INDEPENDENT AUDITOR'S REPORT

To The Members of Jamshedpur Continuous Annealing & Processing Company Private Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Jamshedpur Continuous Annealing & Processing Company Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

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

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

Auditor's Responsibility

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 30 to Ind AS 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.

iv. The Company did not have any holdings or dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016- Refer Note 37 to Ind AS financial statements.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Abhijit Bandyopadhyay
Partner
(Membership No. 054785)

Place: Kolkata
Date: April 26, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of Jamshedpur Continuous Annealing & Processing Company Private Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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

Abhijit Bandyopadhyay
Partner
(Membership No. 054785)

Place: Kolkata
Date: April 26, 2017

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) **(**a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) In respect of immovable properties of self-constructed buildings on leasehold land which are disclosed as fixed assets in the financial statements, the land lease agreement is in the name of the Company, where the Company is the lessee in the agreement.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) The Company has not granted any loans, made investments or provide guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie,* the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, , Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.

(c) There are no dues of Income tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax as on March 31, 2017 on account of disputes.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.

(ix) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

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

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

Place: Kolkata
Date: April 26, 2017

Abhijit Bandyopadhyay
Partner
(Membership No. 054785)

Jamshedpur Continuous Annealing and Processing Company Private Limited

Balance Sheet as at 31st March, 2017 | **In Rs Lakhs**

Particulars	Note	Figures as at 31.03.2017	Figures as at 31.03.2016	Figures as at 1.04.2015
ASSETS				
(1) **Non-current assets**				
(a) Property, Plant & Equipment	03	204,679.94	215,233 72	225,584 50
(b) Capital work-in-progress		597 29	184 98	96 79
(c) Other Intangible assets	04	3,675.16	4,407.66	4,944.80
(d) Financial Assets				
(i) Bank Deposits		1 00	1 00	170 00
(ii) Interest Accrued on FD		0.16	0.08	7 06
(iii) Swap Receivables		5,286 85	9,245.31	3 668.37
(e) Other non current assets	05	710.65	667.30	3,376.74
Total Non Current Assets		**215,357.07**	**229,740.03**	**237,826.26**
(2) **Current assets**				
(a) Inventories	06	16,083 66	6,611.60	1,068.34
(b) Financial Assets				
(i) Current Investments	07	-	-	1,080.42
(ii) Trade receivables	08	9,400 37	3,333.31	660.03
(iii) Interest Accrued on FD		0.02	0.02	16.49
(iv) Cash and cash equivalent	09	1,474 38	3,594.09	14,081.06
(v) Swap Receivables		1,057 44	1,540.89	523.77
(vi) Unbilled revenue		121.97	72.28	75.28
(c) Other Current Assets	10	1,274.83	5,324.24	4,566.64
Total Current Assets		**29,412.87**	**20,476.43**	**23,095.73**
Total Assets		**244,769.94**	**250,216.46**	**260,921.99**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	11	93,200.00	93,200.00	87,400.00
(b) Other Equity	12	(46,003 59)	(26,013 13)	(3,132 61)
Total Equity		**47,196.41**	**67,186.87**	**84,267.39**
Liabilities				
(1) **Non -current liabilities**				
(a) Financial Liabilities				
(i) Borrowings	13	138,627.57	137,109 89	133,156.76
(ii) Deferred Liability		15,364 32	15,364.32	15,364.32
(b) Provisions	14	261.30	167.40	128.59
Total Non- Current Liability		**154,253.19**	**152,641.60**	**148,649.67**
(2) **Current liabilities**				
(a) Financial Liabilities				
(i) Borrowings	13	9,956.53	2,627.59	-
(ii) Trade Payables				
Due to Micro, Small & Medium Enterprises	15	32.04	4.78	-
Dues to creditors other than Micro, Small Medium Enterprises	15	6,754.74	1,846 24	751.90
(iii) Other Financial Liabilities	16	24,979.24	25,232 61	26,909.97
(b) Other current liabilities	17	1,593 24	674.17	251.82
(c) Provisions	14	4 55	2.70	1 24
Total Current Liability		**43,320.34**	**30,388.09**	**28,004.93**
Total Equity and Liabilities		**244,769.94**	**250,216.46**	**260,921.99**
See accompanying notes to financial statement	1 & 2			

In terms of our report attached

For and on behalf of the Board of Directors

Hideki Ogawa
Chairman

R. Manoranjan
Company Secretary

Dibyendu Dutta
Director

For Deloitte Haskins & Sells
Chartered Accountants

Abhijit Bandyopadhyay
Partner

Pratik Chatterjee
Chief Financial Officer

C.V. Sastry
Managing Director

Kolkata, 26 April, 2017

Deloitte Haskins & Sells Chartered Accountants

Jamshedpur Continuous Annealing & Processing Company Private Limited

Jamshedpur Continuous Annealing and Processing Company Private Limited

Statement of Profit and Loss for the year ended 31st March, 2017

In Rs Lakhs

		Particulars	**Note**	**Figures for the period ended 31.03.2017**	**Figures for the period ended 31.03.2016**
I		**REVENUE**			
	(a)	Revenue from operations	18	67,484.02	20,579.80
	(b)	Other Income	19	16.11	445.38
		Total Revenue		**67,500.13**	**21,025.18**
II		**EXPENSES**			
	(a)	Cost of raw materials consumed	20	42,481.19	9,954.03
	(b)	Changes in Inventories of finished goods	21	(8,012.86)	(3,920.69)
	(c)	Excise duty on sale of goods		6,877.13	1,343.51
	(d)	Employee benefit expense	22	2,383.19	2,115.19
	(e)	Finance costs	23	14,566.02	12,991.55
	(f)	Depreciation and amortisation expenses	0304	11,419.10	11,395.85
	(g)	Other expenses	24	17,753.27	10,036.39
		Total Expenses		87,467.04	43,915.83
III		**Profit/(loss) before tax (I -II)**		**(19,966.91)**	**(22,890.65)**
IV		Tax Expense			
		Current tax		-	-
		Deferred Tax		-	-
V		**Profit/(loss) after tax (III-IV)**		**(19,966.91)**	**(22,890.65)**
VI		**Other Comprehensive Income**			
		A (i) Items that will not be reclassified to profit or loss			
		(a) Remesauremnt of defined benefit plan		(23.55)	10.13
		(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
		B (i) Items that will be reclassified to profit or loss		-	-
		(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
VII		**Total Comprehensive Income**		(19,990.46)	(22,880.52)
VIII		Earnings per equity share:			
		(1) Basic earnings in Rs.		(2.14)	(2.47)
		(2) Diluted earnings in Rs.		(2.14)	(2.47)

See accompanying notes to financial statement — 1 & 2

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

Hideki Ogawa
Chairman

R. Manoranjan
Company Secretary

Dibyendu Dutta
Director

Abhijit Bandyopadhyay
Partner
Kolkata, 26 April, 2017

Pratik Chatterjee
Chief Financial Officer

C.V. Sastry
Managing Director

Jamshedpur Continuous Annealing and Processing Company Private Limited

Statement of Cash Flow for the period ended March, 31 2017

In Rs Lakhs

		Figures for the period ended 31.03.2017		Figures for the period ended 31.03.2016
A. Cash Flow from Operating activities:				
Profit before taxes		(19,966.91)		(22,890.65)
Adjustments for:				
Depreciation	11,419.10		11,395.85	
Interest Income	(1.36)		(417.90)	
(P)/L on sale of Investments	(0.28)		(3.74)	
Amortisation of loan processing charges	251.49		264.08	
Finance costs	14,314.53		12,727.47	
Change in fair value	1,003.83		(216.82)	
Revaluation of foreign currency liability and MTM	(5.20)		1.98	
		26,982.12		23,750.92
Operating profit before working capital changes		7,015.21		860.27
Adjustments for:				
(Increase)/ Decrease in Trade and Other Receivables	(6,067.08)		(2,472.48)	
(Increase)/ Decrease in Inventories	(9,472.20)		(4,723.26)	
Increase/ (Decrease) in Trade and Other Payables	6,120.47		1,530.25	
(Increase)/ Decrease in Loan and Advances and Other Current Assets	4,183.23		2,346.37	
		(5,235.62)		(3,319.12)
Cash generated from operations		1,779.59		(2,458.85)
Tax deducted at source		(177.41)		(218.82)
Net cash from Operating activities		1,602.18		(2,677.67)
B. Cash Flow from Investing activities:				
Purchase of Fixed Assets including Capital Advances	(2,755.56)		(5,613.01)	
Sale of Current Investments	0.28		1,084.16	
Interest Income	1.25		443.36	
		(2,754.03)		(4,085.47)
C. Cash Flow from Financing activities:				
Proceeds from Long Term borrowings	24,900.00		18,500.00	
Proceeds from Short-Term borrowings	7,328.94		2,627.59	
Repayment of Long Term Loan	(16,220.17)		(15,729.57)	
Issue of Equity Capital			5,600.00	
Finance Costs	(14,689.55)		(12,619.98)	
Swap premium	(0.08)		(0.08)	
Loan Processing Cost	(268.00)		(93.70)	
		(967.86)		(3,724.73)
Net Increase/ (decrease) in cash or cash equivalents: (A+B+C)		(2,119.71)		(10,487.87)
Cash and cash equivalents at the beginning of the period		3,594.09		14,081.96
Cash and cash equivalents at the end of the period		1,474.38		3,594.09
* Comprises:				
(a) Cash in hand				
(b) Balances with banks:				
- In current accounts		1,439.40		3,573.78
- In deposit accounts		2.22		2.10
- cheques in hand		32.76		18.21
		1,474.38		3,594.09

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 Deloitte Haskins & Sells
Chartered Accountants

Abhijit Bandyopadhyay
Partner

Kolkata, 26 April, 2017

For and on behalf of the Board of Directors

R. Manoranjan
Company Secretary

Pratik Chatterjee
Chief Financial Officer

Hideki Ogawa
Chairman

Dibyendu Dutta
Director

C.V. Sastry
Managing Director

Deloitte Haskins & Sells Chartered Accountants

Jamshedpur Continuous Annealing & Processing Company Private Limited

Jamshedpur Continuous Annealing & Processing Company Private Limited

Statement of Changes in Equity for the period ended 31.03.2017

In Rs. Lakhs

A. Equity Share Capital

Balance at April 1, 2015	87,400
Change in Equity Share Capital	5,800
Balance at March 31, 2016	93,200
Change in Equity Share Capital	-
Balance at March 31, 2017	93,200

B. Other Equity

Particulars	Share Application money pending allotment	Equity component of compound financial instruments	Reserve and Surplus: Capital Reserve	Reserve and Surplus: Securities Premium Reserve	Reserve and Surplus: Retained Earnings	Debt instruments through Other Comprehensive Income	Equity instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedge	Revaluation Surplus	Exchange Difference on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (Refer note no 27)	Money Received against Share Warrants
Balance as at 1.04.2015	-	-	-	-	(3,132.61)	-	-	-	-	-	-	-
Fair value change	-	-	-	-	-	-	-	-	-	-	-	-
Remeasurement of defined benefits	-	-	-	-	-	-	-	-	-	-	10.13	-
Profit/(Loss) of the year	-	-	-	-	(22,890.65)	-	-	-	-	-	-	-
Balance as at 31.03.2016	-	-	-	-	(26,023.26)	-	-	-	-	-	10.13	-
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-
Remeasurement of defined benefits	-	-	-	-	-	-	-	-	-	-	(23.55)	-
Profit/(Loss) of the year	-	-	-	-	(19,966.91)	-	-	-	-	-	-	-
Balance as at 31.03.2017	-	-	-	-	(45,990.17)	-	-	-	-	-	(13.42)	-

Continuous Annealing & Processing Co. Pvt. Ltd. JAMSHEDPUR

Deloitte Haskins & Sells Chartered Accountants

Notes to Balance Sheet and Statement of Profit and Loss -

1. Corporate Information

Jamshedpur Continuous Annealing & Processing Company Private Limited is a deemed Public Company incorporated in India with its registered office in Kolkata, West Bengal, India.

The company engaged in the manufacture of Automotive and Nonautomotive CRCA Steel.

The functional and presentation currency of the Company is Indian Rupee("INR") which is the currency of the primary economic environment in which the Company operates.

2. Significant Accounting Policies

(a) Statement of Compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015. Upto the year ended March, 2016 the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS in April 1, 2015. Refer note 35 for the details of first time adoption exemptions availed by the Company.

(b) Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the prices that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; regardless of whether that prices is directly observable or estimated using another valuation technique.

(c) Property, Plant and Equipment

i. Tangible Assets –

Tangible assets (including Capital Work in progress)are stated at cost less accumulated depreciation and accumulated impairment losses, if any . 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. Freehold land, if any , is not depreciated.

An item of property, plant and equipment is derecognised upon it's disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss on disposal of property , plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset is recognised in the statement of profit and loss.

ii. Intangible Assets -

Intangible assets are recorded at cost less accumulated amortization and accumulated impairment losses, if any. 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. The management believes that these useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used .*

The estimated residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at the end of each reporting period and adjusted prospectively.

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(e) Financial Instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity . Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instruments.

i. Financial Assets

Initial recognition and measurement

All Financials assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

For the purposes of subsequent measurement, Financial Assets of the company are measured either at amortised cost or at fair value depending on the classification of the financial assets.

(I) Debt instruments that meet the following condition are subsequently measured at amortised cost:

(i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows , and

(ii)Contractual terms of the asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding .

All Debt instruments, not meeting the criteria for categorisation at amortised cost or fair value through other comprehensive income is carried at fair value through profit & loss FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit and Loss account.

ii. Financial Liabilities

Initial recognition and measurement

Financial Liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss.

All financial liabilities are recognised initially at fair value and in case of loans and borrowings and payables, net of directly attributable transaction costs .The company's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments.

Trade and Payables

Trade and other payables are initially measured at fair value, net of transactions cost, and are subsequently measured at amortised cost, using the effective interest rate method where time value of money is significant.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised costs using the Effective Interest rate (EIR method). Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance cost in the statement of profit and loss.

(f) Foreign Currency Transactions

Transactions in currencies other than the entity functional currency 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.

Exchange differences arising on the retranslation or settlement of monetary currency items are included in the statement of profit and loss for the period.

The Company uses derivative financial instruments , such as forward currency contracts , cross currency swaps to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value , Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative . Any gains or losses arising from changes in the fair value of derivatives are taken directly to the statement of Profit and Loss.

(g) Investment

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

(h) 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 activities is recognized as and when service for those activities is completed.

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

(i) Inventories

Raw Materials purchased and Finished goods produced are valued at lower of cost and net realizable value. Cost comprises direct materials and where applicable, labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value is the price at which the inventories can be realised in the normal course of business after allowing for the cost of conversion from their existing state to a finished condition and for the cost of marketing, selling and distribution.

Store and spare parts are carried at cost.

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(j) Employee's benefits

(i) Retirement benefit costs and termination benefits

Payment to defined contribution retirement plans in the form of Provident fund & ESI are recognised as an expense when an employee renders the related service entitling them to the contributions. The Company has no obligation other than the contribution payable to the Provident fund & ESI.

For defined benefit retirement benefit plans in the form of Gratuity , the cost of providing benefits is determined using the Projected unit credit method . Separate actuarial valuations are carried out at the end of each annual reporting period . Re-measurements, comprising actuarial gain and losses, and the return on plan assets (excluding net interest),is reflected immediately in the balance sheet with charge or credit recognised in Other Comprehensive Income (OCI) in the period in which they occur. Re-measurements recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss .

Net Interest is calculated by applying the discount rate to the net defined benefit liability or asset .

(ii) Short term and other Long term employee benefits

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

Liabilities recognised in respect of other long-term employees benefits like Leave encashment are measured at the present value of the estimated future cash outflow expected to be made by the company in respect of services provided by employees up to the reporting date.

(k) Borrowing Cost

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowing. (i) Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as a part of cost of the assets. (ii) Fees towards structuring / arrangements and underwriting and other incidental costs incurred in connection with borrowings are amortized over the period of the loan using the effective interest method . (iii) All other borrowing costs are recognised in the statement of profit and loss in which they are incurred.

(l) Provision for Tax and Deferred Tax

(i) Current Tax

The tax currently payable is based on taxable profit for the year. 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. Taxable profit differ from 'profit before tax ' as reported in the consolidated statements of profit and loss because of items of income or expense that are taxable or deductible in other years and item that are never taxable or deductible. The company's current tax ,if applicable , is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary difference.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

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

(m) 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. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. If the effect of time value of money is material , provision are discounted using a current pre tax rate that reflects the risks specific to the liability . When discounting is used , the increase in the provision due to the passage of time is recognised as a finance cost . Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

(n) Contingent Liability:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence and non occurrence of one or more uncertain events, beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resource will be required to settle the obligation. The company does not recognise a contingent liability but disclose its existence in the financial statements.

(o) Segment Reporting

Operating Segment:

The company is engaged in the sole business of manufacturing of CRCA steel, which in the context of Ind - AS 108 " Operating Segments" is the only business activity which the company is engaged in . Hence the company reports its financial information for its only operating segment and business activity

(p) Cash and Cash Equivalents

Cash and Cash Equivalents in the balance sheet comprise of Cash at banks , in hand and short term deposits with an original maturity of three months or less , which are subject to an insignificant risk of changes in value .

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In Rs Lakhs

03 - Property, Plant & Equipment

Particulars	Building	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipments	Roads	Railway Sidings	Total Assets
Gross Block at 1.4.2015 (Deemed Cost)	25,132.30	199,310.16	176.52	24.46	427.31	902.51	586.20	226,559.46
Additions during the period	104.41	194.17	41.82	-	8.33	43.29	77.54	469.56
Deduction during the period	-		-	-	(2.03)	-	-	(2.03)
Gross Block at 31.3.2016	25,236.71	199,504.33	218.34	24.46	433.61	945.80	663.74	227,026.98
Additions during the period	24.47	170.24	13.13	-	206.93	1.88	40.82	457.47
Deduction during the period	-		-	-	(0.37)	-	-	(0.37)
Gross Block at 31.03.2017	25,261.18	199,674.57	231.47	24.46	640.17	947.68	704.56	227,484.08
	-	-	-	-	-	-	-	
Accumulated Depreciation at 1.4.2015	71.93	733.75	64.72	1.63	104.62	15.04	3.26	994.95
Depreciation during the period	625.30	9,616.46	46.02	4.89	75.11	189.31	41.56	10,798.65
Depreciation on assets written off during the year	-	-	-	-	(0.34)	-	-	(0.34)
Accumulated Depreciation at 31.03.2016	897.23	10,350.21	110.74	6.52	179.39	204.35	44.82	11,793.26
Depreciation during the period	827.11	9,627.11	17.71	4.89	97.84	189.79	46.72	10,811.17
Depreciation on assets written off during the year					(0.29)			(0.29)
Accumulated Depreciation at 31.03.2017	1,724.34	19,977.32	128.45	11.41	276.94	394.14	91.54	22,604.14
	-	-	-	-	-	-	-	
Net book value								
At 31.03.2017	23,536.84	179,697.25	103.02	13.04	363.23	553.54	613.02	204,879.94
At 31.03.2016	24,339.48	189,154.12	107.60	17.93	254.22	741.45	618.92	215,233.72
At 01.04.2015	25,060.37	198,576.41	111.80	22.82	322.69	887.47	582.94	225,564.50

(i) included in the carrying value of property, plant and equipment are assets amounting to Rs. 204,879.44 Lakh (2016: Rs. 215,233.72 Lakh, 2015: 225,564.50 Lakh) which are pledged as collateral against borrowings. Refer note 13 (III).

04 - Other Intangible Assets

In Rs Lakhs

Particulars	Software Costs	Technological Licences	Total
Gross Block at 1.4.2015 (Deemed Cost)	1,399.47	3,680.37	5,079.84
Additions during the period	17.34	42.71	60.05
Gross Block at 31.3.2016	1,416.81	3,723.08	5,139.89
Additions during the period	75.44	-	75.44
Gross Block at 31.03.2017	1,492.25	3,723.08	5,215.33
Accumulated amortisation at 1.4.2015	104.37	30.67	135.04
Amortisation during the period	224.85	372.34	597.19
Accumulated amortisation at 31.3.2016	329.22	403.01	732.23
Amortisation during the period	235.59	372.34	607.93
Accumulated amortisation at 31.03.2017	564.81	775.35	1,340.15
Net book value			
At 31.03.2017	927.44	2,947.73	3,875.18
At 31.03.2016	1,087.59	3,320.07	4,407.66
At 01.04.2015	1,295.10	3,649.70	4,944.80

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In Rs Lakhs

05 - Other Non Current Assets

		As at 31-Mar-2017	As at 31-Mar-2016	As at 1-Apr-2015
(I)	Capital advances	55.45	-	6.39
(II)	Advances other than capital advances			
	(a) Security Deposits	0.75	0.25	-
	(b) Advance with public bodies	112.49	296.50	3,218.62
	(c) Advance Income tax (net of provision)	547.96	370.55	151.73
Total Long Term Loans And Advances		**716.66**	**667.30**	**3,376.74**

06 - Inventories

		As at 31-Mar-2017	As at 31-Mar-2016	As at 1-Apr-2015
(I)	Raw Materials (at lower of cost and net realisable value)	557.68	321.95	306.86
(II)	Finished Goods (at lower of cost and net realisable value)	12,819.29	4,806.43	885.74
(III)	Stores and spares (at cost)	2,706.89	1,483.22	695.74
Total Inventory		**16,083.86**	**6,611.60**	**1,888.34**

i. During the year an amount of Rs, 65.39 Lakh (2016:Rs. 32.67 Lakh)has been recognised in the statement of profit or loss in respect of writedown of inventory to net realisable value.

07 - Current Investments

		As at 31-Mar-2017	As at 31-Mar-2016	As at 1-Apr-2015
(I)	Fair value through statement of profit & loss (Investment in unquoted liquid Mutual Funds)	-	-	1,080.42
Total Current Investments		-	-	**1,080.42**

08 - Trade Receivables

		As at 31-Mar-2017	As at 31-Mar-2016	As at 1-Apr-2015
(I)				
(i)	Secured, considered goods	-	-	-
(ii)	Unsecured, considered goods	9,400.37	3,333.31	860.83
(iii)	Doubtful	-	-	-
		9,400.37	**3,333.31**	**860.83**
(II) Impairment Allowance (allowance for bad and doubtful debts)				
(i)	Unsecured, considered goods	-	-	-
(ii)	Doubtful	-	-	-
Total Trade Receivables		**9,400.37**	**3,333.31**	**860.83**

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(III) List of customers who represent more than 5% of the total balance of Trade Receivables.

Hyundai Steel India Private Limited	2,162.43	598.70	-
Mahindra Intratrade Limited	1,035.65	226.67	-
Mahindra CIE Automotive Limited	531.87	-	
Mahindra Auto Steel Private Limited	-	341.43	
Neel Metal Products Ltd.	1,088.77	326.14	-
Rasandik Engineering	679.85	-	-
Tata Steel Ltd	1,250.09	1,518.04	860.83
	6,748.66	**3,010.98**	**860.83**

(IV) Ageing of receivables:

Amounts not yet due	9,254.74	3,324.52	860.83
1-30 days past due	131.59	-	-
31-60 days past due	0.95	1.56	-
61-90 days past due	10.99	2.75	-
91-180 days past due	-	-	-
Greater than 181 days past due	2.10	4.48	-
	9,400.37	**3,333.31**	**860.83**

(V) Avarage credit period for the trade receivables is in the range of 30 - 35 days

09 - Cash and cash equivalent	**As at 31-Mar-2017**	**As at 31-Mar-2016**	**As at 1-Apr-2015**
(I) Balances with banks			
(a) In current accounts	1,439.40	3,573.78	3,638.13
(b) In deposit accounts	2.22	2.10	10,443.63
(II) Cheques in hand	32.76	18.21	-
Total Cash And Bank Balances	**1,474.38**	**3,594.09**	**14,081.96**

10 - Other Current Assets **(Unsecured, considered good)**	**As at 31-Mar-2017**	**As at 31-Mar-2016**	**As at 1-Apr-2015**
(I) Advances other than capital advances			
(a) Advance with public bodies	1,101.00	4,844.74	4,338.18
(b) Advance to related parties	27.18	-	-
(c) Other advances	146.65	329.57	106.29
(I) Others			
(a) Excise Duty recoverable	-	149.93	122.17
Total Other Current Assets	**1,274.83**	**5,324.24**	**4,566.64**

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Continuous Annealing & Processing Co. Pvt. Ltd. JAMSHEDPUR

In Rs Lakhs

11 - Equity Share Capital

Authorised Share Capital	No. of Shares	Amount in Rs. Lakh
As at 1.4.2015	950,000,000	95,000
Increase/(Decrease) during the year	-	-
As at 31.03.2016	950,000,000	95,000
Increase/(Decrease) during the year	-	-
As at 31.03.2017	950,000,000	95,000

Terms / rights attached to equity shares

The Company has only equity shares having a par 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.

Issued and Subscribed capital	No. of Shares	Amount in Rs. Lakh
Equity shares of Rs.10 each issued and subscribed		
As at 1.4.2015	874,000,000	87,400
Increase/(Decrease) during the year	58,000,000	5,800
As at 31.03.2016	932,000,000	93,200
Increase/(Decrease) during the year	-	-
As at 31.03.2017	932,000,000	93,200

Fully Paid Equity Capital	No. of Shares	Amount in Rs. Lakh
Equity shares of Rs.10 each issued, subscribed and fully paid		
As at 1.4.2015	874,000,000	87,400
Increase/(Decrease) during the year	58,000,000	5,800
As at 31.3.2016	932,000,000	93,200
Increase/(Decrease) during the year	-	-
As at 31.03.2017	932,000,000	93,200

(5,80,00,000 ordinary equity shares of face value of Rs 10 each allotted on 7th May, 2015 to the existing share holders in their present share holding ratio.)

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

	As at 31-March-2017		As at 31-Mar-2016	
Name of Shareholders	No of Shares	% of holding of equity shares	*No of Shares*	% of holding of equity shares
Tata Steel Limited (The Holding Company)	475,320,000	51%	*475,320,000*	51%
Nippon Steel & Sumitomo Metal Corporation	456,680,000	49%	*456,680,000*	49%
	932,000,000		*932,000,000*	

(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.

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in Rs Lakhs

12 - Other Equity	As at 31-Mar-2017	As at 31-Mar-2016	As at 1-Apr-2015
(i) Retained Earning			
Balance as per last account	(26,013.13)	(3,132.61)	(3,132.61)
Profit / (loss) for the period	(19,990.46)	(22,880.52)	-
Total Other Equity	(46,003.59)	(26,013.13)	(3,132.61)

13 - Borrowings	As at 31-Mar-2017	As at 31-Mar-2016	As at 1-Apr-2015
(i) Non Current Borrowings			
Secured Borrowings			
Term loan from banks and financial institutions	138,627.57	137,109.69	133,156.76
Total long Term Borrowings	138,627.57	137,109.69	133,156.76

(ii) Current Borrowings	As at 31-Mar-2017	As at 31-Mar-2016	As at 1-Apr-2015
Secured Borrowings			
Repayable on Demand from banks	7,956.53	2,627.59	-
Unsecured Borrowings			
Repayable on Demand from banks	2,000.00	-	-
Total Short Term Borrowings	9,956.53	2,627.59	-

(iii) Additional Information:

(i) Non Current Borrowings

A. Indian Rupee Loan from Punjab National Bank, amounting to Rs. 17,350 lakhs drawn till March 31, 2017 (31.03.2016 :Rs 19,850). The loan is repayable in 40 quarterly instalments commenced from 30th June, 2016. The loan is secured by first pari passu charge over all the Project Assets and Current Assets created by the Borrower by way of hypothecation in favour of the Security Trustee for the benefit of the Other Project Lenders.

B. Foreign currency loan (External Commercial Borrowing) from Japan Bank for International Cooperation and other lenders amounting to USD 95.20 Million equivalent to Rs. 61,743.80 lakhs is outstanding on March 31, 2017 (31.03.2016: USD 111.07 Million equivalent to Rs.73,586.64 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 is repayable in 16 semi-annual instalments commenced from 9th May, 2015. The loan is secured by first pari passu charge over all the Project Assets and Current Assets created by the Borrower by way of hypothecation in favour of the Security Trustee for the benefit of the Other Project Lenders. 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 65.25 Million equivalent to Rs. 42,317.89 Lakhs is outstanding on March 31, 2017 (31.03.2016 : USD 76.13 Million equivalent to Rs 50,434.72 Lakhs). The interest is payable semi-annually, commenced from 9th May, 2013. The Loan is repayable in 16 semi-annual instalments, commenced from 9th May, 2015. The loan is secured by first pari passu charge over all the Project Assets and Current Assets created by the Borrower by way of hypothecation in favour of the Security Trustee for the benefit of the Other Project Lenders.

D. Indian Rupee Loan from Kotak Mahindra Bank, amounting to Rs. 15,000 lakhs drawn till March 31, 2017 (31.03.2016 :Rs 13,500). The loan is repayable in 16 quarterly instalments commencing from 5th February, 2018. The loan is secured by first pari passu hypothecation charge to be shared with Multiple Banks/Term Lenders on Project Assets and Current Assets.

E. Indian Rupee Loan from Aditya Birla Finance Limited, Tata Capital Finance Service Ltd, EXIM Bank and South Indian Bank amounting to Rs. 23,400 lakhs drawn till March 31, 2017 (31.03.2016 :Rs NIL). The loan is repayable in 28 quarterly instalments commencing from 30th June, 2019. The loan is secured by first pari passu hypothecation charge to be shared with Multiple Banks/Term Lenders on Project Assets and Current Assets.

(ii) Current Borrowings

A. Cash Credit from Punjab National Bank, amounting to Rs. 7,956.53 lakhs taken till March 31, 2017 (31.03.2016 :Rs 2,627.59). This cash credit facility is secured through first charge on hypothecation of all items of inventory and book debts of the Company and second charge on Project Assets.

B. Short Term Loan from Mizuho Bank, amounting to Rs. 2,000.00 lakhs taken till March 31, 2017 (31.03.2016 :Rs NIL). This facility is unsecured.

(iii) The maturity of the gross borrowings of the Company at the end of period is as follows:

In one year or less or on demand	-	-	-
Between one and two years	22,843.61	20,892.34	19,21[illegible]
Between two and three years	24,388.61	22,917.34	19,213.84
Between three and four years	25,513.61	23,254.84	19,213.84
Between four and five years	24,873.61	24,267.34	19,213.84
More than 5 years	41,498.64	46,337.17	56,991.52
Total contractual cash flows	139,218.08	137,669.03	133,846.88
Less: Capitalisation of transactions cost	590.51	559.34	690.12
Total Long Term Borrowings	138,627.57	137,109.69	133,156.76
Total Short Term Borrowings	9,956.53	2,627.59	-
Total Current Maturity of Long Term Borrowing	20,415.52	19,509.57	16,497.42
Total Borrowings	168,999.62	159,246.85	149,654.18

(iv) The currency and interest exposure of borrowings of the Company at the end of the period are as follows .

INR			
Fixed	-	-	-
Floating	55,750.00	33,350.00	16,850.00
USD (In million)			
Fixed	-	-	-
Floating	160.45	187.19	213.94

(a) The floating rate borrowings in USD are bank borrowing bearing interest rate based on LIBOR with spread and the same has been hedged using cross currency interest rate swap.

JAMSHEDPUR

Chartered Accountants

In Rs Lakhs

14 - Provisions

	As at 31-Mar-2017	As at 31-Mar-2016	As at 1-Apr-2015
(I) Non Current Provisions			
Provision for employee benefits			
(a) Provision for gratuity	73.30	41.52	57.59
(b) Provision for compensated absence	188.00	125.97	71.00
	261.30	167.49	128.59
(II) Current Provisions			
Provision for employee benefits			
(a) Provision for gratuity	-	-	-
(b) Provision for compensated absence	4.55	2.70	1.24
	4.55	2.70	1.24
Total Provisions	265.85	170.19	129.83

15 - Trade Payables

	As at 31-Mar-2017	As at 31-Mar-2016	As at 1-Apr-2015
(a) Creditors for suppliers / services	6,546.11	1,659.51	592.85
(b) Creditors for accrued wages and salaries	240.67	191.51	159.05
Total Trade Payables	6,786.78	1,851.02	751.90

16 - Other Financial Liabilities

	As at 31-Mar-2017	As at 31-Mar-2016	As at 1-Apr-2015
(a) Current maturities of long-term borrowings (Refer note 13)	20,415.52	19,509.57	16,497.42
(b) Interest accrued but not due	1,509.82	1,204.67	965.56
(c) Forward Payable	102.17	3.61	18.23
(d) Creditors for capital supplies/services	2,759.80	4,514.76	9,518.76
(e) Financial Guarantee Contracts	191.93	-	-
Total Other Current Liabilities	24,979.24	25,232.61	26,999.97

17 - Other Current Liabilities

(a) Advance from customer	248.46	231.14	84.56
(b) Creditors for other liabilities	1,344.78	443.03	167.26
	1,593.24	674.17	251.82

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In Rs Lakhs

18 - Revenue From Operations

	Figures for the period ended 31.03.2017	Figures for the period ended 31.03.2016
(I) Sale of Products (including excise duty)	58,929.98	11,206.82
(II) Rendering of service	8,517.86	9,351.11
(II) Other Operating Income	36.18	21.87
Total Revenue From Operations	**67,484.02**	**20,579.80**

19 - Other Income

	Figures for the period ended 31.03.2017	Figures for the period ended 31.03.2016
(I) Interest income on bank deposit	1.35	417.90
(II) Net gain on sale of current investments	0.28	3.74
(III) Other Miscellaneous Income	14.48	23.74
Total Other Income	**16.11**	**445.38**

20 - Raw Material Consumed

	Figures for the period ended 31.03.2017	Figures for the period ended 31.03.2016
(I) Full hard cold rolled coils	42,481.19	9,954.03
Total Raw Materials Consumed	**42,481.19**	**9,954.03**

21 - Changes In Inventories Of Finished Goods

	Figures for the period ended 31.03.2017	Figures for the period ended 31.03.2016
Inventories at the end of the period		
(I) Finished goods	12,819.29	4,806.43
	12,819.29	4,806.43
Inventories at the beginning of the period		
(I) Finished goods	4,806.43	885.74
	4,806.43	885.74
Total Changes In Inventories	**8,012.86**	**3,920.69**

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In Rs Lakhs

22 - Employee Benefit Expense

		Figures for the period ended 31.03.2017	Figures for the period ended 31.03.2016
(I)	Salaries and wages, including bonus	2,190.10	1,963.76
(II)	Contribution to provident Funds & Other funds (Refer note 27)	117.23	107.17
(III)	Staff welfare expenses	75.86	44.26
Total Employee Benefit Expense		2,383.19	2,115.19

23- Finance Costs

		Figures for the period ended 31.03.2017	Figures for the period ended 31.03.2016
(I)	Interest expense		
	(a) On Long Term Borrowings	13,729.38	12,645.65
	(b) On Short Term Borrowings	502.33	81.82
(II)	Other borrowing costs	334.31	264.08
		14,566.02	12,991.55
Total Finance Costs		14,566.02	12,991.55

24 - Other Expenses

		Figures for the period ended 31.03.2017	Figures for the period ended 31.03.2016
(I)	Power and fuel	4,172.70	3,391.04
(II)	Rent	33.08	34.30
(III)	Rates and taxes	22.07	15.28
(IV)	Insurance charges	141.18	170.65
(V)	Consumption of Stores & Spares	1,476.43	1,307.68
(VI)	Operation & Maintenance Services	628.20	681.32
(VII)	Freight and handling charges	4,974.20	1,235.06
(VIII)	Roll grinding & texturing expenses	132.96	144.96
(IX)	Conversion charges	388.19	111.31
(X)	Excise duty	979.03	575.80
(XI)	Inspection, Testing & Analysis Charges	8.76	118.58
(XII)	Packing Charges	2,197.08	1,602.80
(XIII)	Repairs to machinery	434.77	176.80
(XIV)	Repairs to Building	24.61	18.22
(XIIV)	Others *	2,140.01	452.59
Total Other Expenses		17,753.27	10,036.39

	* Others include:		
(a)	(Gain) / Loss on cancellation of forwards, swaps and options	27.49	(12.45)
(b)	Net (gain) / loss on foreign currency transactions	(19.83)	4.07
(c)	Change in Fair value	1,003.83	(216.82)
(d)	Legal and other professional costs	57.23	43.56
(e)	Auditors remuneration and out-of-pocket expenses		
	(i) As Auditors	11.00	11.00
	(ii) For Other services	3.72	7.05
	(iii) Auditors out of pocket expenses	0.35	-
(f)	Director Sitting Fees	4.09	4.90

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25. Related Party Transaction

In Rs Lakhs

List of Related Party and relationships

Name of Party

A. Holding Company – Tata Steel Limited

B. Fellow Subsidiaries

i) TM International Logistics Limited

ii) Tata Steel Processing And Distribution Ltd

iii) Tata Pigments

iv) Jamshedpur Utilities and Services Co Ltd.

v) The Indian Steel & Wire Products Ltd

C. Associate of Holding

i) Metal Junction

D. Co- Venturer Group

i) Nippon Steel & Sumitomo Metal Corporation

ii) Nippon Steel and Sumikin Engineering Co.

iii) Nippon Steel & Sumikin Technology

F. Key Management Personnel –

Mr C.V. Sastry - Managing Director

Related Party Transaction

Amount in Lakhs

Transaction	Holding	Subsidiary of Holding	Associate of Holding	Co-Venturer having significant influence	Key Management Person	Gross Total
Receiving of Services	6,042.73	353.76	49.58	-	-	6,446.07
	4,654.26	*207.71*	-	*146.74*	-	*5,008.71*
Leasing or hire purchase arrangements	32.37	-		-	-	32.37
	22.62	-		-	-	*22.62*
Purchase of Goods	47,899.15	0.60		252.66	-	48,152.41
	11,322.95	-		*73.17*	-	*11,396.12*
Outstanding Payable - Vendor	4,536.15	67.72	33.64	-	-	4,637.51
	726.57	*20.87*	-	*54.85*	-	*802.29*
Outstanding Payable - Advance	64.27	0.50		-	-	64.77
	-	*0.50*		-	-	*0.50*
Finance received (including loans and equity contributions in cash or in kind)	-	-		-	-	-
	2,958.00	-		*2,842.00*	-	*5,800.00*
Rendering of Services	8,567.16	-		-	-	8,567.16
	9,437.44	-		-	-	*9,437.44*
Sale of Goods	-	78.61		-	-	78.61
	-	*63.95*		-	-	*63.95*
Outstanding Receivables-Debtors	1,250.09	24.06	-	-	-	1,274.15
	1,518.04	-	-	-	-	*1,518.04*
Outstanding Receivables-Advances	-	3.55		-	-	3.55
	203.05	*1.47*		-	-	*204.52*
Managerial Remuneration paid (Refer Note 1 below)	-	-		-	100.68	100.68
	-	-		-	*81.70*	*81.70*

Note 1

The remuneration of key management personnel during the year was as follows:	As at March, 2017	As at March, 2016
Short term benefits	95.46	76.80
Post employment benefits	5.22	4.90
Total	100.68	81.70

The remuneration of the key management personnel is determined by the remuneration committee.

26. Financial Assets and Liabilities

The following table represent carrying amount and fair value of each category of financial assets and liabilities — In Rs Lakhs

As at March 31,2017

Particulars	Amortised Cost	Fair Value through other comprehensive income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Fair value through profit & loss	Total Carrying Value	Total Fair Value
Financial Assets							
Trade Receivables	9,400.37	-	-	-	-	9,400.37	9,400.37
Derivative financial assets	-	-	-	-	6,344.29	6,344.29	6,344.29
Other financial assets	123.15	-	-	-	-	123.15	123.15
Cash and Bank balances	1,474.38	-	-	-	-	1,474.38	1,474.38
Total financial assets	10,997.90	-	-	-	6,344.29	17,342.19	17,342.19
Financial Liabilities							
Borrowings	168,999.62	-	-	-	-	168,999.62	168,999.62
Derivatives financial liabilities	-	-	-	-	102.17	102.17	102.17
Trade Payables	6,786.78	-	-	-	-	6,786.78	6,786.78
Other financial liabilities	4,461.55	-	-	-	-	4,461.55	4,461.55
Total financial liabilities	180,247.95	-	-	-	102.17	180,350.12	180,350.12

As at March 31,2016

Particulars	Amortised Cost	Fair Value through other comprehensive income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Fair value through profit & loss	Total Carrying Value	Total Fair Value
Financial Assets							
Trade Receivables	3,333.31	-	-	-	-	3,333.31	3,333.31
Derivative financial assets		-	-	-	10,786.20	10,786.20	10,786.20
Other financial assets	73.36	-	-	-	-	73.36	73.36
Cash and Bank balances	3,594.09	-	-	-	-	3,594.09	3,594.09
Total financial assets	7,000.76	-	-	-	10,786.20	17,786.96	17,786.96
Financial Liabilities							
Borrowings	159,246.85	-	-	-	-	159,246.85	159,246.85
Derivatives financial liabilities	-	-	-	-	3.61	3.61	3.61
Trade Payables	1,851.02	-	-	-	-	1,851.02	1,851.02
Other financial liabilities	5,719.43	-	-	-	-	5,719.43	5,719.43
Total financial liabilities	166,817.30	-	-	-	3.61	166,820.91	166,820.91

As at April 1,2015

Particulars	Amortised Cost	Fair Value through other comprehensive income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Fair value through profit & loss	Total Carrying Value	Total Fair Value
Financial Assets							
Investment	1,080.42	-	-	-	-	1,080.42	1,080.42
Trade Receivables	860.83	-	-	-	-	860.83	860.83
Derivative financial assets	-	-	-	-	4,190.14	4,190.14	4,190.14
Other financial assets	270.83	-	-	-	-	270.83	270.83
Cash and Bank balances	14,081.96	-	-	-	-	14,081.96	14,081.96
Total financial assets	16,294.04	-	-	-	4,190.14	20,484.18	20,484.18
Financial Liabilities							
Borrowings	149,654.18	-	-	-	-	149,654.18	149,654.18
Derivatives financial liabilities	-	-	-	-	18.23	18.23	18.23
Trade Payables	751.90	-	-	-	-	751.90	751.90
Other financial liabilities	10,484.32	-	-	-	-	10,484.32	10,484.32
Total financial liabilities	160,890.40	-	-	-	18.23	160,908.63	160,908.63

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The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into level 1 to level 3, as described below:

Quoted price is an active market (Level 1):
This level of hierarchy includes financial assets that are measured by reference to quoted price in active markets for identical assets and liabilities.

Valuation techniques with observable inputs (Level 2):
This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within level 1 that are observable for the assets and liability, either directly or indirectly.

Valuation techniques with significant unobservable inputs (Level 3)
This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data. Fair values are determined in whole or in part, using a valuation model based on the assumption that are neither supported by prices and observable current market transactions in the same instrument nor are they based on available market data.

	As at March 31,2017		
	Level 1	Level 2	Level 3
Financial assets measured at fair value			
Investment	-	-	-
Derivative financial assets		6,344.29	
	-	6,344.29	-
Derivative financial liabilities	-	102.17	-
	-	102.17	-

	As at March 31,2016		
	Level 1	Level 2	Level 3
Financial assets measured at fair value			
Investment	-	-	-
Derivative financial assets	-	10,786.20	-
	-	10,786.20	-
Derivative financial liabilities	-	3.61	-
	-	3.61	-

	As at April 1,2015		
	Level 1	Level 2	Level 3
Financial assets measured at fair value			
Investment	1,080.42	-	-
Derivative financial assets	-	4,190.14	-
	1,080.42	4,190.14	-
Derivative financial liabilities	-	18.23	-
	-	18.23	-

Notes
i. The short term financial assets and liabilities are stated at amortized cost which is approximately to their fair value.
ii. Derivatives are fair valued using market observable rates and published prices together with forecast cash flow information where applicable.
iii. Investment carried at their fair values, are generally based on market price quotations.
iv. There have been no transfer between level 1 and level 2 for the years ended March 31, 2016 and 2015.

(b) Transfer of financial assets
The Company has certain trade receivables under the Bill Discounting arrangements with Banks. These do not qualify for derecognition, due to the recourse arrangement and credit enhancement being in place. Consequently the proceeds received from Bills Discounting arrangement are recorded and classified as financial liability.

The carrying amount of trade receivables along with the associated liabilities is as follows:

	As at March 31, 2017		As at March 31,2016		As at April 01, 2015	
Nature of Asset	**Carrying amount of asset sold**	**Carrying amount of associated Liability**	**Carrying amount of asset sold**	**Carrying amount of associated Liability**	**Carrying amount of asset sold**	**Carrying amount of associated Liability**
Trade Receivables	191.93	191.93	-	-	-	-

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(c) Financial Risk Management

In the course of its business, the company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, liquidity and credit risk, which may adversely impact the fair value of its financial instruments.

The Company has a Board approved risk management policy which covers the foreign exchange risks and interest rate risk.

(i) Market Risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of change in the interest rate, foreign currency exchange rates, liquidity and other market changes.

(a) Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rate may have potential impact on the statement of profit and loss where any transaction reference more than one currency.

Considering the countries and economic environment in which the Company operates, its operation are subject to risks arising from fluctuations in exchange rates. As per the Company Risk Management Policy, Company uses foreign exchange and other derivative instruments primarily to hedge foreign exchange and interest rate risk.

10% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease/increase in the net income before tax approximately by Rs. 10,546.60 Lakhs (FY 16 Rs. 12,558.92 Lakhs) and Rs. 10,441.60 Lakhs (FY 16 Rs. 12,558.92 Lakhs) respectively. Out of the Rs. 10,546.60 Lakhs (FY 16 12,558.92 Lakhs) Rs. 10,406.16 Lakh (FY 2016: Rs. 12,496.09) is on USD 160 Million (FY16: USD 187 Million) which is fully hedged through a Cross Currency and Interest Rate Swap whereby its impact on cash flow is totally mitigated. For the remaining exposure amount is not material.

(b) Interest rate risk:

Interest rate risk is measured by using the cash flow sensitivity for change in variable interest rates. Any movement in reference rates could have an impact on the Company cash flows as well as cost.

Based on the composition of net debt at 31 March, 2017, a 100 basis points increase in interest rate over the 12 month period would increase the company net finance expenses by approximately Rs. 1,600 Lakh (2016 : Rs. 1,460 Lakh) and decrease equity by approximately Rs. 1,600 Lakh (2016: Rs. 1,460 Lakh).

Derivative Financial Instruments

The Company holds derivative financial instruments such as foreign currency forward contracts and cross currency interest rate swap to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts in generally a bank or a financial institution. These derivatives financial instruments are valued based on inputs that are directly or indirectly observable in the marketplace.

	As at March 31, 2017		As at March 31,2016	
	In Instrument Currency	In Rs. Lakhs	In Instrument Currency	In Rs. Lakhs
Cross Currency Interest Rate Swaps (USD)	160,452,838	104,061.69	187,194,977	124,021.35
Forward Contracts				
In USD	5,886	3.82	-	-
In EURO	6,151	4.26	-	-
In JPY	109,251,450	633.44	32,938,630	194.50
Total		**104,703.21**		**124,215.85**

(ii) Credit Risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risk.

Financial instruments that are subject to concentrations of credit risk, principally consist of trade receivables, loans and derivative financial instruments. None of the financial instruments of the Company result in material concentrations of credit risk.

The Risk relating to trade receivables is shown under note no 15.

(iii) Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company has fund and non fund based working capital lines from various banks. Further more the Company has access to funds from debt market through commercial paper programme and Long Term Rupee Loan.

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27. Employees Benefits — In Rs Lakhs

1. Defined Contribution Plan

The Company participates in number of defined contribution plans on behalf of its employees. Any expenses recognised in relation to these scheme represents the value of contributions payable during the period by them at rates specified by the rules of those plans.

Total cost charged to statement of profit and loss in 31st March, 2017 amounted to Rs. 78.96 Lakh (2016: Rs. 69.75 Lakh).

(i) **Provident Fund:** In accordance with the regulation, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and Company make a monthly contribution at a specified percentage of the covered employee's salary.

(ii) **Others :** Others consist of company and employees contribution to:
(a) Employees Pension Scheme
(b) Employees State Insurance

2. Defined Benefit Plan

(i) Retiring Gratuity : The Company have an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sump payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. The company make periodical contribution to gratuity funds established with Life Insurance Corporation of India. Company account for liability for gratuity benefits payable in the future based on an actuarial valuation. The Company is exposed to actuarial risk and investment risk with respect to this plan.

The following table sets out the amount recognised in the financial statement for the retiring gratuity plans in respect of the Company.

Change in defined benefit obligation	Figures for the period ended 31.03.2017	Figures for the period ended 31.03.2016
Obligation as at beginning of the year	88.31	57.59
Current service cost	36.22	34.33
Interest cost	6.84	4.46
Actuarial (gain)/loss	(2.46)	(8.08)
Benefits paid	26.00	-
Obligation as at end of the year	**154.91**	**88.30**
Change in Plan Assets		
Fair value of plan assets as at beginning of the year	46.79	-
Expected return on plan assets	-	-
Actuarial gain / (loss)	4.79	2.04
Contributions	30.03	44.75
Benefits paid	-	-
Fair value of plan assets as at end of the year	**81.61**	**46.79**
Amount recognised in the balance sheet consist of		
Fair value of plan assets as at end of the year	81.61	46.79
Present value of obligation as at end of the year	154.91	88.3
Net obligation/(assets) recognised in the balance sheet	73.3	41.51
Expenses recognised in the statement of profit & loss		
Current service cost	36.21	34.33
Interest cost	2.05	4.46
Expenses recognised in the statement of other comprehensive income		
Actuarial (gain) / loss	23.54	(10.12)
Total Cost Recognised in the statement of profit & loss	**61.8**	**28.67**
The assumption used in accounting for the retiring gratuity plans are as follows		
a. Discount rate	7%	7.75%
b. Rate of escalation in salary (Officer/Non Officer)	10%/7.5%	10%/7.5%

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

Assumption	Change in assumption	Impact on scheme liabilities
Discount Rate	Increase by 1%, decrease by 1%	Decrease by 21.7%, Increase by 28.6%
Salary escalation	Increase by 1%, decrease by 1%	Increase by 23.3%, Decrease by 20.4%

3. Risk Exposure of the Defined Benefit Plan

Defined benefit plan typically expose the Company to acturial risks, the significant of which are detailed below:

Investment Risk- The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest Risk - A decrease in the bond interest rate will increase the plan liability, however this will be partially offset by an increase in the return on the plan debt investments.

Longevity Risk- The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk- The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

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28. Deferred Tax Assets In Rs Lakhs

(i) Deferred tax in respect of total tax losses of Rs. 154,086.50 Lakhs (March 31, 2016 Rs. 121,620.04 Rs. Lakhs) have not been recognised. Company has started its commercial operation in March, 2015 and has completed its 2 years of commercial operation. Hence on a prudent basis the Company has not considered recoginition of deferred tax.

(ii) Unrecognised deferred tax asset expired based on the year of origination as follows:

Financial Year	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
March, 2023	28,325.10	28,325.10	28,325.10
March, 2024	11,270.00	11,270.00	-
March, 2025	7,029.70	-	-

Note : Above figure do not include unabsorbed carry forward depreciation.

29. Capital Management

The Company capital management is intended to create value for shareholders by facilitating the meeting of long term and short term goals of the Company.
The Company determines the amount of capital required on the basis of annual operating plans and long term product and other strategic investment plans. The Funding requirement are met through equity and long term/short term borrowing.
The Company monitors the capital sructure on the basis of total debt to equity ratio and maturity profileof the debt portfolio of the group.

30. 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 (2016: Rs. 186.54 Lakh 2015: Rs. 186.54 Lakh), excluding interest, if any

31. Earnings Per Share (EPS)

Particulars	Figures for the period ended 31.03.2017	Figures for the period ended 31.03.2016
Profit/ (Loss) available to Equity Shareholders (A) (In Rs. Lakh)	(19,990.46)	(22,877.43)
Weighted Average number of Equity Shares (B) (In Number)	932,000,000	926,295,082
Basic & Diluted earnings per share = A / B (In Rs.)	(2.14)	(2.47)

32. Statement of Profit and Loss

(a) Value of Imports (C.I. F value) –	Figures for the period ended 31.03.2017	Figures for the period ended 31.03.2016
Capital Goods	-	-
Store and Spares	638.27	317.93
(b) Expenditure In Foreign Currency		
(i) Interest, Loan Processing & Commitment Charges	2,583.52	2,285.79
(ii) Professional ,Technical & Supervision Fees	-	262.31
(iii) Commission	3.46	1.57
(iv) On Other Account	28.86	10.77

33. Commitment

Estimated amounts of contracts remaining to be executed on Capital Account and not provided for: Rs 1,296.55 Lakhs *(31.03.2016: Rs 1,578.87 Lakhs)*

34. Explanation to transition to Ind AS

First time adoption – Optional exemptions

The Company has prepared the Opening Balance Sheet as per Ind AS as of April 1, 2015 (The transition date to Ind AS) by recognising all its assets and liabilities whose recognition is required by Ind AS , by reclassifying and remeasuring the items of assets and liabilities from previous GAAP to Ind AS as required under Ind AS. However , the company has availed an optional exemption as detailed below :

(I) Deemed cost for Property, Plant and Equipment and Intangible assets.

(i) The company has elected to continue with the carrying value of all its Property, Plant and Equipment and intangible assets recognised as on April 1, 2015 (date of transition to Ind AS) measured as per the previous IGAAP and have considered that carrying value of Property , Plant and Equipment as its deemed cost as on the transition date .

(II) Classification of Debts instruments

The Company has determined the classification of debt instrument in term of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

(II) Financial Instruments

The Company has elected to designate financial assets or liability at fair value (with fair value taken through the statement of profit and loss or other comprehensive income) as on the date of transition rather than the date of initial recognition.

35 (a). Reconciliation of total equity as at March 31, 2016 and April 1, 2015

Particulars	As as 31st Mar'16	As at 1st Apr'15
Total equity (Shareholder's fund) under previous GAAP	67,260.06	83,571.32
Ind Adj as on 01st Apr'15	696.07	-
Fair value change of derivatives assets	241.33	(506.61)
Derecognition of amortisation of deferred premium	9.84	(65.90)
Fair value change of derivatives liabilities	(7.40)	9.41
Fair value change of Mutual fund	(221.05)	221.05
Difference of Amortisation of borrowing cost as per Ind AS	(119.05)	-
Recognition of duty saved on fulfilment of export obligation under EPCG	-	1,038.12
Depreciation on account of recognition of EPCG benefits as Assets	(656.10)	-
FEF on settlement of SWAP Settlement	(16.83)	-
Total adjustment of equity	(73.19)	696.07
Total equity under Ind AS	67,186.87	84,267.39

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[illegible] Effect of IND AS adoption on the balance sheet as at 31.03.2016 and April 1, 2015

In Rs Lakhs

Particulars	Footnote	As at 31st Mar 2016			As at 1st Apr 2015		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance Sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance Sheet
ASSETS							
Non-current assets							
Property, plant and equipment		199,487.38	15,746.34	215,233.72	209,162.06	16,402.44	225,564.50
Capital work-in-progress		184.98	-	184.98	96.79	-	96.79
Investment property		-	-	-	-	-	-
Goodwill		-	-	-	-	-	-
Other intangible assets		4,407.66	-	4,407.66	4,944.80	-	4,944.80
Intangible assets under development		-	-	-	-	-	-
Biological assets other than bearer plants		-	-	-	-	-	-
Financial assets							
(i) Investments							
a) Investments in associates		-	-	-	-	-	-
b) Investments in Joint ventures		-	-	-	-	-	-
c) Other investments		-	-	-	-	-	-
(ii) Trade receivables		-	-	-	-	-	-
(iii) Loans		-	-	-	-	-	-
(iv) Finance lease receivables		-	-	-	-	-	-
(v) Derivative assets	2	11,926.62	(2,681.31)	9,245.31	6,889.89	(3,223.52)	3,666.37
(vi) Other financial assets		1.06	-	1.06	177.06	-	177.06
Deferred tax assets (net)		-	-	-	-	-	-
Other non-financial (non-current) assets	5	1,027.63	(730.88)	296.75	4,002.86	(777.85)	3,225.01
Non current tax asset		370.55		370.55	151.73		151.73
		217,405.88	12,334.15	229,740.03	225,425.19	12,401.07	237,826.26
Current assets							
Inventories		6,611.60	-	6,611.60	1,888.34	-	1,888.34
Financial assets							
(i) Investments		-	-	-	859.37	221.05	1,080.42
(ii) Trade receivables		3,333.31	-	3,333.31	860.83	-	860.83
(iii) Cash and Cash equivalents		-	-	-	-	-	-
(iv) Bank balances other than (iii) above		3,594.09	-	3,594.09	14,081.96	-	14,081.96
(v) Loans		-	-	-	-	-	-
(vi) Unbilled Revenue		72.28	-	72.28	75.28	-	75.28
(vii) Derivative assets	2	1,987.77	(446.88)	1,540.89	984.27	(460.50)	523.77
(viii) Other financial assets		0.02	-	0.02	18.49	-	18.49
Other non-financial (current) assets	5	5,520.28	(196.04)	5,324.24	4,761.22	(194.58)	4,566.64
		21,119.35	(642.92)	20,476.43	23,529.76	(434.03)	23,095.73
Assets classified as held for sale		-	-	-	-	-	-
Total current assets		21,119.35	(642.92)	20,476.43	23,529.76	(434.03)	23,095.73
Total Assets		238,525.23	11,691.23	260,216.46	248,954.95	11,967.04	260,921.99
EQUITY ANDY LIABILITIES							
Equity							
Equity share Capital		93,200.00		93,200.00	87,400.00	-	87,400.00
Other Equity		(25,939.95)	(73.18)	(26,013.13)	(3,828.68)	696.07	(3,132.61)
Equity attributable to owners of the company		67,260.05	(73.18)	67,186.87	83,571.32	696.07	84,267.39
Non-controlling interest		-	-	-	-	-	-
Total equity (shareholders' fund under previous GAAP)		67,260.05	(73.18)	67,186.87	83,571.32	696.07	84,267.39
Non current tax liabilities							
Financial liabilities							
(i) Borrowings	5	137,669.02	(559.33)	137,109.69	133,846.86	(690.10)	133,156.76
(ii) Trade payables		-	-	-	-	-	-
(iii) Derivative liabilities		-	-	-	-	-	-
(iv) Other financial liabilities		-	15,364.32	15,364.32	-	15,364.32	15,364.32
Provisions		170.19	-	170.19	129.83	-	129.83
Deferred tax liabilities (net)		-	-	-	-	-	-
Other non-financial liabilities		-	-	-	-	-	-
Totan non-current liabilities		137,839.21	14,804.99	152,644.20	133,976.69	14,674.22	148,650.91
Current liabilities							
Financial liabilities							
(i) Borrowings		2,627.59	-	2,627.59	-	-	-
(ii) Trade payables		1,851.02	-	1,851.02	751.90	-	751.90
(iii) Derivative liabilities	2	5.63	(2.02)	3.61	27.65	(9.41)	18.24
(iv) Other financial liabilities	5	28,267.56	(3,038.56)	25,229.00	30,375.56	(3,393.83)	26,981.73
Provisions		-	-	-	-	-	-
Current tax liabilities (net)		-	-	-	-	-	-
Other non-financial (current) liabilities		674.17		674.17	251.82		251.82
		33,425.97	(3,040.58)	30,385.39	31,406.93	(3,403.24)	28,003.69
Liabilities directly associated with assets classified as held for sale		-	-	-	-	-	-
Total current liabilities		33,425.97	(3,040.58)	30,385.39	31,406.93	(3,403.24)	28,003.69
Total equity and liabilities		238,525.23	11,69[illegible]	260,216.46	248,954.94	11,967.05	260,921.99

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35 (c). Effect of IND AS adoption on the statement of the profit and loss for the year ended 31.03.2016				In Rs Lakhs
Particulars	**Footnote**	**Previous GAAP**	**Effect of transition to Ind AS**	**Ind AS**
Revenue from operations		20,603.54	-	20,603.54
Other income	3	653.46	(221.05)	432.41
Finance income				-
Total Income (A)		**21,257.00**	**(221.05)**	**21,035.95**
Cost of materials consumed		9,954.03	-	9,954.03
Purchases of stock in trade		-	-	-
Changes in inventories of finished goods, stock-in-trade and work-in-progress		(3,920.69)	-	(3,920.69)
Excise duty on sale of goods		1,343.51	-	1,343.51
Employee benefit expense	4	2,105.06	10.13	2,115.19
Finance costs	5	12,872.50	119.05	12,991.55
Depreciation and amortisation expense		10,739.75	656.10	11,395.85
Other expenses	2	10,274.11	(226.95)	10,047.16
Total Expenses (B)		**43,368.27**	**558.33**	**43,926.60**
Share of profit / (loss) of associates (C)		-	-	-
Share of profit / (loss) of joint ventures (D)		-	-	-
Profit/(loss) before tax (A - B + C +D)		**(22,111.27)**	**(779.38)**	**(22,890.65)**
(1) Current tax		-	-	-
(2) Deferred tax		-	-	-
Profit/(loss) after tax from continuing operations		**(22,111.27)**	**(779.38)**	**(22,890.65)**
Profit/(loss) from discontinued operations before		-	-	-
Tax expense of discontinued operations		-	-	-
Profit from discontinued operations (after tax)		-	-	-
Share of minority interest (previous GAAP)		-	-	-
Profit/(Loss) for the period		**(22,111.27)**	**(779.38)**	**(22,890.65)**
Other Comprehensive Income	7			
A (i) Items that will not be reclassified to profit or loss		-	10.13	10.13
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-	-
B (i) Items that will be reclassified to profit or loss		-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-	-
Total Comprehensive Income		**(22,111.27)**	**(769.25)**	**(22,880.52)**

Additional note for note no. 32

1. Property Plant & Equipment- In accordance with IND AS 20 "Accounting for Government Grant and Disclosure of Government Assistance", an amount of Rs. 16,402 Lakh, representing the duty saved on availment of EPCG licences towards import of Plant & Machinery has been added to the cost of Gross Fixed Assets as on 1st April 2015, as an IND AS adjustment with a corresponding credit to Deferred liability.

Out of the same an amount of Rs. 1038 lakh, representing the duty saved on fulfilment of Export Obligation under EPCG licences has been credited as on 1st April 2015 to IND AS Transition reserve as an Opening Adjustment.

Consequent to the above adjustment a Depreciation charge of Rs. 656 lakh has been debited to the Profit & Loss Account for the financial year ended on 31st March 2016.

2. Derivative Instruments- The fair value of derivative instruments based on mark to market is recognised under IND AS, and was not recognised under Indian GAAP. The corresponding adjustment has been recognised as a separate component of equity. On the date of transition, IND AS transition reserve was debited by Rs. 506 Lakh and movement of during the year has recognised in profit or loss.

3. FVTPL financial assets- Under Indian GAAP, the Company accounted for long term investments in securities/mutual at cost less provision for permanent diminution in the vale of investment. Under IND AS the Company has designated investments as FVTPL investments, IND AS requires FVTPL to be measured at fair value . At the date of transition to IND AS, difference between the instruments fair value and carrying amount as a component of equity, in the IND AS Transition reserve.

4. Defined benefit liabilities - Both under Indian GAAP and IND AS the costs related to its post employment defined benefit plan on an actuarial basis. Under IND AS actuarial gain and losses are recognised immediately in the balance sheet with a corresponding adjustment with retained earnings through other comprehensive income (OCI). Thus the employees benefit cost has increased by Rs. 10.13 lakh and the same has been recognised in the OCI.

5. Borrowings- Under Indian GAAP, transactions cost incurred in connection with borrowings are amortised over the loan tenure and charged to profit or loss on time proportion basis. Under IND AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method.

6. Statement of cash flows- The transition from Indian GAAP to IND AS has not had a material impact on the statement of cash flows.

7. Other Comprehensive Income - It primarily includes remeasurement gains/losses on actuarial valuation of post employment defined benefits.

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36. 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, 2017 are as under:

Particulars	Figures for the period ended 31.03.2017	Figures for the period ended 31.03.2016
(i) The principal amount remaining unpaid to supplier as at the end of the year	32.04	4.7
(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	0.08
(iv) The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-

37. Disclosure of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 (As per notification no. G.S.R 307 (E) and notification no. G.S.R. 308 (E) dated 30th March 2017):

Particulars	Specified Bank note	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	-	-
Add: Permitted receipts	-	-	-
Add: Other Receipts#	-	-	-
Less: Permitted payments	-	-	-
Less: Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	-	-

38. Previous year's figures have been recast / restated where ever necessary.
39. Figures in italics are in respect of the previous year.

In terms of our report attached

For and on behalf of the Board of Directors

Hideki Ogawa
Chairman

R. Manoranjan
Company Secretary

Dibyendu Dutta
Director

For Deloitte Haskins & Sells
Chartered Accountants

Abhijit Bandyopadhyay
Partner
Kolkata, 26 April, 2017

Pratik Chatterjee
Chief Financial Officer

C.V. Sastry
Managing Director

Deloitte Haskins & Sells Chartered Accountants

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