Service Tax Act	Excise Duty	Assistant Commissioner Appeals	2007-08 to 2008-09	6.87
		Commissioner Appeals	2003-04 to 2011-12	290.95
Jharkhand Sales Tax Act	JVAT	Deputy Commissioner Commercial Taxes	2010-11	34.05

- (d) The Company has been generally regular in transferring amounts to the investor education and protection fund in accordance with the relevant provisions of the companies act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
- (viii) The accumulated losses of the Company at the end of the financial year are not less than fifty per cent of its net worth and the Company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to bank.
- (x) 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.
- (xi) 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.
- (xii) 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 21, 2015

## Balance Sheet as at 31st March 2015

		Notes	As at 31.03.2015	Rupees in lakhs As at 31.03.2014
<b>I</b>	<b>EQUITY AND LIABILITIES</b>			
(1)	<b>Shareholder's funds</b>			
	(a) Share Capital	2	24,526.13	18,226.13
	(b) Reserves and surplus	3	(19,332.44)	(12,526.42)
			<u>5,193.69</u>	<u>5,699.71</u>
(2)	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	4	1,990.60	3,689.49
	(b) Long-term provisions	5	1,648.67	1,318.82
			<u>3,639.27</u>	<u>5,008.31</u>
(3)	<b>Current liabilities</b>			
	(a) Short-term borrowings	4	7,906.51	7,772.59
	(b) Trade payables	6 (A)	4,306.12	4,189.75
	(c) Other current liabilities	6 (B)	5,767.21	4,743.24
	(d) Short-term provisions	5	960.46	1,014.62
			<u>18,940.30</u>	<u>17,720.20</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<u>27,773.26</u>	<u>28,428.22</u>
<b>II</b>	<b>ASSETS</b>			
(4)	<b>Non-current assets</b>			
	(a) Fixed assets			
	(i) Tangible assets	7	13,694.87	13,095.77
	(ii) Intangible assets	7	182.16	377.03
	(iii) Capital work-in-progress		1,449.59	1,636.92
			<u>15,326.62</u>	<u>15,109.72</u>
	(b) Non-current investments	8	0.14	0.14
	(c) Long-term loans and advances	9	1,208.95	791.07
			<u>16,535.71</u>	<u>15,900.93</u>
(5)	<b>Current assets</b>			
	(a) Inventories	10 (A)	5,719.67	4,959.29
	(b) Trade receivables	10 (B)	4,231.80	4,322.79
	(c) Cash and Bank Balances	11 (A)	587.10	2,750.62
	(d) Short-term loans and advances	9	642.61	469.91
	(e) Other current assets	11 (B)	56.37	24.68
			<u>11,237.55</u>	<u>12,527.29</u>
	<b>TOTAL ASSETS</b>		<u>27,773.26</u>	<u>28,428.22</u>

The notes referred to above form an integral part of Balance Sheet

In terms of our report attached

For and on behalf of the Board

For **Deloitte Haskins & Sells**  
Chartered Accountants

**Abhijit Bandyopadhyay**  
Partner

**K SHANKAR MARAR**  
Managing Director  
DIN: 06656658

**ANAND SEN**  
Chairman  
DIN: 00237914

Kolkata, 21st April, 2015

**PRASHANT KUMAR**  
Company Secretary

**SURESH PADMANABHAN**  
Dy. Chief Financial Officer

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

		Rupees in lakhs	
		Year ended 31.03.2015	Year ended 31.03.2014
	<u>Notes</u>		
<b>I</b>	<b>Revenue from operations</b>	<b>14,170.08</b>	15,187.43
<b>II</b>	<b>Other Income</b>	<b>131.12</b>	95.03
<b>III</b>	<b>Total Revenue (I + II)</b>	<b>14,301.20</b>	15,282.46
<b>IV</b>	<b>EXPENSES</b>		
(a)	Cost of Raw materials consumed	<b>5,033.52</b>	4,676.66
(b)	Purchases of finished, semi-finished and other products	<b>43.47</b>	94.71
(c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	<b>(65.36)</b>	177.25
(d)	Employee benefit expense	<b>3,865.01</b>	3,443.38
(e)	Finance costs	<b>1,572.52</b>	1,883.34
(f)	Depreciation and amortisation expense	<b>1,304.70</b>	2,255.70
(g)	Other expenses	<b>8,586.36</b>	8,341.86
		<b>20,340.22</b>	20,872.90
(h)	Less: Expenditure (other than interest) transferred to capital & other account	<b>70.95</b>	-
	Total Expenses (IV)	<b>20,269.27</b>	20,872.90
<b>V</b>	<b>Loss before exceptional and extraordinary items and tax (III - IV)</b>	<b>(5,968.07)</b>	(5,590.44)
<b>VI</b>	<b>Exceptional Items</b>		
(b)	Retiral Benefit to Ex - Director	-	(116.11)
(c)	Provision for impairment of non-current assets [Refer Note 15.12 (b)]	<b>(794.00)</b>	(1,797.89)
<b>VII</b>	<b>Loss before tax (V + VI)</b>	<b>(6,762.07)</b>	(7,504.44)
<b>VIII</b>	<b>Tax Expense</b>	-	-
	Total tax expense	-	-
<b>IX</b>	<b>Loss after tax (VII - VIII)</b>	<b>(6,762.07)</b>	(7,504.44)
<b>X</b>	<b>Earnings per equity share:</b>		
(1)	Basic	<b>Rs. (65.90)</b>	Rs. (73.14)
(2)	Diluted	<b>Rs. (65.90)</b>	Rs. (73.14)

The notes referred to above form an integral part of Statement of Profit and Loss

In terms of our report attached

For and on behalf of the Board

For **Deloitte Haskins & Sells**  
Chartered Accountants

**Abhijit Bandyopadhyay**  
Partner

**K SHANKAR MARAR**  
Managing Director  
DIN: 06656658

**ANAND SEN**  
Chairman  
DIN: 00237914

Kolkata, 21st April, 2015

**PRASHANT KUMAR**  
Company Secretary

**SURESH PADMANABHAN**  
Dy. Chief Financial Officer

### Cash Flow Statement for the year ended 31st March, 2015

Nature of transactions	Year ended 31.03.2015	Rupees in lakhs Year ended 31.03.2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before tax	(6,762.07)	(7,504.44)
Adjustment for		
i) Depreciation	1,304.70	2,255.70
ii) Provision for impairment of non-current assets	794.00	1,797.89
iii) Unrealised Loss/ (Gain) on Exchange Fluctuation	(20.27)	(16.23)
iv) (Profit)/Loss on sale /Obsolescence of assets	70.47	4.02
v) Write Back of Liabilities	(70.78)	(6.80)
vi) Amortisation of Employee Separation Compensation	2.35	3.39
vii) Provision for warranty	644.85	533.19
viii) Provision relating to Employee Benefits	619.64	376.52
ix) Interest Income	(45.45)	(19.09)
x) Finance Cost	1,572.52	1,883.34
xi) Inventory written off	-	724.09
xii) Provision for Doubtful Debts	-	50.00
<b>Operating Profit / (Loss) before Working Capital changes</b>	<b>4,872.03</b>	<b>7,586.02</b>
Adjustments for		
i) Trade and Other receivables	(96.25)	(344.26)
ii) Inventories	(760.38)	(931.44)
iii) Trade payable and other liabilities	292.74	(1,716.10)
<b>Cash (used in)/Generated from Operation</b>	<b>(2,453.93)</b>	<b>(2,910.22)</b>
Direct taxes paid	(28.12)	(44.00)
<b>Net cash (used in) /from Operating Activities</b>	<b>(2,482.05)</b>	<b>(2,954.22)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
i) Purchase of Fixed Assets including CWIP	(2,756.74)	(783.15)
ii) Sale of fixed assets	0.30	2.96
iii) Interest received	13.76	9.52
<b>Net Cash (used in)/from Investing Activities</b>	<b>(2,742.68)</b>	<b>(770.67)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
i) Proceeds from Preference Share	6,300.00	8,649.42
ii) Proceeds/(Repayment) from Borrowings (Short Term) Net	133.91	(367.53)
iii) Repayment of Borrowing (Long Term)	(1,710.84)	(1,593.11)
iv) Interest Paid	(1,643.09)	(1,792.62)
<b>Net Cash (used in)/from Financing Activities</b>	<b>3,079.98</b>	<b>4,896.16</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(2,144.75)</b>	<b>1,171.27</b>
<b>OPENING CASH AND CASH EQUIVALENTS [Refer Note 11(a)]</b>	<b>2,724.41</b>	<b>1,553.14</b>
<b>CLOSING CASH AND CASH EQUIVALENTS [Refer Note 11(a)]</b>	<b>579.66</b>	<b>2,724.41</b>

Note:

- 1 Figures in brackets represent outflows.
- 2 Previous period figures have been regrouped, where necessary.

In terms of our report attached

For and on behalf of the Board

For **Deloitte Haskins & Sells**  
Chartered Accountants**Abhijit Bandyopadhyay**  
Partner**K SHANKAR MARAR**  
Managing Director  
DIN: 06656658**ANAND SEN**  
Chairman  
DIN: 00237914

Kolkata, 21st April, 2015

**PRASHANT KUMAR**  
Company Secretary**SURESH PADMANABHAN**  
Dy. Chief Financial Officer

## Notes forming part of the Financial Statements As at 31st March, 2015

### Note 1 (a): General Corporate Information:

Tayo Rolls Limited, formerly Tata- Yodogawa Limited was incorporated in 1968. The company was promoted by Tata Steel Limited in collaboration with Yodogawa Steel Works, Japan and Nissho Iwai Corporation of Japan for production of Cast Iron and Cast Steel Rolls for metallurgical industries. As a part of its backward integration, Tayo Rolls Limited, has set up a mini blast furnace of 40,000 tpa for the manufacture of Pig Iron. Other products include Forged Rolls, Engineering Forging and Ingots.

Tayo has a licence and know-how agreement with Sheffield Forgemasters International, UK, for the transfer of technology to manufacture forging quality ingots, forged bars, engineering forgings and forged rolls.

### Note 1 (b): Accounting Policies

#### A SIGNIFICANT ACCOUNTING POLICIES:

##### 1) Basis for Accounting :

- (a) The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.
- (b) The Company has incurred net loss of Rs. 6,762.07 lakhs and cash losses during the year ended 31st March, 2015 and as of that date the accumulated losses of Rs. 24,774.37 lakhs has eroded more than fifty percent of its net worth. Company's current liabilities are more than its current assets by Rs. 7,702.74 lakhs. These financial statements have been prepared on a going concern basis based on a comfort letter received from one of its promoters for continued support to the Company with all necessary assistances including financial and operational to continue with the operations of the Company.

##### 2) Cash Flow Statement :

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

##### 3) Use of Estimates :

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

##### 4) Inventories :

Finished and semi-finished products produced by the Company are carried at lower of cost and net realizable value. Raw materials purchased by the Company are carried at lower of cost and net realizable value. Raw material in transit is carried at cost by the Company.

Stores & Spare Parts are carried at cost. Necessary provision is made and charged to revenue in case of identified obsolete and non-moving items.

Cost comprises purchase price, freight and handling, non refundable taxes and duties and other directly attributable cost. Value of inventories are generally ascertained on the "weighted average" basis.



**5) Depreciation**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of Plant & Machinery where the useful life of the assets has been assessed as under based on technical evaluation by a Chartered Engineer taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Useful life of Plant & Machinery is considered to be 15-20 years.

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

Premium paid on leasehold land and land development expenses are amortized over the period of lease.

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

During the year, the Company has revised its estimates of useful life of its fixed assets as prescribed in Part C of Schedule II of the Companies Act, 2013. Carrying amount less residual value of the assets whose remaining useful life has become nil at the beginning of the period, has been adjusted with the opening balance of retained earnings. Consequent to the adoption of Schedule II as above, the loss for the year ended 31st March 2015 is lower by 695.33 lakhs (net of amount transferred to retained earnings). The opening retained earnings as at 1st April 2014 is lower by Rs. 43.95 lakhs.

**6) Revenue Recognition :****i) Sale of Goods :**

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

**ii) Export Incentive under Duty Draw Back System**

Export incentive under the Duty Draw Back System is recognized at the time of shipment.

**iii) Dividend and Interest income**

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

**7) Fixed Assets**

All fixed assets are valued at cost less depreciation/amortization/impairment. The cost of an asset includes the purchase cost of materials, including import duties and non-refundable-taxes, and any directly attributable costs of bringing an asset to the location and condition of its intended use. Interest on borrowings used to finance the construction of fixed assets are capitalized as part of the cost of the asset until such time that the asset is ready for its intended use. Pre operation expenses including trial run expenses (net of revenue) are capitalized.

In case of Blast Furnace relining and Arc Furnace (bottom) relining the expenditure is capitalized and depreciated over the period to the planned relining date.

**8) Foreign Exchange Transactions :**

Foreign Currency transactions and forward exchange contracts are recorded on initial recognition in the reporting currency i.e. Indian rupees, using the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities in currencies other than the reporting currency and foreign exchange contracts remaining unsettled are remeasured at the rates of exchange prevailing at the balance sheet date. Exchange difference arising on the settlement of monetary items, and on the remeasurement of monetary items, are included in profit and loss for the year. In case of forward exchange contracts, the difference between the contract rate and the spot rate on the date of transaction is charged to the statement of profit and loss over the period of the contract.

**9) Investment :**

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

**10) Cash and Bank Balances:**

Cash and Bank Balances comprises of cash on hand and balances in current accounts and deposit accounts with banks having original maturity of less than three months.

**11) Employees Benefits :****i) Short Term benefits :**

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

**ii) Post Employment benefit :**

Defined Contribution Plans

Defined contribution plans are those plans where the Company pays fixed contributions to a separate entity. Contributions are paid in return for services rendered by the employees during the year. The contributions are expensed as they are incurred in line with the treatment of wages and salaries.

**Defined Benefit Plans :**

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

**12) Borrowing Costs :**

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

**13) Earnings Per Share :**

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

**14) Taxes on Income :****Current Taxes:**

Provision for Current tax is determined on the basis of 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 laws.

**Deferred Taxes:**

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.

**15) Research and Development :**

Research and Development costs (other than cost of fixed assets acquired) are charged as an expense in the year in which they are incurred.

**16) Impairment :**

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

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the statement of profit and loss.

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

**17) Provision, Contingent Liabilities and Contingent Assets :****i) Provision :**

A provision is recognized in the financial statements where there exists a present obligation as a result of a past event, the amount of which is reliably estimable, and it is probable that an outflow of resources would be necessitated in order to settle the obligation

**ii) Contingent Liabilities and Assets :**

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

**18) Segment Reporting:**

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

## Notes forming part of the Financial Statements as at 31st March, 2015

### Note 2(A) : Share Capital

		Rupees in lakhs	
		As at 31.03.2015	As at 31.03.2014
(1)	<b>Authorised: *</b> 15,000,000 Ordinary Shares of Rs. 10 each	1,500.00	1,500.00
(2)	8.50%, 335,00,000 Non Cumulative Redeemable Preference Shares of Rs. 100 each. (as at 31.03.2014: 18,500,000 Shares)	33,500.00	18,500.00
		35,000.00	20,000.00
(3)	<b>Issued &amp; Subscribed and fully-paid up:</b>		
(a)	10,260,935 Ordinary Shares of Rs. 10 each 10,260,935 Equity Shares of Rs.10 each fully paid up (As at 31.03.2014: 10,260,935 Shares) of the above 55,87,372 (as at 31.03.2014: 55,87,372 ) shares of Rs. 10 each are held by Tata Steel Ltd., the holding Company	1,026.09	1,026.09
(b)	8.50%, 2,35,00,000 Non Cumulative Redeemable Preference Shares of Rs. 100 each 215,00,000 8.50% Non Cumulative Redeemable Preference Shares of Rs. 100 each are held by Tata Steel Ltd., the holding Company (as at 31.03.2014: 152,00,000) and 20,00,000 8.50% Non Cumulative Redeemable Preference Shares of Rs. 100 each are held by Yodogawa Steel Works Ltd, Japan (as at 31.03.2014: 20,00,000)	23,500.00	17,200.00
(c)	Forfeited Shares-amount originally paid up	0.04	0.04
<b>Total Share Capital</b>		24,526.13	18,226.13

Shareholder holding more than 5% of Ordinary shares		As at 31.03.2015		As at 31.03.2014	
		% of Share	Number of Shares held	% of Share	Number of Shares held
i	Tata Steel Ltd.	54.45%	55,87,372	54.45%	55,87,372
ii	Yodogawa Steel Works Ltd.	14.98%	15,36,704	14.98%	15,36,704
<b>Shareholder holding more than 5% of Preference shares</b>					
i	Tata Steel Ltd.	91.49%	2,15,00,000	88.37%	1,52,00,000
ii	Yodogawa Steel Works Ltd.	8.51%	20,00,000	11.63%	20,00,000

\*During the current period, pursuant to Section 13 (1) read with Section 55, 61, 64 and other applicable provision of the Companies Act, 2013, the Company has increased its authorized share capital from Rs 2,00,00,00,000 divided into 1,50,00,000 Equity Shares of Rs 10/- each and 8.50% Non-Cumulative 185,00,000 Preference Shares of Rs 100/- each to Rs 3,50,00,00,000 divided into 1,50,00,000 Equity Shares of Rs 10/- each and 8.50% Non-Cumulative 3,35,00,000 Preference Shares of Rs 100/- each. The Shareholders approval of such increase was obtained at the Extra-ordinary General Meeting held on 12th May, 2014.

\*\*In accordance with the approval of shareholders at the Extra-ordinary General meeting held on 12th May, 2014, 63,00,000. 8.50% Non -cumulative Redeemable Preference Shares were allotted on preferential basis to Tata Steel Limited, the promoters of the Company.

## Notes forming part of the Financial Statements as at 31st March, 2015

### Note 2(B): Share Capital

#### 1 Reconciliation of number of shares

i) Equity share capital with face value of Rs 10 each	As at 31st March, 2014		Addition		Deletion	As at 31st March, 2015	
	No. of shares	Rupees in lakhs	No. of shares	Rupees in lakhs		No. of shares	Rupees in lakhs
a) Authorized share capital	1,50,00,000	1,500.00	-	-	-	1,50,00,000	1,500.00
b) Issued share capital	1,02,60,935	1,026.13	-	-	-	1,02,60,935	1,026.13
c) Subscribed and fully paid-up	1,02,60,935	1,026.13	-	-	-	1,02,60,935	1,026.13
d) Subscribed and not fully paid-up	-	-	-	-	-	-	-
ii) Preference share capital with face value of Rs 100 each	As at 31st March, 2014		Addition		Deletion	As at 31st March, 2015	
	No. of shares	Rupees in lakhs	No. of shares	Rupees in lakhs		No. of shares	Rupees in lakhs
a) Authorized share capital	1,85,00,000	18,500.00	1,50,00,000	15,000.00	-	3,35,00,000	33,500.00
b) Issued share capital	1,72,00,000	17,200.00	63,00,000	6,300.00	-	2,35,00,000	23,500.00
c) Subscribed and fully paid-up	1,72,00,000	17,200.00	63,00,000	6,300.00	-	2,35,00,000	23,500.00
d) Subscribed and not fully paid-up	-	-	-	-	-	-	-

#### 2 Share Capital :

##### Rights, preferences and restrictions attached to shares

##### Equity Shares :

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

##### Preference Shares :

8.50%, 235,00,000 Non Cumulative Redeemable Preference Shares of Rs. 100 each are entitled to a fixed rate of dividend @ 8.50% p.a. The issuer shall redeem the preference share together with all arrears of dividend, if any, in three equal installments at the beginning of eighth year, ninth year and tenth year from the deemed date of allotment.

Preference Shares issued are redeemable on the following dates:

Amounts Rs. Lakhs	Year of Redemption
2833.33	2019-20
2833.33	2020-21
5733.34	2021-22
5000.00	2022-23
5000.00	2023-24
2100.00	2024-25
<u>23500.00</u>	

## Notes forming part of the Financial Statements as at 31st March, 2015

### Note 3 : Reserves & Surplus

	Rupees in lakhs	
	As at 31.03.2015	As at 31.03.2014
<b>(1) Securities Premium Reserve</b>		
Balance as per last account	5,441.93	5,441.93
Less: Registration charges for increase in Authorised Share Capital	-	(50.58)
	<u>5,441.93</u>	<u>5,441.93</u>
<b>(2) Surplus / (Deficit)</b>		
Balance as per the last account	(17,968.35)	(10,463.91)
Debit Balance in statement of profit & loss	(6,762.07)	(7,504.44)
Adjustment arising on account of adoption of Schedule II of the Companies Act, 2013	(43.95)	-
	<u>(24,774.37)</u>	<u>(17,968.35)</u>
<b>Total Reserves and Surplus</b>	<u><b>(19,332.44)</b></u>	<u><b>(12,526.42)</b></u>

### Note 4: Borrowings

	Rupees in lakhs					
	As at 31.03.2015			As at 31.03.2014		
	Long Term	Short Term	Total	Long Term	ShortTerm	Total
<b>(A) Secured Borrowings</b>						
<b>(a) Term Loans</b>						
IDBI Bank Ltd (Refer notes 1)	1,990.60	-	1,990.60	3,583.10	-	3,583.10
<b>(b) Repayable on Demand</b>						
Cash Credit / Packing Credit from Banks						
Bank of India	-	3,581.10	3,581.10	-	3,573.66	3,573.66
IDBI Bank Ltd (Refer notes 2)	-	2,485.49	2,485.49	-	2,498.93	2,498.93
<b>Total Secured Borrowings</b>	<u>1,990.60</u>	<u>6,066.59</u>	<u>8,057.19</u>	<u>3,583.10</u>	<u>6,072.59</u>	<u>9,655.69</u>
<b>(B) Unsecured Borrowings</b>						
Repayable on Demand						
Tata Capital Financial Services Ltd (12.50%)	-	1,000.00	1,000.00	-	1,000.00	1,000.00
Strassenburg Pharmaceuticals) Ltd (11.15%)	-	-	-	-	200.00	200.00
Tata Coffee Ltd. (12.50%)	-	500.00	500.00	-	500.00	500.00
	-	1,500.00	1,500.00	-	1,700.00	1,700.00
Public Deposits-	-	-	-	106.39	-	106.39

	As at 31.03.2015			As at 31.03.2014		
	Long Term	Short Term	Total	Long Term	Short Term	Total
Buyer's credit						
IDBI Bank Ltd	-	339.92	339.92	-	-	-
Total Unsecured Borrowings	-	1,839.92	1,839.92	106.39	1,700.00	1,806.39
Total Borrowings	1,990.60	7,906.51	9,897.11	3,689.49	7,772.59	11,462.08

  

(C) Terms of Repayment	Number of Outstanding Installments	Installment Amount (Rs in Lakhs)	Repayment Terms
IDBI Bank Ltd	9.00	398.13	Quarterly

Notes: Nature of Security

- Term loans from IDBI Bank Ltd. are secured by first charge on the fixed assets of the Company.
- Cash credit account with Bank of India and IDBI Bank Ltd. are secured by hypothecation of all tangible movable assets of the Company including finished and semi-finished stocks, raw materials, stores and book debts ranking paripassu. In addition they are secured by way of second charge on the immovable properties of the Company ranking paripassu.

Rupees in lakhs

## Note 5: Provisions

	As at 31.03.2015			As at 31.03.2014		
	Long Term	Short Term	Total Term	Long Term	Short Term	Total Term
<b>Provision for employee benefits</b>						
(a) Post-employment Defined Benefits						
(i) Retiring Gratuity	326.04	-	326.04	168.73	148.52	317.25
(ii) Pension Obligations	225.86	28.41	254.27	200.35	26.56	226.91
(iii) Post retirement medical benefits	591.97	23.73	615.70	505.62	22.05	527.67
(iv) Post retirement medical benefits to Ex-Directors	25.64	2.71	28.35	21.94	2.51	24.45
(b) Other Post-employment Benefits						
(i) Leave benefit scheme	454.27	48.86	503.13	382.94	49.73	432.67
	1,623.78	103.71	1,727.49	1,279.58	249.37	1,528.95
Provision for employee separation compensation	24.89	19.38	44.27	39.24	23.05	62.29
Provision for current tax	-	118.53	118.53	-	118.53	118.53
[Net of advance of Rs. 500.38 lakhs (31.03.2014 : Rs. 500.38 lakhs)]						
Provision for fringe benefit tax	-	4.55	4.55	-	4.55	4.55
[Net of advance of Rs. 76.35 lakhs (31.03.2014 : Rs. 76.35 lakhs)]						
Provision for contingencies & others						
Warranty	-	714.29	714.29	-	619.12	619.12
	24.89	856.75	881.64	39.24	765.25	804.49
<b>Total Provisions</b>	<b>1,648.67</b>	<b>960.46</b>	<b>2,609.13</b>	<b>1,318.82</b>	<b>1,014.62</b>	<b>2,333.44</b>

### Notes forming part of the Financial Statements as at 31st March, 2015

Note 6:	Rupees in lakhs	
	As at 31.03.2015	As at 31.03.2014
<b>Note 6(A) : Trade Payables</b>		
(a) Creditors for supplies / services	3,481.39	3,362.39
(b) Creditors for accrued wages and salaries	824.73	827.36
	<u>4,306.12</u>	<u>4,189.75</u>
<b>Note 6(B) : Other current liabilities</b>		
(a) Current maturities of long-term debt	1,592.52	1,604.47
(b) Advances received from customers	2,793.03	1,742.44
(c) Interest accrued but not due on borrowings	34.55	105.12
(d) Other liabilities	830.22	827.67
(e) Creditors for Capital Goods	512.25	448.50
(f) Liability towards Investors Education and Protection Fund		
i) Unpaid dividends	0.17	0.17
ii) Unclaimed dividend	4.27	8.00
iii) Unpaid matured fixed deposits	0.20	6.87
	<u>5,767.21</u>	<u>4,743.24</u>
<b>Total Other current liabilities</b>	<u>10,073.33</u>	<u>8,932.99</u>



## Notes forming part of the Financial Statements as at 31st March, 2015

### Note 7: Fixed assets

Rupees in lakhs

As at 31.03.2015	Leasehold Land Note (a)	Buildings	Owned Plant and Machinery	Furniture and fixtures	Office Equipments	Vehicles	Total Tangible Assets	Computer Software	Technical Knowhow Fee	Total Intangible Assets	Total Assets
Cost at beginning of the year	5.25	464.66	27,711.99	65.53	38.63	61.51	28,347.57	83.87	1,471.82	1,555.69	29,903.26
Additions	-	-	2,486.27	41.31	21.08	-	2,548.66	-	-	-	2,548.66
Disposals/Adjustments	-	-	(31.28)	(6.19)	(6.19)	(1.04)	(38.51)	12.90	-	12.90	(25.61)
<b>Cost at end of the year</b>	<b>5.25</b>	<b>464.66</b>	<b>30,166.98</b>	<b>106.84</b>	<b>53.52</b>	<b>60.47</b>	<b>30,857.72</b>	<b>96.77</b>	<b>1,471.82</b>	<b>1,568.59</b>	<b>32,426.31</b>
Impairment at beginning of the year	-	-	1,797.89	-	-	-	1,797.89	-	-	-	1,797.89
Charge for the year	-	-	794.00	-	-	-	794.00	-	-	-	794.00
Disposals/Adjustments	-	-	-	-	-	-	-	-	-	-	-
<b>Impairment at end of the year</b>	<b>-</b>	<b>-</b>	<b>2,591.89</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,591.89</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,591.89</b>
Depreciation at beginning of the year	0.32	179.89	13,178.83	42.50	19.30	33.07	13,453.91	81.89	1,096.77	1,178.66	14,632.57
Other Adjustment (Note b)	-	8.35	29.29	2.46	1.56	2.29	43.95	-	-	-	43.95
Charge for the year	0.06	10.77	1,066.71	7.79	4.79	6.81	1,096.93	12.73	195.04	207.77	1,304.70
Disposals	-	-	(17.93)	-	(5.38)	(0.52)	(23.83)	-	-	-	(23.83)
<b>Depreciation at end of the year</b>	<b>0.38</b>	<b>199.01</b>	<b>14,256.90</b>	<b>52.75</b>	<b>20.27</b>	<b>41.65</b>	<b>14,570.96</b>	<b>94.62</b>	<b>1,291.81</b>	<b>1,386.43</b>	<b>15,957.39</b>
<b>Net book value at beginning of the year</b>	<b>4.93</b>	<b>284.77</b>	<b>12,735.27</b>	<b>23.03</b>	<b>19.33</b>	<b>28.44</b>	<b>13,095.77</b>	<b>1.98</b>	<b>375.05</b>	<b>377.03</b>	<b>13,472.80</b>
<b>Net book value at end of the year</b>	<b>4.87</b>	<b>265.65</b>	<b>13,318.19</b>	<b>54.09</b>	<b>33.25</b>	<b>18.92</b>	<b>13,694.87</b>	<b>2.15</b>	<b>180.01</b>	<b>182.16</b>	<b>13,877.03</b>
<b>As at 31.03.2014</b>	<b>Leasehold Land Note (a)</b>	<b>Buildings</b>	<b>Owned Plant and Machinery</b>	<b>Furniture and fixtures</b>	<b>Office Equipments</b>	<b>Vehicles</b>	<b>Total Tangible Assets</b>	<b>Computer Software</b>	<b>Technical Knowhow Fee</b>	<b>Total Intangible Assets</b>	<b>Total Assets</b>
Cost at beginning of the year	5.25	464.86	26,827.46	78.77	38.63	77.80	27,492.77	83.87	1,471.82	1,555.69	29,048.46
Additions	-	-	982.32	3.04	-	-	985.36	-	-	-	985.36
Disposals/Adjustments	-	(0.20)	(97.79)	(16.28)	-	(16.29)	(130.56)	-	-	-	(130.56)
<b>Cost at end of the year</b>	<b>5.25</b>	<b>464.66</b>	<b>27,711.99</b>	<b>65.53</b>	<b>38.63</b>	<b>61.51</b>	<b>28,347.57</b>	<b>83.87</b>	<b>1,471.82</b>	<b>1,555.69</b>	<b>29,903.26</b>
Impairment at beginning of the year	-	-	1,797.89	-	-	-	1,797.89	-	-	-	1,797.89
Additions	-	-	-	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	-	-	-	-	-	-	-
<b>Impairment at end of the year</b>	<b>-</b>	<b>-</b>	<b>1,797.89</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,797.89</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,797.89</b>
Depreciation at beginning of the year	0.26	172.62	11,246.51	55.74	17.47	36.96	11,529.56	69.16	901.73	970.89	12,500.45
Charge for the year	0.06	7.47	2,029.50	2.84	1.83	6.23	2,047.93	12.73	195.04	207.77	2,255.70
Disposals	-	(0.20)	(97.18)	(16.08)	-	(10.12)	(123.58)	-	-	-	(123.58)
<b>Depreciation at end of the year</b>	<b>0.32</b>	<b>179.89</b>	<b>13,178.83</b>	<b>42.50</b>	<b>19.30</b>	<b>33.07</b>	<b>13,453.91</b>	<b>81.89</b>	<b>1,096.77</b>	<b>1,178.66</b>	<b>14,632.57</b>
<b>Net book value at beginning of the year</b>	<b>4.99</b>	<b>292.24</b>	<b>15,580.95</b>	<b>23.03</b>	<b>21.16</b>	<b>40.84</b>	<b>15,963.21</b>	<b>14.71</b>	<b>570.09</b>	<b>584.80</b>	<b>16,548.01</b>
<b>Net book value at end of the year</b>	<b>4.93</b>	<b>284.77</b>	<b>12,735.27</b>	<b>23.03</b>	<b>19.33</b>	<b>28.44</b>	<b>13,095.77</b>	<b>1.98</b>	<b>375.05</b>	<b>377.03</b>	<b>13,472.80</b>

Note:

(a). Leasehold land includes Rs 1,75,000 (as at 31.03.2014; Rs 1,75,000) for which documents are yet to be executed. The Company has applied to the Bihar Government for exemption of its lands (other than leasehold land referred to hereinbefore for which documents are pending execution) from the Urban Land (Ceiling and Regulation) Act, 1976. The decision of the Government is still awaited.

(b). Amount Adjusted on account of adaptation of Schedule II of Companies Act, 2013.

## Notes forming part of the Financial Statements as at 31st March, 2015

### Note 8: Investments

Rupees in lakhs

	No. of shares/ units fully paid up	As at 31.03.2015			As at 31.03.2014		
		Non current	Current	Total	Non-current	Current	Total
<b>Trade Investment</b>							
<b>Shares and Debentures in Associates</b>							
Quoted							
Tata Construction & Projects Ltd. (Equity Shares of Rs 10 each) (net of provision of Rs 3.88 lakhs)	32326	-	-	-	-	-	-
Tata Construction & Projects Ltd. (10% Secured Non-Convertible Debentures of Rs 100 each) (net of provision of Rs 3.00 lakhs)	3000	-	-	-	-	-	-
Unquoted							
Adityapur Toll Bridge Co. Ltd. (Equity Shares of Rs 10 each) (net of provision of Rs 0.50 lakhs)	5000	-	-	-	-	-	-
Nicco Jubilee Park Limited ( Equity shares of Rs.10 each) (net of provision of Rs 3.00 lakhs)	30000	-	-	-	-	-	-
<b>Shares and Debentures in Others</b>							
Quoted							
HDFC Bank Ltd. (Equity Shares of Rs 2 each)	2500	0.05	-	0.05	0.05	-	0.05
Unquoted							
Government Securities-Lodged as security deposit with parties		0.09	-	0.09	0.09	-	0.09
<b>Total Investments in Shares and Debentures</b>		<u>0.14</u>	<u>-</u>	<u>0.14</u>	<u>0.14</u>	<u>-</u>	<u>0.14</u>
<b>Investments by type:</b>							
Investments in Equity Instruments		0.05	-	0.05	0.05	-	0.05
Investments in Government or Trust Securities		0.09	-	0.09	0.09	-	0.09
Investments in Debentures and Bonds		-	-	-	-	-	-
<b>Total Investments</b>		<u>0.14</u>	<u>-</u>	<u>0.14</u>	<u>0.14</u>	<u>-</u>	<u>0.14</u>
<b>Additional Details:</b>							
Carrying value of Quoted Investments		0.05	-	0.05	0.05	-	0.05
Market Value of Quoted Investments		25.57		25.57	18.72		18.72
Carrying value of Unquoted Investments		0.09	-	0.09	0.09	-	0.09

## Notes forming part of the Financial Statements as at 31st March, 2015

### Note 9: Loans and advances

Rupees in lakhs

	As at 31.03.2015			As at 31.03.2014		
	Long Term	Short Term	Total	Long Term	Short Term	Total
<b>Loans and advances :</b>						
(a) Capital advances	482.57	-	482.57	92.39	-	92.39
(b) Security deposits	126.13	-	126.13	126.55	-	126.55
(c) Advance with public bodies	185.97	226.95	412.92	185.97	208.65	394.62
(d) Other loans and advances						
(i) Pre-paid advances	-	17.76	17.76	-	5.24	5.24
(ii) Other Advances	-	397.90	397.90	-	256.02	256.02
(e) Current tax assets (net)						
(i) Advance payment against taxes [Net of Provision of Rs. 703.89 lakhs (31.03.2014 :Rs. 703.89 lakhs)]	414.11	-	414.11	385.99	-	385.99
(ii) Advance payment against fringe benefit taxes [Net of Provision of Rs. 33.15 lakhs (31.03.2014 :Rs. 33.15 lakhs)]	0.17	-	0.17	0.17	-	0.17
<b>Gross Loans and advances :</b>	<b>1,208.95</b>	<b>642.61</b>	<b>1,851.56</b>	<b>791.07</b>	<b>469.91</b>	<b>1,260.98</b>
<b>Classification of loans and advances :</b>						
Secured, considered good	-	-	-	-	-	-
Unsecured, considered good	1,208.95	642.61	1,851.56	791.07	469.91	1,260.98
Doubtful						
<b>Gross Loans and advances :</b>	<b>1,208.95</b>	<b>642.61</b>	<b>1,851.56</b>	<b>791.07</b>	<b>469.91</b>	<b>1,260.98</b>

### Note 10(A): Inventories

Rupees in lakhs

	As at 31.03.2015	As at 31.03.2014
(a) Raw materials (at lower of cost and realisable value)	1,112.31	732.37
(b) Semi-finished goods (at lower of cost and realisable value)	1,745.79	1,867.95
(c) Finished goods (at lower of cost and realisable value)	878.37	690.85
(d) * Stores and spares (at cost less write off for obsolescence)	1,983.20	1,668.12
<b>Total Inventories</b>	<b>5,719.67</b>	<b>4,959.29</b>

\*Stores and spare parts includes the unamortized value of purchased moulds issued to production, Rs 1,158.62 lakhs (as at 31.03.2014: Rs 993.21 lakhs)

## Notes forming part of the Financial Statements as at 31st March, 2015

### Note 10(B): Trade Receivables

	Rupees in lakhs	
	As at 31.03.2015	As at 31.03.2014
<b>(a) Trade Receivables</b>		
(i) More than six months (from the date they became due for payment)	871.43	1,010.45
(ii) Others	3,485.81	3,437.78
<b>Gross Trade Receivables</b>	<b>4,357.24</b>	<b>4,448.23</b>
Less: Provision for bad and doubtful debts	125.44	125.44
<b>(b) Net Trade Receivables</b>	<b>4,231.80</b>	<b>4,322.79</b>
<b>Classification of Trade Receivables</b>		
Unsecured, considered good	4,231.80	4,322.79
Doubtful	125.44	125.44
<b>Gross Trade Receivables</b>	<b>4,357.24</b>	<b>4,448.23</b>

### Note 11(A): Cash and Bank Balances

	Rupees in lakhs	
	As at 31.03.2015	As at 31.03.2014
<b>(a) Cash and cash equivalents</b>		
(i) Cash in hand	0.07	0.12
(ii) Cheques, drafts on hand	22.22	42.69
(iii) Balances with banks		
(a) In Current Account	557.37	2,681.60
<b>Total Cash and cash equivalents</b>	<b>579.66</b>	<b>2,724.41</b>
<b>(b) Earmarked Balance with scheduled banks</b>		
(i) In deposit account for Public Deposit	3.02	18.05
(ii) In unpaid dividend accounts	4.42	8.16
	7.44	26.21
<b>Total Cash and Bank Balances</b>	<b>587.10</b>	<b>2,750.62</b>

### Note 11(B): Other Current Assets

	Rupees in lakhs	
	As at 31.03.2015	As at 31.03.2014
<b>Other current assets</b>		
(1) Interest accrued on deposits, loans and advances	56.37	24.68
<b>Total Other current assets</b>	<b>56.37</b>	<b>24.68</b>

## Notes forming part of the Financial Statements as at 31st March, 2015

### Note 12(A): Revenue from operations

Rupees in lakhs

	Year ended 31.03.2015	Year ended 31.03.2014
(1) Sale of products	13,740.61	14,476.20
(2) Sale of services	1,177.43	1,654.11
<b>Gross Revenue from Operations</b>	<b>14,918.04</b>	<b>16,130.31</b>
(3) Less: Excise duty recovered on sales	1,454.84	1,472.06
	<u>13,463.20</u>	<u>14,658.25</u>
(4) Other operating income /Export Benefits (Duty Draw Back)	21.02	49.06
(5) Other Income		
(i) Sale of miscellaneous goods	503.52	301.68
(ii) Sundry income	182.34	178.44
	<u>706.88</u>	<u>529.18</u>
<b>Total Revenue from Operations</b>	<b>14,170.08</b>	<b>15,187.43</b>

### Note 12(B): Other Income

Rupees in lakhs

	Year ended 31.03.2015	Year ended 31.03.2014
(1) Write back of liabilities no longer required	70.78	6.80
(2) Interest received on sundry advances, deposits, customers' balances etc	45.45	19.09
(3) Net (loss) / gain on foreign currency transactions (other than finance cost)	14.89	69.14
<b>Total Other Income</b>	<b>131.12</b>	<b>95.03</b>

### Note 13(A): Employee Benefit Expenses:

Rupees in lakhs

	Year ended 31.03.2015	Year ended 31.03.2014
(1) Salaries and wages, including bonus		
(i) Salaries and wages including bonus	3,102.67	2,772.97
(ii) Employee separation compensation	2.35	3.39
	<u>3,105.02</u>	<u>2,776.36</u>
(2) Contribution to provident and other funds	594.16	492.12
(3) Staff welfare expenses	165.83	174.90
	<u>759.99</u>	<u>667.02</u>
<b>Total Employee Benefit Expenses</b>	<b>3,865.01</b>	<b>3,443.38</b>

### (Note 13(B): Finance costs

Rupees in lakhs

	Year ended 31.03.2015	Year ended 31.03.2014
(a) Interest expense		
(i) Fixed Loans	554.94	771.43
(ii) Interest on Others	1,017.58	1,111.91
	<u>1,572.52</u>	<u>1,883.34</u>
<b>Total finance costs</b>	<b>1,572.52</b>	<b>1,883.34</b>

## Notes forming part of the Financial Statements as at 31st March, 2015

### Note 14: Other Expenses

Rupees in lakhs

	Year ended 31.03.2015	Year ended 31.03.2014
(1) Consumption of Store and Spare parts	2,107.74	1,758.92
(2) Repairs & Maintenance to buildings	7.17	0.77
(3) Repairs & Maintenance to machinery	571.92	215.04
(4) Fuel oil consumed	1,485.06	1,912.60
(5) Power	1,540.57	1,821.88
(6) Freight and handling charges	329.17	292.70
(7) Rent	13.94	25.85
(8) Royalty	167.70	168.51
(9) Rates and taxes	30.49	35.94
(10) Registration charges for Increase in Authorised Share Capital	98.69	-
(11) Provision for EPCG Expenses	-	41.00
(12) Insurance charges	4.79	4.14
(13) Provision for doubtful debts and advances	-	50.00
(14) Excise duties	51.12	45.27
(15) Other expenses		-
(a) Product warranty charges	644.85	533.19
(b) Auditors remuneration and out-of- pocket expenses		
(i) For audit	8.00	8.00
(ii) For taxation matters	1.50	1.50
(iii) For other services	1.10	1.00
(iv) for reimbursement of expenses	-	-
(c) Loss/ (Profit) on sale/write off of Tangible assets	70.47	4.02
(d) Legal and other professional costs	55.65	169.31
(e) Advertisement, Promotion & Selling Expenses	3.99	0.24
(f) Travelling Expenses	113.52	101.74
(g) Consultation Fees	96.96	96.26
(h) Rolls Machining Charges	163.01	164.07
(i) Customers Recovery	155.07	116.05
(j) Other General Expenses	863.88	773.86
	<u>2,178.00</u>	<u>1,969.24</u>
<b>Total Other Expenses</b>	<u><u>8,586.36</u></u>	<u><u>8,341.86</u></u>

## Notes forming part of the Financial Statements as at 31st March, 2015

## Note-15

Rupees in lakhs

15.1 Contingent liabilities and commitments		As at 31.03.2015		As at 31.03.2014	
<b>15.1 (a) Claims against the Company not acknowledged as debt</b>					
		As at 31.03.2015		As at 31.03.2014	
i)	Income Tax Appeals:				
a)	by the Company	259.09		259.09	
b)	by the Department	46.21		46.21	
ii)	Sales Tax	34.05		-	
iii)	Excise				
a)	by the Company	271.89		271.89	
b)	by the Department	25.92		25.92	
<b>15.1(b) Guarantees</b>					
i)	Under Export Promotion Capital Goods Scheme for concessional duty on import of machinery furnished to the Customs authorities	177.00		177.00	
ii)	Bills discounted with Bankers	-		170.98	
<b>15.1(c) Other money for which the company is contingently liable</b>					
i)	Others Matters	26,361.00		27,203.25	
Consequent to the judgment dated 2nd May, 2013 of Honorable Jharkhand high Court with regard to the applicability of power tariff structure on the Company's Induction Furnace Unit from January 2000, The Jharkhand State Electricity Board (JSEB) has raised rectified energy bill dated 10th June, 2013 for Rs. 272.03 Crores (later claim revised to Rs 263.61 Crores). The Company has contested the judgment dated 2nd May, 2013 by way of filing an appeal (Later Patent Appeal) before the Honorable Jharkhand High Court which has been admitted on merit on 3rd July, 2013. The rectified energy bill dated 10th June, 2013 has also been challenged separately before the Honourable Jharkhand High Court. Meanwhile, JSEB has initiated Certificate proceedings for Rs 263.61 Crores against the Company and Board of Directors, which has been challenged before the Certificate Officer. Pending the outcome, demand amount of Rs Rs. 263.61 Crores has been disclosed under Contingent liability Note [15.1(c)] above.					
ii)	Export Promotion Capital Goods Scheme	727.00		727.00	
<b>15.2 Commitments</b>					
Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 829.70 lakhs (as at 31.3.2014: Rs. 786.08 lakhs) against which advances paid Rs. 482.57 Lakhs (as at 31.3.2014 : Rs. 92.39 lakhs).					
<b>15.3 Sundry Creditors includes dues in respect of Micro, Small and Medium Enterprises Development Act 2006 under Section 22</b>					
		As at 31.03.2015		As at 31.03.2014	
a)	Principal Amount	73.97		44.39	
b)	Interest due and Payable	6.02		5.52	
Interest is reckoned as due from the date of receipt of bill by the Company from the Vendor who has sent intimation of registration under the Act.					
Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.					
<b>15.4 The period end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:</b>					
		Amount in Foreign Currency			Rupees in lakhs
		Euro	GBP	USD	JPY
		Amount in INR			
Amount receivable from Export of goods -		-	2.59	4.93	-
		(2.51)	(5.60)	(8.18)	-
		(1,162.09)			
<b>Amount payable for:</b>					
Import of goods		3.08	-	2.08	-
		(0.02)	-	(4.07)	-
		339.92			
Royalty		-	-	1.65	448.94
		-	-	(2.28)	(304.53)
		337.26			
		(321.37)			
Figures in brackets are for the previous year.					

## Notes forming part of the Financial Statements as at 31st March, 2015

### Note-15 (Contnd.)

#### 15.5 TURNOVER, CLOSING AND OPENING STOCKS OF GOODS PRODUCED

Class of Products	Turnover @		Closing Stocks		Opening Stocks	
	Tonnes	Rupees	Tonnes	Rupees	Tonnes	Rupees
<b>a) Rolls</b>						
(i) Steel, Steel Base and Cast Iron Rolls	<b>6,897</b> (6712)	<b>9,777.29</b> (10117.30)	<b>105</b> (156)	<b>149.46</b> (202.24)	<b>156</b> (133)	<b>202.24</b> (157.00)
(ii) Forged Rolls	<b>908</b> (912)	<b>2,211.15</b> (2325.40)	<b>11</b> (53)	<b>22.73</b> (99.10)	<b>53</b> (-)	<b>99.10</b> (-)
(iii) Roll Castings (for sale) (Note III, item 1 above)	- (93)	- (82.33)	- (-)	- (-)	- (-)	- (-)
<b>b) Pig Iron</b>						
(i) Others - Pig Iron Skull etc.	- (-)	<b>373.67</b> (501.85)	- (-)	<b>436.96</b> (241.56)	- (-)	<b>241.56</b> (158.00)
<b>c) Ingots</b>	<b>1,077</b> (634)	<b>590.26</b> (317.79)	<b>247</b> (133)	<b>159.73</b> (92.72)	<b>133</b> (55)	<b>92.72</b> (25.00)
<b>d) Engineering Forgings</b>	<b>472</b> (827)	<b>788.23</b> (1131.52)	<b>10</b> (8)	<b>14.60</b> (9.96)	<b>8</b> (-)	<b>9.96</b> (-)
<b>e) Conversion Income</b>	- (-)	<b>1,177.44</b> (1654.12)	- (-)	- (-)	- (-)	- (-)
<b>TOTAL</b>		<b>14,918.04</b> (16130.31)		<b>783.48 **</b> (645.58)		<b>546.48</b> (340.00)

#### Notes:

- @ includes excise duty recovered from customers
- \* after adjustment for stocks value written down and transferred to Semi-finished Stock
- \*\* Value of closing stocks excludes the amount of Excise Duty loaded on stocks
- Figures in brackets are in respect of the previous year.

#### 15.6 CONSUMPTION OF RAW MATERIALS

	2014-15		2013-14	
	Quantity Tonnes	Rs. Lakhs	Quantity Tonnes	Rs. Lakhs
a) Scrap (net of own generated scrap)	<b>5,095</b>	<b>1,483.07</b>	3,923	940.16
b) Ferro Moly	<b>39</b>	<b>460.99</b>	46	438.30
c) Other Ferro Alloys	<b>699</b>	<b>1,023.08</b>	697	936.17
d) Nickel	<b>91</b>	<b>1,028.23</b>	89	860.28
e) Fluxes	<b>807</b>	<b>173.85</b>	971	171.42
f) Coke	-	-	-	-
g) Others		<b>864.30</b>		1,330.33
		<b>5,033.52</b>		<b>4,676.66</b>

**Notes:** Consumption figure shown above are after adjusting excess and shortage ascertained on physical count.



## Notes forming part of the Financial Statements as at 31st March, 2015

### Note-15 (Contnd.)

	2014-15		2013-14		
<b>15.7 C.I.F. VALUE OF IMPORTS:</b>					
Components, stores & spare parts		<b>335.55</b>		67.16	
Raw Material		<b>199.58</b>		331.97	
Capital Goods		<b>411.61</b>		64.42	
<b>15.8 EXPENDITURE IN FOREIGN CURRENCY:</b>					
a) Consultancy Charges		<b>31.92</b>		4.84	
b) Foreign Travel		<b>4.69</b>		3.35	
c) Royalty		<b>167.70</b>		168.51	
d) Others		<b>3.09</b>		1.60	
<b>15.9 CONSUMPTION OF IMPORTED AND INDIGENOUS MATERIALS</b>					
Value of consumption of imported and indigenously obtained raw materials, components, stores and spare parts and the percentage of each to the total consumption:					
		2014-15		2013-14	
		%	Rs. Lakhs	%	Rs. Lakhs
<b>a) Raw Materials:</b>					
Imported	<b>22.28</b>		<b>1,121.62</b>	18.40	860.28
Indigenous	<b>77.72</b>		<b>3,911.90</b>	81.60	3,816.38
<b>b) Components, stores and spare parts:</b>					
Imported	<b>9.89</b>		<b>208.37</b>	8.59	151.02
Indigenous	<b>90.11</b>		<b>1,899.37</b>	91.41	1,607.90
<b>Note:</b> Stores and spare parts consumption includes amortization of moulds Rs.101.08 lakhs (2013-14 : Rs. 76.87 lakhs)					
		2014-15		2013-14	
	Quantity	Rs. Lakhs	Quantity	Rs. Lakhs	
	Tonnes		Tonnes		
<b>15.10 PURCHASES OF SEMI-FINISHED PRODUCTS</b>					
Semi finished Cast Rolls	<b>88.65</b>	<b>43.47</b>	187.00	94.71	
<b>15.11 EARNINGS IN FOREIGN EXCHANGE:</b>					Rs. Lakhs
			<b>2014-15</b>	<b>2013-14</b>	
FOB value of Exports (including value of exports through export house/agents)			<b>1,329.31</b>	2,387.88	
<b>15.12 EXCEPTIONAL ITEMS:</b>					
(a) Denotes Retiral Benefit to Ex - Director					
a) Pension nil (2013-14 : Rs 92.76 lakhs),					
b) Post Retirement Medical Benefits nil (2013-14 : Rs 14.95 lakhs) and					
c) Ex-Gratia nil (2013-14 : Rs 8.40 lakhs).					
(b) The Company has carried an impairment review of its fixed assets based on changes in circumstances indicating that their carrying amount may not be recoverable. Based on the review, the Company has made a provision in the financial statements for Rs 794.00 lakhs (2013-14: Rs 1,797.89 lakhs) towards write down of assets pertaining to integrated facilities for manufacture of Forging Quality Ingots, Engineering Forgings and Forged Rolls.					

## Notes forming part of the Financial Statements as at 31st March, 2015

### Note-15 (Contnd.)

**15.13** The Wage Agreement dated 08.04.2009 and dated 23.03.2010 between the Company and the Tayo Workers Union expired on 31.12.2011 & 30.09.2014 and fresh agreements are under negotiation. Pending finalisation of these negotiations, provisions on an estimated basis has been made and included in Salaries and Wages, under the head "Employees Benefit Expense" Item 1 (i) of Note 13 (A). No separate allocation has been made towards the Company's contribution to provident and other funds included therein. Any adjustments necessary, consequent on final determination of the liability pertaining to the period ended 31st March, 2015 will be made in the year in which negotiations are concluded.

	Rupees in lakhs	
	2014-15	2013-14
<b>15.14 End use of funds raised from the issue of 8.50%, Non-Cumulative Redeemable Preference Shares</b>		
Balance as on 01.04.2014	2,267.88	1,225.79
Fund raised during the year	6,300.00	8,700.00
Utilisation of Fund		
a) Capital expenditure	1,749.85	400.29
b) Working capital	6,722.08	7,257.62
c) Unutilised monies as at 31 March, 2015	95.95	2,267.88

### Notes 16: Disclosure relating to Accounting Standard AS 15

1	The company has recognized, in the statement of profit and loss for the current year, the following expenses under the defined contribution plans.	Rupees in lakhs	
		2014-15	2013-14
	<b>Benefit (Contribution to)</b>		
	Provident Fund	205.17	211.86
	Superannuation Fund	111.06	99.31
	TAYO Employees Pension Scheme	21.63	20.75
	<b>Total</b>	<b>337.86</b>	<b>331.92</b>

### 2 The company operates post retirement defined benefit plans as follows:

- a. Funded
  - i) Post Retirement Gratuity
- b. Unfunded:
  - i) Post Retirement Medical benefits
  - ii) Pension to Directors

### 2 (a) (i) Details of the Post Retirement Gratuity plan are as follows:

Description	Rupees in lakhs	
	2014-15	2013-14
<b>1. Reconciliation of opening and closing balances of obligation</b>		
a. Obligation as at the beginning of the year	1,138.48	1,076.60
b. Current Service Cost	57.86	56.73
c. Interest Cost	86.13	81.90
d. Obligation of new companies	-	-
e. Acquisitions	-	7.19
f. Actuarial (gain)/loss	152.10	71.76
g. Exchange rate variation	-	-
h. Benefits paid	(362.85)	(155.70)
i. Obligation as at the end of the year	1,071.72	1,138.48

The defined benefit obligation as at the end of the year is wholly funded by Company

## Notes forming part of the Financial Statements as at 31st March, 2015

### Notes 16: Disclosure relating to Accounting Standard AS 15 (Contd.)

Rupees in lakhs

	2014-15	2013-14
<b>2. Change in Plan Assets (Reconciliation of opening &amp; closing balances)</b>		
a. Fair Value of plan assets as at beginning of the year	821.23	769.55
b. Acquisition Adjustment	-	7.19
c. Expected return on plan assets	62.99	63.55
d. Actuarial gain/(loss)	(23.20)	(13.36)
e. Contributions	247.52	150.00
f. Benefits paid	(362.86)	(155.70)
g. Fair Value of plan assets as at the end of the year	745.68	821.23
<b>3. Reconciliation of fair value of assets and obligations</b>		
a. Fair value of plan assets as at the end of the year	745.68	821.23
b. Present value of obligation as at the end of the year	1,071.72	1,138.48
c. Amount recognized in the balance sheet	(326.04)	(317.25)
<b>4. Expense recognized in the period</b>		
a. Current service cost	57.86	56.73
b. Interest cost	86.13	81.90
c. Expected return on plan assets	(62.99)	(63.55)
d. Actuarial (gain)/loss	175.30	85.12
e. Exchange rate variation	-	-
f. Expense recognized during the year	256.30	160.20
The expense is disclosed in the line item – Company's contribution to Gratuity Fund		
<b>5. Investment Details</b>	<b>% Invested</b>	<b>% Invested</b>
a. GOI Securities	2.72	0.25
b. Public Sector unit Bonds	39.12	33.97
c. State / Central Government Guaranteed Securities	6.69	2.46
d. Special Deposit Schemes	47.17	43.96
e. Others (including bank balances)	4.30	19.36
	<u>100.00</u>	<u>100.00</u>
<b>6. Assumptions</b>		
a. Discount rate (per annum)	7.90% p.a.	9.00% p.a.
b. Estimated rate of return on plan assets (per annum)	8.25% p.a.	8.25% p.a.
c. Rate of escalation in salary (per annum)	5.00% p.a.	5.00% p.a.

## Notes forming part of the Financial Statements as at 31st March, 2015

Notes 16: Disclosure relating to Accounting Standard AS 15 (Contd.)

Rupees in lakhs

**2(b) Details of unfunded post retirement defined benefit obligations are as follows: (Contd.)**

Description	2014-15			2013-14		
	Post Retirement Medical benefits	Pension to Directors	Leave	Post Retirement Medical benefits	Pension to Directors	Leave
<b>1. Reconciliation of opening and closing balances of obligation</b>						
a. Obligation as at the beginning of the year	552.13	226.91	432.67	505.79	190.73	453.44
b. Current/Employer Service Cost	19.48	-	114.57	23.85	-	102.23
c. Interest Cost	48.59	19.28	33.62	40.24	11.64	32.03
d. Obligation of new companies	-	-	-	-	-	-
e. Actuarial (gain)/loss	49.20	38.00	40.60	5.01	44.72	(29.34)
f. Past service cost	-	-	-	-	-	-
g. Exchange rate variation	-	-	-	-	-	-
h. Benefits paid	(25.35)	(29.92)	(118.33)	(22.76)	(20.18)	(125.69)
i. Obligation as at the end of the year	644.05	254.27	503.13	552.13	226.91	432.67
<b>2. Expense recognized in the period</b>						
a. Current /Employer service cost	19.48	-	114.57	23.85	-	102.23
b. Interest cost	48.59	19.28	33.62	40.24	11.64	32.03
c. Past service cost	-	-	-	-	-	-
d. Exchange rate variation	-	-	-	-	-	-
e. Actuarial (gain)/loss	49.20	38.00	40.60	5.01	44.72	(29.34)
f. Expense recognized in the period	117.27	57.28	188.79	69.10	56.36	104.92

The expenses in relation to (a) Medical - Rs 117.13 lakhs (2013-14 Rs 69.10 lakhs), (b) Pension to Directors Rs 57.28 lakhs (2013-14 Rs 56.36 lakhs) and (c) Leave Rs 188.79 lakhs (2013-14 Rs 104.92 lakhs) are included in item 1 (i) Salaries and wages including bonus of Note 13 (A) Employee Benefit Expense of the Statement of Profit and Loss.

**3. Assumptions**

a. Discount rate (per annum) as at the beginning of the year	9.00% p.a.	9.00% p.a.	9.00% p.a.	8.20% p.a.	8.20% p.a.	8.20% p.a.
b. Discount rate (per annum) as at the end of the year	7.90% p.a.	7.90% p.a.	7.90% p.a.	9.00% p.a.	9.00% p.a.	9.00% p.a.
c. Medical costs inflation rate	6.50%			7.00%		
d. Average medical cost (Rs/person) at the beginning of the year	Rs. 7839/-			Rs. 6687/-		
e. Average medical cost (Rs/person) at the end of the year	Rs. 8349/-			Rs. 7839/-		
f. Effect of a 1% change in health care cost, on	Increase (7.50% p.a.)	Decrease (5.50% p.a.)		Increase (8% p.a.)	Decrease (6% p.a.)	
- aggregate current service and interest cost	11.04	8.80		10.09	8.11	
- closing balance of obligation	103.17	82.21		84.10	67.55	

## Notes forming part of the Financial Statements as at 31st March, 2015

### Notes 16: Disclosure relating to Accounting Standard AS 15 (Contd.)

2(c) The estimate of future salary increases take into account inflation, seniority, promotion and other relevant factors.

2(d) Other disclosures:

Benefit	2014-15	2013-14	2012-13	2011-12	2010-11
<b>Retiring Gratuity</b>					
Defined benefit obligation	<b>(1,071.72)</b>	(1,138.48)	(1,076.60)	(965.94)	(973.09)
Plan assets	<b>745.69</b>	821.23	769.55	680.44	744.87
Surplus/(deficit)	<b>(326.03)</b>	(317.25)	(307.05)	(285.50)	(228.22)
Experience adjustment on plan liabilities - gain/(loss)	<b>(57.46)</b>	(55.01)	(40.91)	(78.10)	(170.99)
Experience adjustment on plan assets - gain/(loss)	<b>(23.20)</b>	(13.36)	30.39	(0.77)	11.01
<b>Medical</b>					
Defined benefit obligation	<b>(643.91)</b>	(548.43)	(505.79)	(494.02)	(449.47)
Plan assets	-	-	-	-	-
Surplus/(deficit)	<b>(643.91)</b>	(548.43)	(505.79)	(494.02)	(449.47)
Experience adjustment on plan liabilities - gain/(loss)	<b>0.58</b>	(70.48)	(15.99)	13.02	(34.28)
Experience adjustment on plan assets - gain/(loss)	-	-	-	-	-
<b>Pension to Retired Directors</b>					
Defined benefit obligation	<b>(254.27)</b>	(188.18)	(190.73)	(152.86)	(145.73)
Plan assets	-	-	-	-	-
Surplus/(deficit)	<b>(254.27)</b>	(188.18)	(190.73)	(152.86)	(145.73)
Experience adjustment on plan liabilities - gain/(loss)	<b>(18.34)</b>	(50.90)	(42.43)	(19.61)	(2.85)
Experience adjustment on plan assets - gain/(loss)	-	-	-	-	-
<b>Leave</b>					
Defined benefit obligation	<b>(503.13)</b>	(432.67)	(453.44)	(455.28)	(443.10)
Plan assets	-	-	-	-	-
Surplus/(deficit)	<b>(503.13)</b>	(432.67)	(453.44)	(455.28)	(443.10)
Experience adjustment on plan liabilities - gain/(loss)	<b>4.04</b>	37.42	85.32	8.81	(32.93)
Experience adjustment on plan assets - gain/(loss)	-	-	-	-	-

## Notes forming part of the Financial Statements as at 31st March, 2015

### Note 17: Segment disclosures

Rupees in lakhs

Note 17(1): Primary Segment-Business	Roll	Pig Iron	Ingot	Engg Forgings	Un-allocable	Total
<b>REVENUE</b>						
External Sales (Net of excise duty)	11656 (11956)	1562 (2443)	1978 (2337)	746 (1006)	125 (20)	16067 (17762)
Inter segment Revenue		-313 (-427)	-1453 (-2053)			-1766 (-2480)
Total Revenue	11656 (11956)	1249 (2016)	525 (284)	746 (1006)	125 (20)	14301 (15282)
<b>RESULTS</b>						
Segment result	-3849 (-2991)	175 (556)	-408 (-574)	-812 (-1378)	-45 (-71)	-4939 (-4458)
Profit from operation	-3849 (-2991)	175 (556)	-408 (-574)	-812 (-1378)	-45 (-71)	-4939 (-4458)
Income from Investment					- (-)	- (-)
Interest Expenses (Net)					-1029 (-1132)	-1029 (-1132)
Profit Before Tax & Extra-ordinary/Exceptional item						-5968 (-5590)
Exceptional Item					-794 (-1914)	-794 (-1914)
Profit before Tax						-6762 (-7504)
Tax						- (-)
Profit after Tax						-6,762 (-7504)
<b>OTHER INFORMATION</b>						
Segment Assets	18,116 (17,894)	2,480 (1,048)	3,668 (3,414)	3,378 (3,568)	131 (2,504)	27,773 (28,428)
Total Assets	18,116 (17,894)	2,480 (1,048)	3,668 (3,414)	3,378 (3,568)	131 (2,504)	27,773 (28,428)
Segment Liabilities	7,498 (7,736)	1,609 (722)	1,201 (1,594)	2,117 (2,958)	10,154 (9,719)	22,579 (22,729)
Total Liabilities	7,498 (7,736)	1,609 (722)	1,201 (1,594)	2,117 (2,958)	10,154 (9,719)	22,579 (22,729)
Capital Expenditure	338 (583)	1,291 (12)	45 (36)	72 (41)	1,006 (33)	2,752 (705)
Depreciation	818 (1,013)	105 (343)	127 (441)	251 (457)	4 (2)	1,305 (2,256)

Figures in brackets are for previous year.

## Notes forming part of the Financial Statements as at 31st March, 2015

### Note 17: Segment disclosures( Contd.)

Rupees in lakhs

	2014-15	2013-14
<b>Note 17(2): Secondary Segment-Geography</b>		
<b>Note 17(2)(a): Revenue by Geographical market</b>		
India	12,972	12,894
Outside India	1,329	2,388
	<u>14,301</u>	<u>15,282</u>
<b>Note 17 (2)(b): Capital expenditure incurred</b>		
India	2,752	705
Outside India	-	-
	<u>2,752</u>	<u>705</u>
<b>Note 17 (2)(c): Carrying amount of Segment Assets</b>		
India	27,773	28,428
Outside India	-	-
	<u>27,773</u>	<u>28,428</u>

Notes:

- The company has disclosed Business Segment as the primary segment. Segments have been identified taking into account the nature of products, the differing risks and returns, the organizational structure and internal reporting system. The company's operations predominantly relate to manufacture of Rolls, Pig Iron, Ingots and Engineering Forgings.
- Segment revenue, segment results, segment assets and segment liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis. The expenses, which are not directly relatable to the business segments, are shown as unallocated cost. Assets & Liabilities that cannot be allocated between segments are shown as unallocated assets & liabilities respectively.
- Transaction between segments are primarily for materials which are transferred at market determined price and common costs are apportioned on a reasonable basis.

### Note 18: Related party disclosures

Rupees in lakhs

Nature of transactions	Holding Company	Fellow Subsidiaries	Key Managerial Personnel	Total
<b>Purchase of Goods</b>				
Tata Steel Limited	1,037.37 (1,349.58)			1,037.37 (1,349.58)
Tata Steel Limited-Internal Consumption of Pig iron	761.80 (840.81)			761.80 (840.81)
Tata-Metaliks Di Pipes		52.44 (-)		52.44 (-)
Tata Sponge Iron Ltd		87.40 (20.55)		87.40 (20.55)
	1,799.17 (2,190.39)	139.84 (20.55)		1,939.01 (2,210.94)
<b>Sale of Goods</b>				
Tata Steel Limited	3,131.88 (3,640.08)			3,131.88 (3,640.08)
Tata Steel Europe		967.86 (1,327.89)		967.86 (1,327.89)
Indian Steel & Wire Products Limited		13.31 (70.98)		13.31 (70.98)
Tinplate Company of India Ltd		286.67 (364.00)		286.67 (364.00)

## Notes forming part of the Financial Statements as at 31st March, 2015

### Note 18: Related party disclosures (Contd.)

Rupees in lakhs

Nature of transactions	Holding Company	Fellow Key Subsidiaries	Key Managerial Personnel	Total
	<b>3,131.88</b> (3,640.08)	<b>1,267.84</b> (1,762.87)		<b>4,399.72</b> (5,402.95)
<b>Receiving of Services</b>				
Tata Steel Limited	<b>475.82</b> (405.11)			<b>475.82</b> (405.11)
TKM Global Logistics Limited		<b>201.93</b> (181.99)		<b>201.93</b> (181.99)
Jamshedpur Utilities Services Company		<b>1,540.00</b> (1,820.75)		<b>1,540.00</b> (1,820.75)
Tata Martrade International Logistics Ltd		- (2.49)		- (2.49)
	<b>475.82</b> (405.11)	<b>1,741.93</b> (2,005.23)		<b>2,217.75</b> (2,410.35)
<b>Rendering of Services</b>				
Tata Steel Limited - Conversion Account	<b>1,183.88</b> (1,776.38)			<b>1,183.88</b> (1,776.38)
Tata Steel Limited - Conversion Account - Coke reimbursement	- (127.23)			- (127.23)
	<b>1,183.88</b> (1,903.61)			<b>1,183.88</b> (1,903.61)
<b>Interest Income</b>				
Jamshedpur Utility Services Company		<b>6.28</b> (5.67)		<b>6.28</b> (5.67)
<b>Interest Expenses</b>				
Tata Steel Limited	- (76.07)			- (76.07)
<b>Management Contracts including deputation of employees</b>				
Tata Steel Ltd - Services received	<b>18.32</b> (-)			<b>18.32</b> (-)
The Indian Steel & Wire Products Limited, Ex- Director		<b>7.26</b> (-)		<b>7.26</b> (-)
	<b>18.32</b> (-)	<b>7.26</b> (-)		<b>25.57</b> (-)
<b>Advance</b>				
Tata Steel Limited (MBF)	<b>1,006.89</b> (-)			<b>1,006.89</b> (-)
<b>Short Term Loan</b>				
Tata Steel Limited (ICD)	- (3,300.00)			- (3,300.00)
<b>Issue of Preference Shares</b>				
Tata Steel Limited	<b>6,300.00</b> (8,700.00)			<b>6,300.00</b> (8,700.00)
	<b>6,300.00</b> (8,700.00)			<b>6,300.00</b> (8,700.00)



## Notes forming part of the Financial Statements as at 31st March, 2015

### Note 18: Related party disclosures (contd.)

Rupees in lakhs

Nature of transactions	Holding Company	Fellow Subsidiaries	Key Managerial Personnel	Total
<b>Outstanding Receivables</b>				
Tata Steel Limited	<b>503.19</b> (437.18)			<b>503.19</b> (437.18)
Indian Steel & Wire Products Limited		<b>5.87</b> (1.43)		<b>5.87</b> (1.43)
Tata Steel Europe		<b>246.08</b> (619.74)		<b>246.08</b> (619.74)
Tinplate Company of India Ltd		<b>24.61</b> (40.60)		<b>24.61</b> (40.60)
Tata Martrade International Logistics Ltd		- (1.19)		- (1.19)
Tata Steel, Sales Office (Burmamines)	<b>6.89</b> (2.75)			<b>6.89</b> (2.75)
Tata Steel Limited (Tube -Division)	<b>0.17</b> (0.17)			<b>0.17</b> (0.17)
Tata-Metaliks Di Pipes	<b>1.94</b> (-)			<b>1.94</b> (-)
	<b>510.25</b> (440.10)	<b>278.50</b> (662.96)		<b>788.75</b> (1,103.06)
<b>Deposits Given</b>				
Jamshedpur Utilities Services Company		<b>70.00</b> (70.00)		<b>70.00</b> (70.00)
Jamshedpur Utilities Services Company (Interest)		<b>6.28</b> (5.67)		<b>6.28</b> (5.67)
		<b>76.28</b> (75.67)		<b>76.28</b> (75.67)
<b>Outstanding Payables</b>				
Tata Steel Limited	<b>267.91</b> (240.05)			<b>267.91</b> (240.05)
Tata Steel Limited- Advance received	<b>1,500.00</b> (1,500.00)			<b>1,500.00</b> (1,500.00)
Tata Steel Limited- Advance received (MBF)	<b>1,006.89</b> (-)			<b>1,006.89</b> (-)
Tata Steel Limited- Material taken on Loan	<b>100.46</b> (100.46)			<b>100.46</b> (100.46)
Indian Steel & Wire Products Limited - Ex Director		<b>3.02</b> (10.66)		<b>3.02</b> (10.66)

## Notes forming part of the Financial Statements as at 31st March, 2015

### Note 18: Related party disclosures (contd.)

Rupees in lakhs

Nature of transactions	Holding Company	Fellow Subsidiaries	Key Managerial Personnel	Total
<b>Outstanding Payables (Contd.)</b>				
TKM Global Logistics Limited		20.32 (37.86)		20.32 (37.86)
Tata Sponge Iron Ltd		8.40 (-)		8.40 (-)
Jamshedpur Utilities Services Company		89.85 (100.42)		89.85 (100.42)
	2,875.26 (1,840.51)	121.59 (148.94)		2,996.85 (1,989.45)
<b>Issue of Preference Shares</b>				
Tata Steel Limited	21,500.00 (15,200.00)			21,500.00 (15,200.00)
Yodogawa Steel Works Limited	2,000.00 (2,000.00)			2,000.00 (2,000.00)
	23,500.00 (17,200.00)			23,500.00 (17,200.00)
<b>Mr K S Marar ( Managing Director)</b>			39.99 (35.36)	39.99 (35.36)
<b>Mr Hydeashwar Jha</b>			- (50.15)	- (50.15)
			39.99 (85.51)	39.99 (85.51)
<b>Note:</b>	Figure in bracket are for the previous year			

### Note 19: Earnings (Loss) Per Share (EPS) :

Rupees in lakhs

	2014-15	2013-14
Loss After Tax	(6,762.07)	(7,504.44)
Weighted average number of ordinary shares for Basic/Diluted EPS	1,02,60,935	1,02,60,935
Nominal value of Shares	Rs. 10	Rs. 10
Basic and diluted EPS	Rs. (65.90)	Rs. (73.14)

### Note 20: Deferred Tax :

Rupees in lakhs

	31.03.2015	31.03.2014
Deferred Tax Liability (Net) consists of		
a) Book/Tax depreciation difference	(733.83)	(890.94)
b) Provision for LTC & others	23.54	53.09
c) Employee Benefits	159.13	150.60
d) Amortization of Deferred Expenditure	(13.68)	(19.25)
e) Carry forward of business loss (restricted to the extent of deferred tax liability)	564.84	706.50
<b>Deferred Tax Assets / Liability</b>	<b>-</b>	<b>-</b>

## Notes forming part of the Financial Statements as at 31st March, 2015

### Note 21: Disclosure under AS-29 of ICAI

Rupees in lakhs

In accordance with the Accounting Policy and AS-29, provision has been made for estimated warranty liability in respect of rolls sold to customers. Details are as follows :		2014-15	2013-14
1.	Provision as at 1st April, 2014	619.12	509.78
2.	Provision made during the year	644.85	533.19
3.	Deduct : Claims settled during the year	(549.68)	(423.85)
4.	Provision as at 31st March, 2015	714.29	619.12

**Note 22:** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Signature to Notes 1 to 22

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

For and on behalf of the Board

**Abhijit Bandyopadhyay**  
Partner

**K. SHANKAR MARAR**  
Managing Director  
DIN: 06656658

**ANAND SEN**  
Chairman  
DIN: 00237914

Kolkata, 21st April, 2015

**PRASHANT KUMAR**  
Company Secretary

**SURESH PADMANABHAN**  
Dy. Chief Financial Officer

## FINANCIAL STATISTICS

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



## NOTES



## NOTES



## NOTES



## NOTES



TAYO ROLLS



## NOTES



Sapling distribution







*Green Tayo* 🌸

**TAYO ROLLS LIMITED**

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