INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TATA STEEL PROCESSING AND DISTRIBUTION LIMITED

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

1. We have audited the accompanying Ind AS financial statements of Tata Steel Processing and Distribution Limited ("the Company"), which comprise the Balance Sheet as at March 31 , 2018, 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

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

Auditors' Responsibility

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

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

5. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

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

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

Opinion

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

Other Matter

9. The Ind AS financial statements of the Company for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated April 28, 2017, expressed an unmodified opinion on those financial statements. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

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

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

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

    (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

    (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

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

i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its Ind AS financial statements – Refer Note 29.

ii. The Company has long-term contracts including derivative contracts as at March 31, 2018 for which there were no material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

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

Rupen Shah
Partner
Membership Number: 116240

Kolkata
April 27 , 2018

Annexure A to Independent Auditors' Report

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

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Tata Steel Processing and Distribution Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls 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") and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system 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 Ind AS financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial 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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of

unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. 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 controls 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

8. In our opinion, 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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Rupen Shah
Partner
Membership Number: 116240

Kolkata
April 27, 2018

Annexure B to Independent Auditors' Report

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

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

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of immovable properties, as disclosed in Note 2 on Property, Plant and Equipment to the Ind AS financial statements, are held in the name of the Company.

ii. The physical verification of inventories have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.

v. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73, 74, 75 and 76 or any other relevant provisions of the Act and the Rules framed thereunder to the extent notified, with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products.We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax, value added tax, employees' state insurance, provident fund, service tax, sales tax, duty of customs, duty of excise, goods and service tax with effect from July 1, 2017 and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of duty of customs , income tax , service tax and goods and service tax which have not been deposited on account of any dispute. The particulars of dues of value added tax, sales tax, and duty of excise as at March 31, 2018 which have not been deposited on account of a dispute, are as follows:

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

Name of the statute	Nature of dues	Amount (Rs. in Lakhs)	Period to which the amount relates (Financial Year)	Forum where the dispute is pending
Central Excise Act	Excise Duty	393.18 27.82 24.05	2002-03 to 2004-05 2007-08 2009-10 to 2013-14	Central Excise & Service Tax Appellate Tribunal
Value Added Tax (VAT)	West Bengal VAT	59.25	2010-11	West Bengal Commercial Taxes and Appellate and Revisional Board
Value Added Tax (VAT)	Andhra Pradesh VAT	22.60	2009 - 10 to 2013 - 14	Appellate Deputy Commissioner (CT), Tirupathi.
Value Added Tax (VAT)	Jharkhand VAT	5.72 66.11	2007-08 2008-09	Appellate Tribunal, Ranchi
Value Added Tax (VAT)	Jharkhand VAT	3.05 3.57 6.29	2011-12 2012-13 2013-14	Joint Commissioner of Commercial Taxes, Jamshedpur
Value Added Tax (VAT)	Maharashtra VAT	5.93	2009-10	Joint Commissioner Commercial Tax
Central Sales Tax (CST)	Sales Tax	13.95 68.73 173.82 6.96	2006-07 2007-08 2008-09 2014-15	Joint Commissioner of Commercial Taxes/Sales Tax (Appeals)
Central Sales Tax (CST)	Sales Tax	19.72	1998-99	Bombay High Court
Central Sales Tax (CST)	Sales Tax	14.88 15.82	2003-04 2004-05	Mumbai Sales Tax and Appellate Tribunal

viii. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.

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

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

Annexure B to Independent Auditors' Report

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

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Ind AS financial statements as required under Indian Accounting Standard 24, Related Party Disclosures specified under Section 133 of the Act.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

Rupen Shah
Partner
Membership Number: 116240

Kolkata
April 27, 2018

TATA STEEL PROCESSING AND DISTRIBUTION LIMITED

Balance Sheet as at 31 March 2018

		Notes	As at 31.03.2018 Rs. In lakhs	As at 31.03.2017 Rs. In lakhs
I. ASSETS				
(1) **Non-current assets**				
(a)	Property, Plant and Equipment	2	36,524.69	29,071.78
(b)	Capital work-in-progress	2	11,745.38	16,056.83
(c)	Other intangible assets	2	150.09	177.95
(d)	Financial assets			
	(i) Investments	6	-	-
	(ii) Other financial assets	3	218.29	223.10
(e)	Non current tax assets (net)	20	280.04	280.04
(f)	Other non-current assets	4	4,145.92	5,024.28
Total non-current assets			**53,064.41**	**50,833.98**
(2) **Current assets**				
(a)	Inventories	5	35,372.63	29,537.03
(b)	Financial assets			
	(i) Investments	6	281.23	274.72
	(ii) Trade receivables	7	32,741.68	30,219.15
	(iii) Cash and cash equivalents	8	2,922.46	1,469.93
(c)	Other current assets	9	8,313.69	3,664.75
Total current assets			**79,631.69**	**65,165.58**
	Total assets		**1,32,696.10**	**1,15,999.56**
II. EQUITY AND LIABILITIES				
(1) **Equity**				
(a)	Equity share capital	10	6,825.00	6,825.00
(b)	Other equity	11	53,479.91	46,851.42
Total equity			**60,304.91**	**53,676.42**
(2) **Liabilities**				
(A) **Non-current liabilities**				
(a)	Financial liabilities			
	Borrowings	12	20,415.67	9,193.91
(b)	Provisions	14	1,968.59	2,314.79
(c)	Deferred tax liabilities (net)	35	2,400.68	1,267.39
(d)	Other non-current liabilities	15	408.65	13.50
Total non-current liabilities			**25,193.59**	**12,789.59**
(B) **Current liabilities**				
(a)	Financial liabilities			
	(i) Borrowings	13	24,695.51	24,158.22
	(ii) Trade payables	16	14,779.92	16,471.53
	(iii) Other financial liabilities	17	5,005.95	6,566.45
(b)	Other current liabilities	18	1,300.25	738.63
(c)	Provisions	14	89.91	440.01
(d)	Current tax liabilities (Net)	19	1,326.06	1,158.71
Total current liabilities			**47,197.60**	**49,533.55**
Total liabilities			**72,391.19**	**62,323.14**
Total equity and liabilities			**1,32,696.10**	**1,15,999.56**

See accompanying notes to the financial statements 1-45

This is the Balance Sheet referred to in our report of even date

For and on behalf of the Board of Directors

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

Anand Sen
Chairman
DIN: 00237914

Rupen Shah
Partner
Membership No. 116240

Asis Mitra
Company Secretary

Anup Kumar
Chief Financial Officer

Abraham G Stephanos
Managing Director
DIN: 06618882

Date: 27th April, 2018
Place: Mumbai

Date: 27th April, 2018
Place: Kolkata

TATA STEEL PROCESSING AND DISTRIBUTION LIMITED

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

TATA

		Notes	Year ended 31.03.2018 Rs. In lakhs	Year ended 31.03.2017 Rs. In lakhs
I.	Revenue from operations	21	3,19,645.48	2,47,174.99
II.	Other income	22	128.81	183.20
III.	**Total Income (I+II)**		**3,19,774.29**	**2,47,358.19**
IV.	**Expenses**			
	(a) Cost of materials consumed	23	2,57,517.12	1,91,388.62
	(b) Purchase of stock-in-trade	24	21,515.03	22,773.78
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	(1,122.59)	(1,452.49)
	(d) Employee benefits expense	26	6,797.98	6,170.60
	(e) Finance costs	27	2,708.49	2,017.56
	(f) Depreciation and amortisation expense	2	2,470.85	2,106.30
	(g) Other expenses	28	20,271.50	18,778.26
			3,10,158.38	**2,41,782.63**
	Less : Expenditure (other than interest) transferred to capital and other accounts		116.01	202.42
			3,10,042.37	**2,41,580.21**
V.	**Profit before tax and exceptional item (III - IV)**		**9,731.92**	**5,777.98**
VI.	**Exceptional items**	40		
	(a) Provision for loss on Impairment on Property, Plant and Equipment and CWIP		167.71	143.62
VII.	**Profit before tax (V - VI)**		**9,564.21**	**5,634.36**
VIII.	**Tax expense**			
	(a) Current tax		2,170.00	1,390.00
	(b) Deferred tax [Refer note 35]		1,004.85	203.73
			3,174.85	1,593.73
IX.	**Profit for the year (VII-VIII)**		**6,389.36**	**4,040.63**
	Other comprehensive income			
	(A) Items that will not be reclassified to profit or loss			
	(i) Remeasurements of the post-employment defined benefit plan		367.57	(268.61)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(128.44)	92.96
X.	**Total other comprehensive income**		**239.13**	**(175.65)**
XI.	**Total comprehensive income for the year (IX+X)**		**6,628.49**	**3,864.98**
	Profit for the year attributable to:			
	Owners of the Company		6,389.36	**4,040.63**
	Other comprehensive income for the year attributable to:			
	Owners of the Company		239.13	**(175.65)**
	Total comprehensive income for the year attributable to:			
	Owners of the Company		**6,628.49**	**3,864.98**
XII.	**Earnings Per share of Rs. 10 each**	32		
	Basic and Diluted (Rs.)		9.36	5.92

See accompanying notes to the financial statements 1-45

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

For and on behalf of the Board of Directors

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

Anand Sen
Chairman
DIN: 00237914

Rupen Shah
Partner
Membership No. 116240

Asis Mitra
Company Secretary

Anup Kumar
Chief Financial Officer

Abraham G Stephanos
Managing Director
DIN: 06618882

Date: 27th April, 2018
Place: Mumbai

Date: 27th April, 2018
Place: Kolkata

TATA STEEL PROCESSING AND DISTRIBUTION LIMITED

Statement of Cash Flows for the year ended 31 March 2018

	Year ended 31.03.2018		Year ended 31.03.2017	
	Rs. In lakhs	Rs. In lakhs	Rs. In lakhs	Rs. In lakhs
A CASH FLOW FROM OPERATING ACTIVITIES				
PROFIT FOR THE YEAR		**9,564.21**		5,634.36
Adjustments for :				
Depreciation and amortisation expense	2,470.85		2,106.30	
Amortisation of lease payments	50.44		55.76	
Interest income	(59.82)		(109.83)	
Deferred income-government subsidy	(52.54)		(1.50)	
Finance costs	2,708.49		2,017.56	
Unrealised (Gain)/ Loss on foreign exchange	166.75		(106.64)	
Unrealised Loss/ (Gain) on MTM of Derivatives	(201.21)		327.82	
Loss/ (Gain) on disposal of property, plant and equipment	(9.94)		(40.07)	
Allowance for doubtful trade receivables and advances	150.86		55.02	
Provision for impairment loss on Property, Plant and Equipment and CWIP	167.71		143.61	
Net (Gain)/ Loss arising on financial assets designated as at FVTPL	(6.51)		(31.80)	
Provision for contingencies	-		22.61	
		5,385.08		4,438.84
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		14,949.29		10,073.20
Adjustments for :				
(Increase)/Decrease in trade and other receivables	(2,673.39)		(12,033.89)	
(Increase)/Decrease in inventories	(5,835.61)		(8,702.22)	
Increase/(Decrease) in trade and other payables	(1,495.00)		7,192.10	
(Increase)/Decrease in other assets	(5,048.04)	(15,052.04)	(359.53)	(13,903.54)
CASH USED IN OPERATIONS		(102.75)		(3,830.34)
Income taxes paid (net)		(2,002.65)		(1,139.97)
NET CASH USED IN OPERATING ACTIVITIES		(2,105.40)		(4,970.31)
B CASH FLOW FROM INVESTING ACTIVITIES				
Payments for Property, Plant and Equipment, CWIP and Intangible assets	(5,651.98)		(6,211.57)	
Proceeds from disposal of Property, Plant and Equipment, CWIP and Intangible assets	65.77		4.02	
Interest received	59.82		109.83	
NET CASH (USED IN) INVESTING ACTIVITIES		(5,526.39)		(6,097.72)
C CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from non-current borrowings	14,477.58		-	
Repayment of non-current borrowings	(2,973.15)		(1,646.37)	
Net proceeds from current borrowings	4,317.82		16,407.86	
Repayment of current borrowings (Buyer's Credit)	(3,785.05)		(924.33)	
Increase/(Decrease) in statutory restricted account balance	-		402.84	
Finance costs	(2,952.88)		(2,006.21)	
Dividend Paid	-		(1,023.75)	
Dividend Tax Paid	-		(208.42)	
NET CASH GENERATED BY FINANCING ACTIVITIES		9,084.32		11,001.62
Net Increase in Cash and Cash equivalents (A+B+C)		1,452.53		(66.41)
Cash and cash equivalents at the beginning of the year		1,469.93		1,536.34
Cash and cash equivalents at the end of the year		2,922.46		1,469.93

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

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

For and on behalf of the Board of Directors

Anand Sen
Chairman
DIN: 00237914

Rupen Shah
Partner
Membership No. 116240

DIN: 00237914

Asis Mitra
Company Secretary

Anup Kumar
Chief Financial Officer

Abraham G Stephanos
Managing Director
DIN: 06618882

Date: 27th April, 2018
Place: Mumbai

Date: 27th April, 2018
Place: Kolkata

TATA STEEL PROCESSING AND DISTRIBUTION LIMITED

Statement of Changes in equity for the year ended 31 March 2018

(A) **Equity Share Capital**	**As at 31.03.2018 Rs. In lakhs**	**As at 31.03.2017 Rs. In lakhs**
(i) **Authorised** 7,50,00,000 equity shares of Rs.10 each	**7,500.00**	**7,500.00**
(ii) **Issued , Subscribed and paid up**		
6,82,50,000 equity shares of Rs. 10 each fully paid [100% share capital of the company is held by Tata Steel Limited, The Holding Company]	6,825.00	6,825.00
Total issued, subscribed and fully paid up share capital	**6,825.00**	**6,825.00**

(B) **Reconciliation of number of shares**	**As at 31.03.2018 Number of shares**	**As at 31.03.2017 Number of shares**
Opening balance	6,82,50,000	6,82,50,000
Issued during the year	-	-
Closing balance	**6,82,50,000**	**6,82,50,000**

(C) **Other equity**	**Reserves and Surplus**		**Total**
	General Reserve	**Retained Earnings**	
	Rs. In lakhs	**Rs. In lakhs**	**Rs. In lakhs**
Balance as on 01.04.2016	373.77	43,844.84	**44,218.61**
Profit for the year	-	4,040.63	**4,040.63**
Other comprehensive income for the year, net of income tax	-	(175.65)	**(175.65)**
Dividend paid	-	(1,023.75)	**(1,023.75)**
Income tax dividend paid	-	(208.42)	**(208.42)**
Balance as on 31.03.2017	**373.77**	**46,477.65**	**46,851.42**
Balance as on 01.04.2017	**373.77**	**46,477.65**	**46,851.42**
Profit for the year	**-**	6,389.36	**6,389.36**
Other comprehensive income for the year, net of income tax	**-**	239.13	**239.13**
Balance as on 31.03.2018	**373.77**	**53,106.14**	**53,479.91**

See accompanying notes to the financial statements 1-45

This is the Statement of Changes in Equity referred to in our report of even date

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

For and on behalf of the Board of Directors

Rupen Shah
Partner
Membership No. 116240

Anand Sen
Chairman
DIN: 00237914

Asis Mitra
Company Secretary

Anup Kumar
Chief Financial Officer

Abraham G Stephanos
Managing Director
DIN: 06618882

Date: 27th April, 2018
Place: Mumbai

Note 1: Significant accounting policies

A. General information

Tata Steel Processing and Distribution Limited ('TSPDL' or 'the Company') is a public limited Company incorporated in India with its registered office at Tata Centre, 43, Chowringhee Road, Kolkata - 700071, West Bengal, India.

The Company is engaged in the business of production/manufacture of processed coils and sheets including corrugation of processed sheets and complex fabrication of plates and manufacture of components for heavy earth moving equipments and small car segment.

The functional and presentation currency of the Company is Indian Rupees (Rs.) which is the currency of the primary economic environment in which the Company operates. All financial information presented in Indian rupees has been rounded to the nearest lakhs except share, per share data and disclosure related to specified bank notes.

The Company is a 100% subsidiary of Tata Steel Limited.

B. Significant accounting policies

(1) 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 read with section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India.

(2) 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 values 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 price 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 price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis except for, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

(3) Use of estimates and critical accounting judgments

In preparation of the financial statements, the Company makes judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Significant judgments and estimates relating to the carrying amounts of assets and liabilities including carrying amount of property, plant and equipment, provision for employee benefits, other provisions and contingencies are included in the following notes:

- Carrying amounts of property, plant and equipment: Refer notes 1B (5), 1B (6), 1B (7) and 2
- Provision for employee benefits and other provisions: Refer notes 14, 34 and 42
- Contingent liabilities: Refer notes 1B (14) and 29

(4) Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Useful lives of intangible assets

Estimated useful life of the software is 5 years.

(5) Property, plant and equipment

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the Statement of Profit and Loss as incurred. When a replacement occurs, the carrying amount of the replaced part is derecognised. Where a property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items. Property, plant and equipment are stated at cost, less accumulated depreciation and impairment. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Trial run expenses (net of revenue) are capitalised. Borrowing costs during the period of construction is added to the cost of eligible property, plant and equipment.

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

The gain or loss arising on disposal of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset, and is recognised in the Statement of Profit and Loss.

(6) Depreciation and amortisation of property, plant and equipment and intangible assets

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

Depreciation on Property, plant and equipment is provided on straight-line method over the remaining useful life of assets as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of the assets, in whose case the life of the assets have been assessed after taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, etc.

The details of estimated useful life for each category of assets are as under:

S.No.	Category of assets	Useful life
a)	Factory building	30 years
b)	Building (others)	30 to 60 years
c)	Roads and pathways	10 to 20 years
d)	Plant and equipment	6 to 20 years
e)	Electrical installations	5 to 20 years
f)	Furniture and fixtures	10 years
g)	Office equipment	5 to 15 years
h)	Vehicles	5 years
i)	Computer	5 years

Note: Useful life of class of assets has been determined based on independent technical valuation carried out by external valuers which management believes best represent the period over which the assets are expected to be used.

(7) Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that the carrying amount of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. Intangible assets with an indefinite useful life are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised in the Statement of Profit and Loss as and when the carrying amount of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

(8) Leases

The Company determines whether an arrangement contains a lease by assessing whether the fulfillment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset to the Company in return for payment. Where this occurs, the arrangement is deemed to include a lease and is accounted for either as finance or operating lease.

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessee

i) Operating lease

Rentals payable under operating leases are charged to the Statement of Profit and Loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the reporting period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

ii) Finance lease

Finance leases are capitalised at the commencement of lease, at the lower of the fair value of the property or the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income over the period of the lease.

The Company as lessor

(i) Operating lease

Rental income from operating leases is recognised in the Statement of Profit and Loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset is derived. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

(ii) Finance lease

When assets are leased out under a finance lease, the present value of the minimum lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method before tax, which reflects a constant periodic rate of return.

(9) Financial instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities 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.

a) Financial assets

All regular purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognised in other comprehensive income.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit

-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are a portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109 taking into account historical credit loss experience and adjustment for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Foreign exchange gains or losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.

For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

b) Financial liabilities and equity instruments

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method.

Interest-bearing bank loans and overdrafts are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Company's accounting policy for borrowing costs.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gain or losses and is recognised in the Statement of Profit and Loss.

Derivative financial instruments

In the ordinary course of business, the Company uses certain derivative financial instruments to reduce business risks which arise from its exposure to foreign exchange and interest rate fluctuations. The instruments are confined principally to forward foreign exchange contracts, cross currency swaps and interest rate swaps. The instruments are employed as hedges of transactions included in the accounts or for highly probable forecast transactions/ firm contractual commitments. These derivatives contracts do not generally extend beyond 12 months, except for certain interest rate swaps and cross currency interest rate swaps.

Derivatives are initially accounted for and measured at fair value from the date the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The fair value for forward currency contracts, interest rate swaps are marked to market at the end of each reporting period. Changes in the fair value of derivatives are recognised in the Statement of Profit and Loss as they arise.

(10) Employee benefits

Defined contribution plans

Payments to defined contribution plans are charged as an expense as they fall due. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

Defined benefit plans

For defined benefit retirement schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Re-measurement gains and losses of the net defined benefit liability/ (asset) are recognised immediately in other comprehensive income. The service cost, net interest on the net defined benefit liability/ (asset) is treated as a net expense within employment costs.

Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined-benefit obligation as reduced by the fair value plan assets.

Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised based on actuarial valuation at the present value of the obligation as on the reporting date.

Short-term and other long-term employee benefits

The liability is recognised for benefits accruing to employee with respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

(11) Taxation

Tax expense for the year comprises current and deferred tax.

The tax currently payable is based on taxable profit for the reporting period. Taxable profit differs from net profit as reported in the Statement of Profit and Loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates and tax laws that have been enacted.

Deferred tax is the tax expected to be payable or recoverable on 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, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

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 asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to cover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and they are in the same taxable entity.

Deferred tax liabilities are recognised for all taxable timing differences.

Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Current and deferred tax are recognised as an expense or income in the Statement of Profit and Loss, except when they relate to items credited or debited either in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity.

(12) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, direct 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.

Stores and spares are valued at lower of cost (comprising of purchase price, freight and handling, non-refundable taxes and duties and other directly attributable costs) and net realizable value.

Cost of inventories are generally ascertained on the “weighted average” basis.

Provisions are made to cover slow moving and obsolete items based on historical experience of utilisation on a product category basis.

(13) Cash and cash equivalents

Cash and cash equivalents include cash on hand, cheques on hand, drafts on hand, deposits held at call with banks and other short term deposits.

(14) Provisions

Provisions are recognised in the balance sheet when the Company has a present obligation (legal or constructive) as a result of a past event, which is expected to result in an outflow of resources embodying economic benefits which can be reliably estimated. Each provision is based on the best estimate of the expenditure required to settle the present obligation at the balance sheet date. When appropriate, provisions are measured on a discounted basis.

Constructive obligation is an obligation that derives from an entity’s actions where:

(a) by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities; and

(b) as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities are not recognised but are disclosed in the notes.

(15) Government grants

Government grants related to expenditure on property, plant and equipment are credited to the Statement of Profit and Loss over the useful lives of qualifying assets. Total grants received less the amounts credited to the Statement of Profit and Loss at the balance sheet date are included in the balance sheet as deferred income.

Government loan received in form of interest free financial assistance, to be repaid after a specified period, is initially recognised at its fair value which is the discounted amount of the loan computed using the market rate of interest for a similar loan.

The difference between the nominal value of loan and its fair value is recognised as government grant. The grant is recognised in profit and loss on a systematic basis over the periods in which the company recognises as expenses the related costs for which the grant is intended to compensate.

(16) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable net of discounts, taking into account contractually defined terms.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognized if there are significant uncertainties regarding recovery of the amount due, associated costs or the possible return of goods.

Sale of services

Income from services is accounted over the period of rendering of services. No revenue is recognized if there are significant uncertainties regarding recovery of the amount due and associated costs.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measure reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable which is the rate exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount on initial recognition.

Dividend income

Dividend income from investments is recognised when the shareholder’s rights to receive payment have been established.

(17) Foreign currency transactions and translation

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on translation of long term foreign currency monetary items recognised in the financial statements before the beginning of the first Ind AS 21 “The Effect of Change in Foreign Exchange Rate” financial reporting period are recognised directly in equity or added/deducted from the cost of assets as the case may be.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in the Statement of Profit and Loss for the reporting period. Exchange differences arising on translation of non-monetary items carried at fair value through profit and loss are recognised in Statement of Profit and Loss for the period as part of the fair value gain or loss and translation differences arising on non-monetary items classified as FVOCI are recognised directly in other comprehensive income.

(18) Borrowing Costs

Borrowings costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for the intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the Statement of profit and loss in the period in which they are incurred.

(19) Earnings per share

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The Company did not have any potentially dilutive securities in any of the periods presented.

C. Recent Accounting Pronouncements

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

NOTE 2 : PROPERTY, PLANT AND EQUIPMENT, CAPITAL WORK-IN-PROGRESS AND OTHER INTANGIBLE ASSETS

Rs. in lakhs

Particulars	Freehold land	Building	Plant and equipment	Electrical installations	Furniture and fixtures	Office equipment	Vehicles	Computers	Total tangible assets	Computer software	Total intangible assets	Total assets
Gross Block as at 01.04.2016	164.83	10,828.13	18,885.33	1,612.74	174.43	158.85	126.12	280.95	32,231.38	187.76	187.76	32,419.14
Additions/ transfers during the year	-	268.41	636.23	23.55	76.29	28.87	16.36	101.54	1,151.25	119.35	119.35	1,270.60
Adjustment for foreign exchange fluctuation (gain)/loss	-	(23.28)	(65.84)	(3.22)	-	-	-	-	(92.34)	-	-	(92.34)
Deletions/ transfers during the year	-	105.43	81.76	7.05	1.13	0.51	1.66	6.10	203.64	-	-	203.64
Gross Block as at 31.03.2017	**164.83**	**10,967.83**	**19,373.96**	**1,626.02**	**249.59**	**187.21**	**140.82**	**376.39**	**33,086.65**	**307.11**	**307.11**	**33,393.76**
Additions/ transfers during the year	-	134.80	9,782.31	72.10	29.36	33.44	54.78	35.88	10,142.67	41.23	41.23	10,183.90
Adjustment for foreign exchange fluctuation (gain)/loss	-	(0.11)	(16.66)	(0.02)	-	-	-	-	(16.79)	-	-	(16.79)
Deletions/ transfers during the year	-	70.22	55.23	12.19	7.76	2.00	18.43	0.50	166.33	-	-	166.33
Gross block as at 31.03.2018	**164.83**	**11,032.30**	**29,084.38**	**1,685.91**	**271.19**	**218.65**	**177.17**	**411.77**	**43,046.20**	**348.34**	**348.34**	**43,394.54**
Impairment as at 01.04.2016	-	-	-	-	-	-	-	-	-	-	-	-
Impairment during the year	-	-	143.45	0.14	-	0.03	-	-	143.62	-	-	143.62
Impairment reversed during the year	-	-	-	-	-	-	-	-	-	-	-	-
Impairment as at 31.03.2017	**-**	**-**	**143.45**	**0.14**	**-**	**0.03**	**-**	**-**	**143.62**	**-**	**-**	**143.62**
Impairment during the year	-	-	130.94	0.47	-	-	-	-	131.41	-	-	131.41
Impairment reversed during the year	-	-	-	-	-	-	-	-	-	-	-	-
Impairment as at 31.03.2018	**-**	**-**	**274.39**	**0.61**	**-**	**0.03**	**-**	**-**	**275.03**	**-**		**275.03**
Accumulated Depreciation and Amortisation as at 01.04.2016	-	528.50	1,022.53	129.25	31.83	37.18	30.09	71.57	1,850.95	68.14	68.14	1,919.09
Depreciation and amortisation during the year	-	505.19	1,237.24	134.45	33.20	29.91	28.87	76.42	2,045.28	61.02	61.02	2,106.30
Deductions/ transfers during the year	-	10.57	8.47	0.94	0.28	0.20	1.30	3.22	24.98	-	-	24.98
Accumulated Depreciation and Amortisation as at 31.03.2017	**-**	**1,023.12**	**2,251.30**	**262.76**	**64.75**	**66.89**	**57.66**	**144.77**	**3,871.25**	**129.16**	**129.16**	**4,000.41**
Depreciation and amortisation during the year	-	514.68	1,599.41	109.33	38.84	29.51	34.03	75.96	2,401.76	69.09	69.09	2,470.85
Deductions/ transfers during the year	-	3.11	0.34	-	7.36	1.36	14.20	0.16	26.53	-	-	26.53
Accumulated Depreciation and Amortisation as at 31.03.2018	**-**	**1,534.69**	**3,850.37**	**372.09**	**96.23**	**95.04**	**77.49**	**220.57**	**6,246.48**	**198.25**	**198.25**	**6,444.73**
Net Block as at 31.03.2017	**164.83**	**9,944.71**	**16,979.21**	**1,363.12**	**184.84**	**120.29**	**83.16**	**231.62**	**29,071.78**	**177.95**	**177.95**	**29,249.73**
Net Block as at 31.03.2018	**164.83**	**9,497.61**	**24,959.62**	**1,313.21**	**174.96**	**123.58**	**99.68**	**191.20**	**36,524.69**	**150.09**	**150.09**	**36,674.78**
Capital Work in Progress as at 01.04.2016												12,918.49
Adjustments during the year (net)												3,138.34
Capital Work in Progress as at 31.03.2017												**16,056.83**
Adjustments during the year (net)#												**(4,311.45)**
Capital Work in Progress as at 31.03.2018												**11,745.38**

Note:

i) Assets pledged as Security

Property, plant and equipment with carrying value of Rs. 15,102.80 lakhs (as at 31.03.2017 : Rs. 14,825.52 lakhs), have been pledged to secure loans from banks (see note 12, 13 and 17). The company is not allowed to pledge these assets as security for other borrowings or to sell them to any other entity.

 # Impairment of asset held as Capital Work in Progress

An amount of Rs. 36.30 lakhs has been adjusted during the year as an impairment of assets held as capital work in progress.

NOTE 3 : OTHER FINANCIAL ASSETS

	As at 31.03.2018 Rs. In lakhs	As at 31.03.2017 Rs. In lakhs
Non-current		
Security deposits	218.29	223.10
	218.29	**223.10**

NOTE 4 : OTHER NON-CURRENT ASSETS

	As at 31.03.2018 Rs. In lakhs	As at 31.03.2017 Rs. In lakhs
(a) **Unsecured, considered good**		
(i) Capital advances	1,339.14	2,570.56
(ii) Prepaid expenses	18.93	7.93
(iii) Prepayment for leasehold land	937.71	983.06
(iv) Advance sales tax	158.05	157.40
(v) Balance with Indirect tax authorities	1,692.09	1,305.33
(b) **Unsecured, considered doubtful**		
(i) Capital advances	55.09	55.09
	4,201.01	**5,079.37**
Less: Provision for doubtful capital advances	55.09	55.09
	4,145.92	**5,024.28**

NOTE 5: INVENTORIES (At lower of cost or net realisable value)		**As at 31.03.2018 Rs. In lakhs**	**As at 31.03.2017 Rs. In lakhs**
(a)	Raw materials (Refer note (ii) below)	28,296.79	23,641.91
(b)	Work-in-Progress	276.40	125.45
(c)	Finished goods (Refer note (iii & iv) below)	5,381.60	3,263.95
(d)	Stock-in-trade	940.35	2,086.36
(e)	Stores and spares	477.49	419.36
		35,372.63	**29,537.03**

Notes:

(i) The cost of inventories recognised as an expense during the year was Rs. 2,77,909.57 lakhs, (31.03.2017 Rs. 2,12,709.91 lakhs).

(ii) Raw materials include Goods in transit Rs. 5,076.82 lakhs, (31.03.2017 Rs. 3,777.31 lakhs)

(iii) Finished goods include Scrap of Rs. 256.31 lakhs, (31.03.2017 Rs. 226.73 lakhs)

(iv) The mode of valuation of inventories has been stated in note 1 (B) (12).

(v) There is no write down of inventories to net realisable value except in case of normal scrap generated in production process which is valued at net realisable value.

TATA STEEL PROCESSING AND DISTRIBUTION LIMITED

Notes annexed to and forming part of financial statements

TATA

NOTE : 6: INVESTMENTS

Particulars	As at 31.03.2018		As at 31.03.2017	
	No. of Units	Rs. In lakhs	No. of Units	Rs. In lakhs
NON - CURRENT INVESTMENTS				
Unquoted investments (fully paid)				
Investment in Equity Instruments at FVTOCI - -Nicco Jubilee Park Limited (Face value: Re 1 each)	10,000.00	1.00	10,000.00	1.00
Less: Provision for impairment in value		**(1.00)**		**(1.00)**
Total aggregate unquoted investments	**10,000.00**	**-**	**10,000.00**	**-**
Aggregate amount of impairment in value of investments		**1.00**		**1.00**
CURRENT INVESTMENTS				
Investments in mutual fund schemes at FVTPL				
UNQUOTED				
IDFC Dynamic Bond Fund - Growth - Regular Plan	13,62,490.00	200.00	13,62,490.00	200.00
Total	**13,62,490.00**	**200.00**	**13,62,490.00**	**200.00**
Add/(less): Change in fair value		81.23		74.72
GRAND TOTAL		**281.23**		**274.72**
Aggregate carrying value of unquoted investments		**281.23**		**274.72**

Category wise investment				
Financial assets carried at fair value through profit or loss (FVTPL) - Unquoted mutual fund schemes		**281.23**		**274.72**

NOTE 7 : TRADE RECEIVABLES	As at 31.03.2018	As at 31.03.2017
Current	**Rs. In lakhs**	**Rs. In lakhs**
(a) Unsecured, considered good	32,741.68	30,219.15
(b) Unsecured, doubtful	2,018.58	1,975.06
	34,760.26	**32,194.21**
Less : Allowance for doubtful debts	2,018.58	1,975.06
	32,741.68	**30,219.15**

Trade receivables

The average credit period on sale of goods is 0-90 days. In the event of customer making payments for an invoice/debit note beyond its stipulated/assigned credit period, an interest of 0% to 18% p.a is charged/debited to the customer for the number of days delayed, beyond due date.

The Company uses an internal customer credit analysis to assess the existing and potential customer's credit quality and defines the credit limits by customer. Of the trade receivables balance as on 31 March, 2018 of Rs. 3,281.74 lakhs (as at 31 March, 2017 of Rs. 2,487.23 lakhs) is due from Tata Steel Limited, the Company's largest customer (see note 33). There are no other customers who represent more than 5% of the total balance of trade receivables.

The Company has used a practical expedient to compute the expected credit loss allowance for trade receivables based on a provision matrix. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates are given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

Ageing	Expected credit loss (%)
0-90 days due	-
91-180 days due	-
181-365 days due	-
More than 365 days due	100%

Age of receivables	As at 31.03.2018 (Rs. in lakhs)	As at 31.03.2017 (Rs. in lakhs)
0-90 days due	31,324.07	28,659.85
91-180 days due	922.79	1,344.67
181-365 days due	139.33	214.63
More than 365 days due	2,374.07	1,975.06
Total	**34,760.26**	**32,194.21**

Movement in the expected credit loss allowance	Year ended 31.03.2018 (Rs. in lakhs)	Year ended 31.03.2017 (Rs. in lakhs)
Balance at the beginning of the year	1,975.06	2,133.50
Bad debts written off	(107.34)	(206.45)
Allowance for doubtful trade receivables	150.86	48.01
Balance at end of the year	**2,018.58**	**1,975.06**

Notes:-

(i) There were no outstanding debts due from directors or other officers of the Company.

(ii) Trade receivables from related party as on March 31, 2018 amounting to Rs. 3,765.29 lakhs (March 31, 2017 Rs. 3,176.23 lakhs)

NOTE 8 : CASH AND CASH EQUIVALENTS	As at 31.03.2018 Rs. In lakhs	As at 31.03.2017 Rs. In lakhs
(a) Balances with scheduled banks :		
-In current accounts	2,912.26	1,204.67
(b) Cheques, drafts on hand	8.04	263.39
(c) Cash on hand	2.16	1.87
	2,922.46	**1,469.93**

NOTE 9 : OTHER CURRENT ASSETS

	As at 31.03.2018 Rs. In lakhs	As at 31.03.2017 Rs. In lakhs
(a) **Unsecured, considered good**		
-Other advances (Refer note (i) below)	1,404.14	2,442.02
(b) Advance with Government authorities		
(i) Balance with Sales Tax, Excise, Service Tax authorities	-	705.73
(ii) Balance with GST authorities	6,146.04	-
(c) Prepaid expenses	225.56	234.81
(d) Prepayment for leasehold land	45.35	50.45
(e) Unbilled conversion revenue	313.20	231.74
(f) Advance Gratuity	179.40	-
(g) **Unsecured, considered doubtful**		
Other advances	17.70	61.19
	8,331.39	**3,725.94**
Less: Provision for doubtful advances	17.70	61.19
	8,313.69	**3,664.75**

Note:
(i) Other advances includes unclaimed input credits of indirect tax and vendor advances.

NOTE 10 : EQUITY SHARE CAPITAL	As at 31.03.2018 Rs. In lakhs	As at 31.03.2017 Rs. In lakhs
(a) **Authorised Share Capital**		
7,50,00,000 fully paid equity shares of Rs.10 each	7,500.00	7,500.00
(b) **Issued , Subscribed and fully paid up**		
6,82,50,000 equity shares of Rs. 10 each fully paid [100% share capital of the company is held by Tata Steel Limited, Holding Company and its nominees]	6,825.00	6,825.00
Total issued, subscribed and fully paid up share capital	**6,825.00**	**6,825.00**

Note:
The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

NOTE 11 : OTHER EQUITY

		As at 31.03.2018 Rs. In lakhs	As at 31.03.2018 Rs. In lakhs	As at 31.03.2017 Rs. In lakhs	As at 31.03.2017 Rs. In lakhs
(A)	**General reserve**				
	At the commencement of the year	373.77		373.77	
	At the end of the year		**373.77**		**373.77**
(B)	**Surplus in Profit and Loss**				
	At the commencement of the year	46,477.65		43,844.82	
Add:	Profit for the year	6,389.36		4,040.65	
Add:	Other comprehensive income	239.13		(175.65)	
Less:	(i) Dividend paid	-		1,023.75	
	(ii)Tax on dividend	-		208.42	
	At the end of the year		**53,106.14**		**46,477.65**
			53,479.91		**46,851.42**

Note: The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the requirements of the Companies Act, 2013. Thus, the amounts reported above are not distributable in entirety. In respect of the financial year 31 March, 2018 and 31 March, 2017, the Directors in their meeting dated 27 April, 2018 and 24 April, 2017 have proposed a final diividend of Rs. Nil per share and Rs. Nil per share respectively.

The Nature of reserves are as follows:-
(i) General Reserves

Under the erstwhile Companies Act 1956, a general reserves was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn.

There is no movement in general reserve during the current and previous year.

TATA STEEL PROCESSING AND DISTRIBUTION LIMITED

Notes annexed to and forming part of the financial statements

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NOTE 12 : NON-CURRENT BORROWINGS		As at 31.03.2018 Rs. In lakhs	As at 31.03.2017 Rs. In lakhs
(a)	**Secured borrowings**		
	Term loans from banks	19,804.77	8,232.66
(b)	**Unsecured borrowings**		
	Sales tax deferment loans	610.90	961.25
	Total non current borrowings	**20,415.67**	**9,193.91**

Notes: **Additional information on borrowings**

	Particulars of Loan	Amount outstanding as on 31.03.2018 (Rs. in lakhs)	Amount outstanding as on 31.03.2017 (Rs. in lakhs)	Terms of Repayment	Security
[a]	**Term loans from Banks**				
i.	Rupee Loan	5,625.00	7,125.00	Quarterly repayments starting from 31.03.2017 till 31.12.2021	Fixed assets of Chennai Service Centre, Thiruninravur
ii.	ECB loan-USD 14.40 lakhs (31.03.2017 - 33.30 lakhs)	944.64	2,174.49	Quarterly repayments starting 31.03.2014 till 31.12.2018	Fixed assets at Tubes Division (Demag Project) Jamshedpur
iii.	ECB loan-USD 26.25 lakhs (31.03.2017 - USD 30.0 lakhs)	1,722.00	1,959.00	Quarterly repayments starting 31.03.2018 till 30.09.2021	Fixed assets at CR Works (JCAPCPL* Project) Jamshedpur
iv.	Rupee Loan	14,500.00	-	Quarterly repayments starting from 14.11.2019 till 14.08.2027	Fixed assets at HR Coil Processing Facility Project, Kalinganagar
	Total	**22,791.64**	**11,258.49**		
	Less: current maturities of long term borrowings (shown under other financial liabilities)	2,917.67	2,961.30		
	Less: borrowing cost adjusted	69.20	64.53		
	Non-current borrowings-Secured	**19,804.77**	**8,232.66**		
[b]	**Sales tax deferment loan**	**610.90**	**961.25**	Repayable in five equal annual instalments after a period of 10 years from the end of the month of collection of sales tax (during the period from 2013-14 to 2022-23)	Unsecured

* Jamshedpur Continuous Annealing and Processing Company Private Limited

i) There is no breach of loan agreements during the current year and previous year.

ii) The interest rate of External Commercial Borrowings are based on 3 Months USD LIBOR for the relevant period which is hedged through Interest Rate Swaps.

iii) The interest rates for the above loans as mentioned in [a] above are linked to LIBOR/MCLR and range between 2.00% to 9.75% p.a.

Debt Reconciliation

		As at 31.03.2018 Rs. In lakhs	As at 31.03.2017 Rs. In lakhs
(i)	Non current borrowings (including current maturities of long term borrowings)	(23,333.34)	(12,155.21)
(ii)	Current borrowings	(24,695.51)	(24,158.22)
(iii)	Cash and cash equivalents	2,922.46	1,469.93
		(45,106.39)	**(34,843.50)**

Movements in Borrowings

	Current Borrowings Rs. In lakhs	Non current borrowings (including current maturities of long term borrowings) Rs. In lakhs
As at 31.03.2018		
At beginning of year	24,158.22	12,155.21
New loans / Drawals	4,317.82	14,477.58
Repayments	(3,785.05)	(2,973.15)
Other adjustments	4.52	(326.30)
At the end of the year	**24,695.51**	**23,333.34**

NOTE 13 : CURRENT BORROWINGS

	As at 31.03.2018 Rs. In lakhs	As at 31.03.2017 Rs. In lakhs
Secured		
Loan repayable on demand		
(i) Cash credit from bank (Refer Note (i))	1,161.07	1,107.49
Unsecured		
(i) Loan repayable on demand (Refer Note (iii))	15,500.00	14,000.00
(ii) Buyer's credit from bank	-	3,780.53
(iii) Commercial paper (Refer note (iv))	7,364.72	4,918.38
(iv) Short term loans - Bills discounted	669.72	351.82
Total current borrowings	**24,695.51**	**24,158.22**

Notes:

i) Cash credit from bank is secured against first charge on inventories and trade receivables. This carries a fixed interest rate of 8.35% per annum. This is payable on demand.

ii) There is no default in repayment of borrowings and interest as on 31 March, 2018, and 31 March, 2017

iii) The loan is repayable on demand and carries fixed interest rate in the range of 8.00% to 8.10% per annum.

iv) Repayable on 21 June, 2018. The commercial paper carries a discount rate of 7.45% per annum.

NOTE 14 : PROVISIONS

	As at 31.03.2018 Rs. In lakhs	As at 31.03.2017 Rs. In lakhs
Non-current provisions		
Provision for employee benefits		
(i) Compensated absences	772.12	1,070.42
(ii) Post retirement medical benefits	541.63	606.75
(iii) Post retirement pension benefits	654.84	637.62
Total non-current provisions (A)	**1,968.59**	**2,314.79**
Current provisions		
(i) Provision for employee benefits		
(a) Gratuity	-	349.06
(b) Compensated absences	19.91	25.99
(c) Post retirement medical and pension benefits	47.39	42.35
(ii) Provision for contingencies-sales tax	22.61	22.61
Total current provisions (B)	**89.91**	**440.01**
Total provisions (A+B)	**2,058.50**	**2,754.80**

NOTE 15 : OTHER NON-CURRENT LIABILITIES

	As at 31.03.2018 Rs. In lakhs	As at 31.03.2017 Rs. In lakhs
Unamortised deferred income	408.65	13.50
	408.65	**13.50**

Notes:

(i) Includes Rs. 12.00 lakhs of capital subsidy received from State Industrial Development Corporation of Uttarakhand Limited for investments in plant and equipment at Pantnagar unit, Uttarakhand. The amount has been recognised as deferred income, being a grant against plant and equipment, and is being amortised equally over the estimated useful life of plant and equipment and credited to the Statement of Profit and Loss.

(ii) Includes Rs 396.65 lakhs of Government grant recognised as deferred income with respect to sales tax deferral loan scheme received from Government of Maharashtra for the unit at Ranjangaon Pune. The grant is recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the company recognises as expenses the related costs for which the grant is intended to compensate.

NOTE 16 : TRADE PAYABLES

	As at 31.03.2018 Rs. In lakhs	As at 31.03.2017 Rs. In lakhs
Current		
Trade payables for supplies / services		
(i) Total outstanding dues of micro enterprises and small enterprises	155.96	121.31
(ii) Total outstanding dues of trade payables other than micro enterprises and small enterprises	14,623.96	16,350.22
	14,779.92	**16,471.53**

Note:

(i) Trade Payables to related parties amounts to Rs. 7,176.74 (March 31, 2017 Rs. 11,129.87 lakhs).

NOTE 17 : OTHER FINANCIAL LIABILITIES

	As at 31.03.2018 Rs. In lakhs	As at 31.03.2017 Rs. In lakhs
(a) Current maturities of long-term debt		
- Term loan from bank (Secured) - Refer note 12	2,917.67	2,961.30
(b) Interest accrued but not due on borrowings	178.09	84.51
(c) Interest accrued on trade payables	22.35	17.69
(d) Payables for purchase for property, plant and equipment	1,764.08	3,177.99
(e) Financial derivative liability	123.76	324.96
	5,005.95	**6,566.45**

TATA STEEL PROCESSING AND DISTRIBUTION LIMITED

Notes annexed to and forming part of the financial statements

NOTE 18 : OTHER CURRENT LIABILITIES

	As at 31.03.2018 Rs. In lakhs	As at 31.03.2017 Rs. In lakhs
(a) Statutory dues (GST, PF and ESIC contribution, withholding taxes, etc)	443.76	198.60
(b) Liability for excise duty on change in inventories	-	11.89
(c) Advance from customers	814.05	526.64
(d) Unamortised deferred income	42.44	1.50
	1,300.25	**738.63**

TATA STEEL PROCESSING AND DISTRIBUTION LIMITED

Notes annexed to and forming part of the financial statements

NOTE 19 : CURRENT TAX LIABILITIES (NET)	As at 31.03.2018 Rs. In lakhs	As at 31.03.2017 Rs. In lakhs
Current tax liabilities		
Provision for tax	15,939.00	13,769.00
Less: Advance tax	14,612.94	12,610.29
	1,326.06	**1,158.71**

TATA STEEL PROCESSING AND DISTRIBUTION LIMITED

Notes annexed to and forming part of the financial statements

NOTE 20 : NON CURRENT TAX ASSETS	As at 31.03.2018 Rs. In lakhs	As at 31.03.2017 Rs. In lakhs
Non-Current tax assets		
Advance tax	7,794.83	7,794.83
Less: Provision for tax	7,514.79	7,514.79
	280.04	**280.04**

NOTE 21 : REVENUE FROM OPERATIONS	Year ended 31.03.2018 Rs. In lakhs	Year ended 31.03.2017 Rs. In lakhs
(a) Sales of products (including excise duty)	2,97,243.17	2,27,675.79
(b) Sale of services (Refer note (iii))	19,120.32	16,923.36
(c) Other operating revenues (Refer note (iv))	3,281.99	2,575.84
	3,19,645.48	**2,47,174.99**

Notes :

(i) Details of sale of products		
(1) Steel coils and sheets	2,89,559.31	2,22,009.37
(2) Others (Long products and components)	7,683.86	5,666.42
	2,97,243.17	**2,27,675.79**
(ii) Details of sale of services	19,120.32	16,923.36
Processing of steel coils/ sheets, longs and plates	**19,120.32**	**16,923.36**

(iii) Includes compensation for shortfall in guaranteed volumes Rs. 621.62 lakhs [Previous year Rs. 1,086.76 lakhs]

(iv) Includes scrap sales of Rs. 3,102.61 lakhs [Previous year Rs. 2,418.12 lakhs]

NOTE 22 : OTHER INCOME

		Year ended 31.03.2018 Rs. In lakhs	Year ended 31.03.2017 Rs. In lakhs
(a)	Interest income on bank deposits etc.	59.82	109.83
(b)	Net gain/(loss) arising on financial assets designated as at FVTPL	6.51	31.80
(c)	Deferred income-government subsidy	52.54	1.50
(d)	Gain on sale /discard of Property, Plant & Equipment	9.94	40.07
		128.81	**183.20**

	Year ended 31.03.2018 Rs. In lakhs	Year ended 31.03.2017 Rs. In lakhs
NOTE 23: COST OF RAW MATERIALS CONSUMED		
a] Opening Stock	23,641.91	16,425.93
b] Add : Purchases	2,62,172.00	1,98,604.60
	2,85,813.91	**2,15,030.53**
c] Less : Closing stock	28,296.79	23,641.91
	2,57,517.12	**1,91,388.62**
Details of raw materials consumed		
(i) Steel coils	2,51,691.84	1,88,026.14
(ii) Others	5,825.28	3,362.48
	2,57,517.12	**1,91,388.62**
NOTE: 24 PURCHASE OF STOCK-IN-TRADE		
(i) Steel sheets	21,340.26	21,815.11
(ii) Others	174.77	958.67
	21,515.03	**22,773.78**
NOTE 25: CHANGES IN INVENTORIES		
WORK-IN-PROGRESS		
Opening stock	125.45	67.94
Less: Closing stock	276.40	125.45
	(150.95)	(57.51)
FINISHED GOODS		
Opening stock	3,263.95	2,337.45
Less: Closing stock	5,381.60	3,263.95
	(2,117.65)	(926.50)
STOCK-IN-TRADE		
Opening stock	2,086.36	1,617.88
Less: Closing stock	940.35	2,086.36
	1,146.01	(468.48)
	(1,122.59)	**(1,452.49)**

NOTE: 26 EMPLOYEE BENEFITS EXPENSE

		Year ended 31.03.2018 Rs. In lakhs	Year ended 31.03.2017 Rs. In lakhs
(i)	Salaries and wages	5,804.28	5,387.60
(ii)	Company's contribution to provident and other funds	616.87	541.31
(iii)	Staff welfare expenses	376.83	241.69
		6,797.98	**6,170.60**

Note: During the year, the company recognised an amount of Rs. 289.98 lakhs (2016-17 Rs. 249.07 lakhs) as remuneration to key managerial personnel. The details of such remuneration is as below:

Particulars	Year Ended 31.03.2018 (Rs. in lakhs)	Year Ended 31.03.2017 (Rs. in lakhs)
(a) Short term employee benefits	185.64	145.90
(b) Post employment benefits	81.97	63.84
(c) Other long term employment benefits	22.36	39.33
	289.98	**249.07**

NOTE 27 : FINANCE COST

	Year ended 31.03.2018 Rs. In lakhs	Year ended 31.03.2017 Rs. In lakhs
(a) Interest expense		
(i) On term loans	1,498.82	1,060.99
(ii) Trade payables	4.67	5.67
(iii) On short term borrowings	1,576.16	990.06
(b) Other borrowing costs	17.74	11.48
	3,097.39	**2,068.20**
Less: Interest capitalised	388.90	50.64
	2,708.49	**2,017.56**

Note:

The capitalisation rate used to determine the amount of borrowing cost to be capitalised is the weighted average interest rate applicable to the entity's borrowings during the year, in this case it is in the range of 7.95% p.a. to 8.25% p.a. (March 31, 2017: 0.75% p.a. to 1.30% p.a.)

TATA STEEL PROCESSING AND DISTRIBUTION LIMITED

Notes annexed to and forming part of the financial statements

NOTE 28: OTHER EXPENSES	Year ended 31.03.2018 Rs. In lakhs	Year ended 31.03.2017 Rs. In lakhs
Consumption of stores and spares	5,179.13	4,647.67
Packing expenses	522.60	505.22
Excise duties on sale of goods	76.83	417.71
Increase /(decrease) in excise duty on change in inventories	(11.89)	5.40
Power and fuel	1,375.27	1,188.65
Conversion charges	2,085.64	1,787.59
Rent	585.92	611.86
Repairs and maintenance		
- Buildings	40.12	34.85
- Plant and equipment	951.92	1,075.09
- Others	1,059.28	950.10
Insurance	228.48	142.31
Rates and taxes	82.77	133.02
Postage, telegram and telephone	66.87	77.73
Travelling and conference	537.64	340.34
Vehicle running	75.42	94.25
Printing and stationery	78.18	87.24
Freight and handling charges	2,725.48	1,962.66
Legal and professional charges	641.76	531.60
Expenses on corporate social responsibility	121.61	120.76
Directors fees	3.27	4.41
Allowance for doubtful trade receivables and advances	150.86	55.02
Net loss / (gain) on foreign currency transactions	123.30	-
Difference in derivatives (MTM) loss / (gain)	28.18	327.82
Contract labour charges	2,008.62	2,206.49
Provision for Contingencies	-	22.61
Miscellaneous expenses	1,534.24	1,447.86
	20,271.50	**18,778.26**

Note 29: Contingent liabilities

		As at 31.03.2018 Rs. in lakhs	As at 31.03.2017 Rs. in lakhs
Contingent Liabilities not provided for			
a)	Excise duty	**450.14**	5,420.34
b)	Sales tax/ VAT	**633.61**	697.80
c)	Income tax	**57.10**	62.08

Note 30: Capital commitments

Estimated amounts of contracts remaining to be executed on capital account and not provided (net of advances) : Rs. 994.86 lakhs, (As at 31.03.2017 Rs. 1,254.95 lakhs).

Note 31: Payment to Auditors comprises:

	Year ended 31.03.2018 (Rs. in lakhs)	Year ended 31.03.2017 (Rs. in lakhs)
(a) To Statutory Auditors		
i) Audit fees	**19.60**	24.60
ii) Tax audit fees	**2.50**	3.00
iii) Other services	**10.82**	13.20
iv) Out-of-pocket expenses	**7.28**	11.90
	40.20	52.70
(b) To Cost Auditors		
i) Cost audit	**2.25**	2.25
ii) Other services	**0.18**	0.20
	2.43	2.45

The above figures are exclusive of service tax/Goods and Services Tax.

Note 32: Earnings per share

	Year ended 31.03.2018	Year ended 31.03.2017
Profit for the year (Rs. in lakhs)	**6,389.36**	4,040.63
Weighted average number of equity shares	**6,82,50,000**	6,82,50,000
Nominal value per equity share (Rs.)	**10**	10
Basic and diluted earnings per share (Rs.)	**9.36**	5.92

Note: The Company did not have any potentially dilutive equity shares in any of the years presented.

Note 33: Related party disclosures

List of Related Parties and Relationship

Name of the Related Party	
i) Tata Sons Limited	Company having significant influence
ii) Tata Steel Limited	Parent Company
iii) The Tinplate Company of India Limited	Fellow Subsidiary Company
iv) Tata Metaliks Limited	Fellow Subsidiary Company
v) Jamshedpur Utilities & Services Company Limited	Fellow Subsidiary Company
vi) T S Alloys Limited	Fellow Subsidiary Company
vii) Tata Steel Special Economic Zone Limited	Fellow Subsidiary Company
viii) TKM Global Logistics Limited	Joint Venture of Parent Company
ix)Jamshedpur Continuous Annealing and Processing Company Private Limited	Joint Venture of Parent Company
x) Tata Bluescope Steel Limited	Joint Venture of Parent Company
xi) Mjunction Services Limited	Joint Venture of Parent Company
xii) TRF Limited	Associate of Parent Company
xiii) Abraham G Stephanos (Managing Director)	Key Management Personnel

The related parties principally comprise subsidiaries, associates and joint ventures of Tata Steel Limited. The Company routinely enters into transactions with these related parties in the ordinary course of business. The Company enters into transactions for sale and purchase of products and services with its related party.

The following table summarises related party transactions and balances included in the financial statements for the year ended and as at 31 March, 2018.

(Rs. in lakhs)

Transaction	**Period**	**Company having significant influence**	**Parent Company**	**Fellow Subsidiary Company**	**Joint Venture of Parent Company**	**Associate of Parent Company**	**Key Management Personnel (KMP)**
Sale of products							
Tata Steel Limited	Year ended 31.03.2018	-	-	-	-	-	-
	Year ended 31.03.2017	-	26.55	-	-	-	-
Tata Metaliks Limited	Year ended 31.03.2018	-	-	-	-	-	-
	Year ended 31.03.2017	-	-	100.84	-	-	-
T S Alloys Limited	Year ended 31.03.2018	-	-	20.24	-	-	-
	Year ended 31.03.2017	-	-	9.72	-	-	-
Tata Steel Special Economic Zone Limited	Year ended 31.03.2018	-	-	29.95	-	-	-
	Year ended 31.03.2017	-	-	482.20	-	-	-
TRF Limited	Year ended 31.03.2018	-	-	-	-	596.31	-
	Year ended 31.03.2017	-	-	-	-	724.96	-
Total	**Year ended 31.03.2018**	**-**	**-**	**50.19**	**-**	**596.31**	**-**
	Year ended 31.03.2017	**-**	**26.55**	**592.76**	**-**	**724.96**	**-**

(Rs. in lakhs)

Transaction	Period	Company having significant influence	Parent Company	Fellow Subsidiary Company	Joint Venture of Parent Company	Associate of Parent Company	Key Management Personnel (KMP)
Sale of services							
Tata Steel Limited	Year ended 31.03.2018	-	17,480.29	-	-	-	-
	Year ended 31.03.2017	-	16,606.50	-	-	-	-
Jamshedpur Continuous Annealing and Processing Company Private Limited	Year ended 31.03.2018	-	-		940.21	-	-
	Year ended 31.03.2017	-	-		306.09	-	-
Total	**Year ended 31.03.2018**	**-**	**17,480.29**	**-**	**940.21**	**-**	**-**
	Year ended 31.03.2017	**-**	**16,606.50**	**-**	**306.09**	**-**	**-**
Purchase of goods							
Tata Steel Limited	Year ended 31.03.2018	-	3,23,872.75	-	-	-	-
	Year ended 31.03.2017	-	2,22,838.53	-	-	-	-
Jamshedpur Continuous Annealing and Processing Company Private Limited	Year ended 31.03.2018	-	-	-	1,570.97	-	-
	Year ended 31.03.2017	-	-	-	78.61	-	-
Tata Bluescope Steel Limited	Year ended 31.03.2018	-	-	-	119.79	-	-
	Year ended 31.03.2017	-	-	-	2.70	-	-
Mjunction Services Limited	Year ended 31.03.2018	-	-	-	0.53	-	-
	Year ended 31.03.2017	-	-	-	0.21	-	-
TRF Limited	Year ended 31.03.2018	-	-	-	-	-	-
	Year ended 31.03.2017	-	-	-	-	2.36	-
Total	**Year ended 31.03.2018**	**-**	**3,23,872.75**	**-**	**1,691.29**	**-**	**-**
	Year ended 31.03.2017	**-**	**2,22,838.53**	**-**	**81.52**	**2.36**	**-**
Reimbursement of expenses (Received)							
Tata Steel Limited	Year ended 31.03.2018	**-**	**-**	**-**	**-**	**-**	**-**
	Year ended 31.03.2017	**-**	**4.23**	**-**	**-**	**-**	**-**
Reimbursement of expenses (Paid)							
Tata Steel Limited	Year ended 31.03.2018	-	1,511.60	-	-	-	-
	Year ended 31.03.2017	-	1,169.03	-	-	-	-
The Tinplate Company of India Limited	Year ended 31.03.2018	-	-	31.12	-	-	-
	Year ended 31.03.2017	-	-	30.38	-	-	-
Total	**Year ended 31.03.2018**	**-**	**1,511.60**	**31.12**	**-**	**-**	**-**
	Year ended 31.03.2017	**-**	**1,169.03**	**30.38**	**-**	**-**	**-**

TATA STEEL PROCESSING AND DISTRIBUTION LIMITED
Notes annexed to and forming part of financial statements

(Rs. in lakhs)

Transaction	Period	Company having significant influence	Parent Company	Fellow Subsidiary company	Joint Venture of Parent Company	Associate of Parent Company	Key Management Personnel
Dividend on equity shares							
Tata Steel Limited	**Year ended 31.03.2018**		**-**	**-**	**-**	**-**	**-**
	Year ended 31.03.2017		**1,023.75**	**-**	**-**	**-**	**-**
Receiving of services							
Tata Sons Limited	Year ended 31.03.2018	518.75	-	-	-	-	-
	Year ended 31.03.2017	331.10	-	-	-	-	-
Jamshedpur Utilities & Services Company Limited	Year ended 31.03.2018	-	-	-	-	-	-
	Year ended 31.03.2017	-	-	0.26	-	-	-
TKM Global Logistics Limited	Year ended 31.03.2018	-	-	-	45.27	-	-
	Year ended 31.03.2017	-	-	-	35.86	-	-
Tata Bluescope Steel Limited	Year ended 31.03.2018	-	-	-	21.00	-	-
	Year ended 31.03.2017	-	-	-	29.01	-	-
Mjunction Services Limited	Year ended 31.03.2018	-	-	-	44.75	-	-
	Year ended 31.03.2017	-	-	-	22.84	-	-
TRF Limited	Year ended 31.03.2018	-	-	-	-	-	-
	Year ended 31.03.2017	-	-	-	-	5.68	-
Total	**Year ended 31.03.2018**	**518.75**	**-**	**-**	**111.02**	**-**	**-**
	Year ended 31.03.2017	**331.10**	**-**	**0.26**	**87.71**	**5.68**	**-**
Managerial remuneration							
Mr. Abraham G Stephanos	**Year ended 31.03.2018**	-	-	-	-	-	**289.98**
	Year ended 31.03.2017	-	-	-	-	-	**249.07**

Outstanding balances		Company having significant influence	Parent Company	Fellow Subsidiary company	Joint Venture of Parent Company	Associate of Parent Company	Key Management Personnel
Security deposits given							
Tata Steel Limited	**As at 31.03.2018**	**-**	**65.23**	**-**	**-**	**-**	**-**
	As at 31.03.2017	**-**	**65.23**	**-**	**-**	**-**	**-**

TATA STEEL PROCESSING AND DISTRIBUTION LIMITED
Notes annexed to and forming part of financial statements

(Rs. in lakhs)

Outstanding balances		Company having significant influence	Parent Company	Fellow Subsidiary company	Joint Venture of Parent Company	Associate of Parent Company	Key Management Personnel
Trade receivables							
Tata Steel Limited	As at 31.03.2018	-	3,281.74	-	-	-	-
	As at 31.03.2017	-	2,487.23	-	-	-	-
Jamshedpur Continuous Annealing and Processing Company Private Limited	As at 31.03.2018	-	-	-	343.55	-	-
	As at 31.03.2017	-	-	-	69.30	-	-
T S Alloys Limited	As at 31.03.2018	-	-		-	-	-
	As at 31.03.2017	-	-	0.07	-	-	-
Tata Steel Special Economic Zone Limited	As at 31.03.2018	-	-	5.11	-	-	-
	As at 31.03.2017	-	-	379.01	-	-	-
Tata Bluescope Steel Limited	As at 31.03.2018	-	-	-	0.21	-	-
	As at 31.03.2017	-	-	-	0.26	-	-
TRF Limited	As at 31.03.2018	-	-	-	-	134.68	-
	As at 31.03.2017	-	-	-	-	240.43	-
Total	**As at 31.03.2018**	**-**	**3,281.74**	**5.11**	**343.76**	**134.68**	**-**
	As at 31.03.2017	**-**	**2,487.23**	**379.08**	**69.56**	**240.43**	**-**

Trade payables							
Tata Steel Limited	As at 31.03.2018	-	7,105.59	-	-	-	-
	As at 31.03.2017	-	11,101.06	-	-	-	-
The Tinplate Company of India Limited	As at 31.03.2018	-	-	7.26	-	-	-
	As at 31.03.2017	-	-	2.07	-	-	-
Jamshedpur Continuous Annealing and Processing Company Private Limited	As at 31.03.2018	-	-	-	49.29	-	-
	As at 31.03.2017	-	-	-	24.06	-	-
Tata Bluescope Steel Limited	As at 31.03.2018	-	-	-	9.57	-	-
	As at 31.03.2017	-	-	-	0.84	-	-
Mjunction Services Limited	As at 31.03.2018	-	-	-	5.04	-	-
	As at 31.03.2017	-	-	-	1.84	-	-
Total	**As at 31.03.2018**	**-**	**7,105.59**	**7.26**	**63.90**	**-**	**-**
	As at 31.03.2017	**-**	**11,101.06**	**2.07**	**26.74**	**-**	**-**

Advance from customers							
Tata Steel Limited	**As at 31.03.2018**	-	-	-	-	-	-
	As at 31.03.2017	-	63.08	-	-	-	-
T S Alloys Limited	**As at 31.03.2018**	-	-	0.07	-	-	-
	As at 31.03.2017	-	-	0.07	-	-	-
Total	**As at 31.03.2018**	**-**	**-**	**0.07**	**-**	**-**	**-**
	As at 31.03.2017	**-**	**63.08**	**0.07**	**-**	**-**	**-**

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the current or prior years for bad or doubtful debts in respect of the amounts owed by related parties. The sale to and purchases from related parties are made in the ordinary course of business.

Note 34: Employee benefits

A. Defined contribution plans

The Company operates defined contribution retirement benefit plans for all the qualifying employees. The employees of the Company are members of the Employees Provident Fund which manages the retirement benefit plan operated by the Regional Provident Fund Commissioner. The Company is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Company with respect to the retirement benefit plan is to make the specified contributions. The assets of the plans are held with recognised provident fund for provident fund contribution and superannuation fund is maintained with Life Insurance Corporation of India (LIC).

The Company has recognised in the Statement of Profit and Loss an amount of Rs. 449.72 lakhs (31.03.2017: Rs. 411.43 lakhs) and in Capital Work in Progress Rs. 8.68 lakhs (31.03.2017 Rs. 1.05 lakhs) respectively towards expenses under defined contribution plans. As at 31 March, 2018 contributions of Rs. 54.66 lakhs (as at 31 March, 2017: Rs. 59.14 lakhs) due in respect of 2017-18 (2016-17) reporting period had not been paid over to the plans. The amounts were paid subsequent to the end of the respective reporting periods.

	Benefit (Contribution to)	Year ended 31.03.2018 Amount (Rs. in lakhs)	Year ended 31.03.2017 Amount (Rs. in lakhs)
i).	Provident Fund	**266.73**	250.33
ii).	Superannuation Fund	**175.12**	151.19
iii).	Employee State Insurance	**16.55**	10.96
		458.40	412.48

B. Defined benefits plans

The Company operates post retirement defined benefit plans as follows:

a. Funded
   i. Post Retirement Gratuity

b. Unfunded
   i. Compensated absences
   ii. Post Retirement Medical Benefits
   iii. Pension to Ex-directors

Post retirement gratuity fund is maintained with Life Insurance Corporation of India (LIC).

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of defined benefit plan liability (denominated in Indian Rupee) is calculated using discount rate which is determined by reference to the market yields at the end of the reporting period on government bonds.
Interest risk	A decrease in government bonds interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of 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 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.

No other post-retirement benefits are provided to the employees of the Company.

In respect of post retirement benefit, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation was carried out as at 31 March, 2018 by Mr. Ritobrata Sarkar, Fellow of the Institute of Actuaries of India (Empanelled Actuary of Willis Towers Watson). The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

The principal assumptions used for the purposes of the actuarial valuations were as follows.

	As at	
	31.03.2018	**31.03.2017**
Financial assumptions		
Discount rate (s)	7.50%	7.00%
Expected rate (s) of salary increase		
- Regular	9.00%	9.00%
- Managing Director	12.00%	12.00%
Demogaphic assumptions		
Retirement age (in years)		
- Regular	60	60
- Managing Director	65	65

	As at 31.03.2018	As at 31.03.2017
Mortality table	Indian Assured Lives Mortality (2006-08) modified Ultimate	Indian Assured Lives Mortality (2006-08) modified Ultimate
Mortality table (Post retirement)	LIC Annuitants (1996-98) ultimate	LIC Annuitants (1996-98) ultimate
Withdrawal rate		
Ages from 20-25	5.00%	0.50%
Ages from 25-30	5.00%	0.30%
Ages from 30-35	5.00%	0.20%
Ages from 35-50	2.00%	0.10%
Ages from 50-55	2.00%	0.20%
Ages from 55-58	2.00%	0.30%

Notes

i. The discount rate is based on the prevailing market yields of India Government securities as at the balance sheet date for the estimated term of obligations.

ii. The gratuity plan is funded.

iii. The estimates of future salary increases considered take into account the inflation, seniority, promotion and other relevant factors.

C. Details of the Gratuity and Compensated absences are as follows

Description	Year ended 31.03.2018 Amount (Rs. in lakhs)		Year ended 31.03.2017 Amount (Rs. in lakhs)	
	Gratuity	Compensated absences	Gratuity	Compensated absences
1. Movements in the present value of the defined benefit obligation are as follows				
a. Opening defined benefit obligation	**1,478.20**	**1,096.41**	1,154.12	875.60
b. Current service cost	**150.71**	**123.73**	123.49	93.52
c. Interest cost	**101.98**	**64.67**	88.24	65.45
d. Settlement cost/(credit)	**-**	**(70.63)**	-	-
e. Acquisition cost/(credit)	**3.64**	**-**	-	3.86
f. Actuarial (gain)/loss from changes in financial assumptions	**(89.35)**	**(51.80)**	145.60	111.52
g. Actuarial (gain)/loss from changes in demographic assumptions	**(67.78)**	**(41.66)**	-	-
h. Actuarial (gain)/loss from experience adjustments	**(38.18)**	**16.39**	(2.25)	8.72
i. Benefits paid	**(42.72)**	**(345.08)**	(31.00)	(62.26)
Closing defined benefit obligation	**1,496.50**	**792.03**	1,478.20	1,096.41
2. Movements in the fair value of plan assets are as follows				
a. Opening fair value of plan assets	**1,129.14**	**-**	1,085.04	**-**
b. Interest income	**94.22**	**-**	82.89	**-**
c. Acquistion Adjustment	**3.64**	**-**	-	**-**
d. Contributions from the employer	**476.53**	**-**	-	**-**
e. Return on plan assets greater/(lesser) than discount rate	**15.10**	**-**	(7.79)	**-**
f. Benefits paid	**(42.72)**	**-**	(31.00)	**-**
Closing fair value of plan assets	**1,675.91**	**-**	1,129.14	-
3. Reconciliation of fair value of plan assets and obligations				
a. Fair value of plan assets	**1,675.91**	**-**	1,129.14	-
b. Present value of defined benefit obligation	**(1,496.50)**	**(792.03)**	(1,478.20)	(1,096.41)
Net Assets/(liability) arising from defined benefit obligation	**179.41**	**(792.03)**	(349.06)	(1,096.41)
4. Expenses recognised during the year				
A. Statement of profit and loss in respect of defined benefit plans				
a. Current service cost	**150.71**	**123.73**	123.49	93.52
b. Net interest (income)/expense	**7.76**	**64.67**	5.35	65.45
c. Actuarial (gain)/loss from changes in financial assumptions	**-**	**(51.80)**	-	111.52
d. Actuarial (gain)/loss from changes in demographic assumptions	**-**	**(41.66)**	-	-
e. Actuarial (gain)/loss from experience adjustments	**-**	**16.39**	-	8.72
f. Settlement Cost/(Credit)	**-**	**(70.63)**	-	-
Cost recognised in Statement of Profit and Loss	**158.47**	**40.70**	128.84	279.21
B. Remeasurement on the net defined benefit liability:				
a. Actuarial (gain)/loss from changes in financial assumptions	**(89.35)**	**-**	145.60	-
b. Actuarial (gain)/loss from changes in demographic assumptions	**(67.78)**	**-**	-	-
c. Actuarial (gain)/loss from experience adjustments	**(38.18)**	**-**	(2.25)	-
d. Return on plan assets (greater)/less than discount rate	**(15.10)**	**-**	7.79	-
Components of defined benefit costs recognised in other comprehensive income	**(210.41)**	**-**	151.14	-

5. Investment details

a. Others (Funds with Life Insurance Corporation of India)	**1,675.91**	-	1,129.14	-

6. Assumptions

Description	Year ended 31.03.2018 Gratuity	Year ended 31.03.2018 Compensated absences	Year ended 31.03.2017 Gratuity	Year ended 31.03.2017 Compensated absences
a. Discount rate (per annum)	**7.50%**	**7.50%**	7.00%	7.00%
b. Estimated rate of return on plan assets (per annum)	**9.25%**		9.25%	
c. Rate of escalation in salary	**9.00%**	**9.00%**	9.00%	9.00%
d. Average duration of the benefit obligation (in years)				
- Active members	**12.00**		15.00	
e. Expected contribution to the defined benefit plans during the next financial year (Rs. in lakhs)	**-**		349.06	

The Sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

i) Effect on defined benefit obligation of % change in discounting rate				
- Effect of 1% increase in discounting rate	**(158.59)**	**(91.19)**	(189.91)	(290.71)
- Effect of 1% decrease in discounting rate	**186.32**	**108.35**	228.26	351.56
ii) Effect on defined benefit obligation of1% change in salary escalation rate				
- Effect of 1% increase in salary escalation rate	**181.67**	**105.68**	221.48	341.09
- Effect of 1% decrease in salary escalation rate	**(157.85)**	**(90.80)**	(188.33)	(288.30)

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

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

The expected return on plan assets is based on the return received on the Fund maintained with Life Insurance Corporation of India against liability.

Non-current provisions (Refer note 14)	**-**	**772.12**	-	1,070.42
Current provisions (Refer note 14)	**-**	**19.90**	349.06	25.99

The plan assets of the Company are managed by Life Insurance Corporation of India in terms of an insurance policy taken to fund obligations of the Company with respect to the gratuity plan. Information on category of plan assets has not been provided by Life Insurance Corporation of India.

D. Details of the Post Retirement Medical Benefit (PRMB) and Defined Pension are as follows:

Description	Year ended 31.03.2018 Amount (Rs. in lakhs)		Year ended 31.03.2017 Amount (Rs. in lakhs)	
	Medical	Pension	Medical	Pension
1. Movements in the present value of the defined benefit obligation are as follows.				
a. Opening defined benefit obligation	**606.75**	**679.97**	437.35	638.29
b. Current service cost	**73.58**	**-**	53.01	-
c. Interest cost	**42.29**	46.14	33.84	47.92
d. Actuarial (gain)/loss from changes in financial assumptions	**(71.21)**	(34.67)	107.91	48.74
e. Actuarial (gain)/loss from changes in demographic assumptions	**(196.48)**	**-**	-	-
e. Actuarial (gain)/loss from experience adjustments	**97.37**	47.80	(24.06)	(15.12)
f. Benefits paid	**(5.37)**	(42.30)	(1.30)	(39.86)
Closing defined benefit obligation	**546.93**	**696.94**	606.75	679.97
2. Reconciliation of fair value of plan assets and obligations				
a. Fair value of plan assets	**-**	**-**	**-**	**-**
b. Present value of defined benefit obligation	**(546.93)**	**(696.94)**	(606.75)	(679.97)
Net Assets/(liability) arising from defined benefit obligation	**(546.93)**	**(696.94)**	(606.75)	(679.97)
Non-current provisions (Refer Note 14)	**(541.63)**	**(654.85)**	(606.75)	(637.62)
Current provisions (Refer Note 14)	**(5.30)**	**(42.09)**	-	(42.35)
3. Expenses recognised during the year				
A. Statement of profit and loss in respect of defined benefit plans.				
a. Current service cost	**73.58**	**-**	53.01	-
b. Net interest (income)/expense	**42.29**	**46.14**	33.84	47.92
c. Actuarial (gain)/loss from changes in financial assumptions	**-**	**-**	-	-
d. Actuarial (gain)/loss from changes in demographic assumptions	**-**	**-**	-	-
e. Actuarial (gain)/loss from experience adjustments	**-**	**-**	-	-
Cost recognised in Statement of Profit and Loss	**115.87**	**46.14**	86.85	47.92
B. Remeasurement on the net defined benefit liability:				
a. Actuarial (gain)/loss from changes in financial assumptions	**(71.21)**	**(34.67)**	107.91	48.74
b. Actuarial (gain)/loss from changes in demographic assumptions	**(196.48)**	**-**	-	-
c. Actuarial (gain)/loss from experience adjustments	**97.37**	**47.80**	(24.06)	(15.12)
Components of defined benefit costs recognised in other comprehensive income	**(170.32)**	**13.13**	83.85	33.62

4. Assumptions

Description	Year ended 31.03.2018 Amount (Rs. in lakhs) Medical	Year ended 31.03.2018 Amount (Rs. in lakhs) Pension	Year ended 31.03.2017 Amount (Rs. in lakhs) Medical	Year ended 31.03.2017 Amount (Rs. in lakhs) Pension
a. Discount rate (per annum)	**7.50%**	**7.50%**	7.75%	7.75%
b. Rate of escalation in pension	**-**	**6.00%**	-	6.00%
c. Medical cost - % of annual entitlement utilised	**8.00%**	**-**	8.00%	-
d. Average duration of the benefit obligation (in years)				
e. - Active members	**-**	**10.00**	-	10.00

The Sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

f. Effect of 1% change (increase) in health care cost, current service and g. interest cost	**138.94**	172.24
Medical inflation rate	**9.00%**	9.00%
h. Closing balance of obligation - Sensitivity result		
Effect of 1% change (decrease) in health care cost, current service and i. interest cost	**(103.36)**	(125.04)
Medical inflation rate	**7.00%**	7.00%

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

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

E. Other disclosures

Net Asset/(Liability) recognised in the Balance Sheet (including experience adjustment impact)	2017-18 Amount (Rs. in lakhs)	2016-17 Amount (Rs. in lakhs)	2015-16 Amount (Rs. in lakhs)	2014-15 Amount (Rs. in lakhs)	2013-14 Amount (Rs. in lakhs)
			Gratuity		
I. a) Present value of defined benefit obligation	**1,496.50**	1,478.20	1,154.12	1,002.24	725.15
b) Fair value of plan assets	**1,675.91**	1,129.14	1,085.04	945.56	799.30
c) Surplus / (deficit) in plan assets	**179.41**	(349.06)	(69.08)	(56.68)	74.15
			Compensated absences		
II. a) Present value of defined benefit obligation	**792.03**	1,096.41	875.60	750.59	494.32
b) Fair value of plan assets	**N/A**	N/A	N/A	N/A	N/A
c) Surplus / (deficit) in plan assets	**(792.03)**	(1,096.41)	(875.60)	(750.59)	(494.32)
			Medical		
III. a) Present value of defined benefit obligation	**546.93**	606.75	437.35	366.98	214.10
b) Fair value of plan assets	**N/A**	N/A	N/A	N/A	N/A
c) Surplus / (deficit) in plan assets	**(546.93)**	(606.75)	(437.35)	(366.98)	(214.10)
			Pension		
IV. a) Present value of defined benefit obligation	**696.94**	679.97	638.29	659.07	458.35
b) Fair value of plan assets	**N/A**	N/A	N/A	N/A	N/A
c) Surplus / (deficit) in plan assets	**(696.94)**	(679.97)	(638.29)	(659.07)	(458.35)

Note 35: Deferred tax liability (net)

(Rs. in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Deferred tax assets	2,002.24	2,078.01
Deferred tax liabilities	(4,402.92)	(3,345.40)
	(2,400.68)	**(1,267.39)**

Deferred tax assets/ liability recognised in books	**2,400.68**	**1,267.39**

Deferred tax liability reconciliation (Rs. in lakhs)

2017-2018	Opening Balance	Recognised in Statement of Profit and Loss	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to:				
Property, plant and equipment	(3,297.20)	(1,053.61)	-	(4,350.81)
Fair value of investments	(29.95)	(2.28)	-	(32.23)
Allowance for doubtful debts and doubtful advances	704.37	33.58	-	737.95
Defined benefit obligation	815.86	(83.60)	(128.44)	603.82
Others financial liabilities	557.78	(70.31)	-	487.47
Others	(18.25)	(1.63)	-	(19.88)
MAT Credit	-	173.00	-	173.00
	(1,267.39)	**(1,004.85)**	**(128.44)**	**(2,400.68)**

(Rs. in lakhs)

2016-2017	Opening Balance	Recognised in Statement of Profit and Loss	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to:				
Property, plant and equipment	(2,806.21)	(490.99)	-	(3,297.20)
Fair value of investments	(4.09)	(25.86)	-	(29.95)
Allowance for doubtful debts and doubtful advances	757.11	(52.74)	-	704.37
Defined benefit obligation	539.41	183.49	92.96	815.86
Others financial liabilities	372.26	185.52	-	557.78
Others	(15.10)	(3.15)	-	(18.25)
	(1,156.62)	**(203.73)**	**92.96**	**(1,267.39)**

Income tax expense for the year can be reconciled to the accounting profits as follows: (Rs. in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Profit before tax	**9,564.21**	**5,634.36**
Income tax expense calculated at 34.608% (2016-17:34.608%)	3,309.98	1,949.94
Effect of income that is exempt from taxation	(21.62)	(62.84)
Effect of expenses not deductible in determining taxable profit	285.22	194.60
Effect of change in tax rate	12.56	-
Effect of concessions and allowance deductible in determining taxable profit	(411.29)	(487.97)
	3,174.85	**1,593.73**
Adjustment recognised in current year in relation to current tax of prior years	-	-
Income tax expense recognised in Statement of Profit and Loss	**3,174.85**	**1,593.73**

The tax rate used for the year 2017-18 and 2016-17 reconciliation above is the corporate tax rate of 34.608% payable by corporate entities in India on taxable profits under the Indian tax law.

Income tax recognised in other comprehensive income (Rs. in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Deferred tax Arising on income and expenses recognised in other comprehensive income		
Remeasurement of post-employment defined benefit obligation	(128.44)	92.96
Total income tax recognised in other comprehensive income	**(128.44)**	**92.96**
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be classified to profit or loss	(128.44)	92.96
Items that may be classified to profit or loss	-	-
Income tax expenses recognised in other comprehensive income	**(128.44)**	**92.96**

Note 36: Segment information

The Company is engaged in the processing and distribution of steel products. Based on the information reported to the chief operating decision maker (CODM) for the purpose of resource allocation and assessment of performance, there are no reportable segments in accordance with the requirements of Indian Accounting Standard 108-'Operating Segment Reporting', notified under the Companies (Indian Accounting Standards) Rules, 2015.

Geographical segment

The Company sells its products within India. The market conditions in India being uniform, no separate geographical segment disclosure is considered necessary.

Entity wide Segment disclosure

Revenue from major customer Tata Steel Limited is Rs. 17,480.29 lakhs (Refer Note 33) which is less than 10% of the total revenue of the company, hence no separate disclosure is required.

Note 37: Operating Leases

The Company has cancellable operating lease agreements for office spaces and residential accommodations, the tenure of which generally vary from less than a year to 3 years. Terms of such lease include option for renewal on mutually agreed terms. Operating lease rental expenses aggregating Rs. 585.92 lakhs (Previous Year: Rs. 611.86 lakhs) have been debited to the Statement of Profit and Loss.

Note 38: Expenditure on Corporate social responsibility

a) Gross amount required to be spent by the Company during the year ended 31.03.2018 : Rs. 121.37 lakhs (Previous year Rs. 120.73 lakhs)

b) Amount spent during the year ended 31.03.2018. (refer note 28)

Particulars	2017-18			2016-17		
	Paid (A) (Rs. in lakhs)	**Yet to be Paid (B) (Rs. in lakhs)**	**Total (A) + (B) (Rs. in lakhs)**	**Paid (A) (Rs. in lakhs)**	**Yet to be Paid (B) (Rs. in lakhs)**	**Total (A) + (B) (Rs. in lakhs)**
(i) Construction/acquisition of any asset	-	-	-	-	-	-
(ii) On purpose other than (i) above	121.61	-	121.61	120.76	-	120.76
Total	**121.61**	**-**	**121.61**	**120.76**	**-**	**120.76**

Note 39: Derivative instruments

[i] The Company has entered into interest rate swap to hedge its future interest rate risk on its External Commercial Borrowings from State Bank of India, GIFT City Branch. The same has been carried out in accordance with the Company's Risk Management Policy, approved by the Board of Directors. The Company does not use this contract for speculative purposes .

Outstanding interest rate swaps to hedge against fluctuations in interest rate changes:

As at	No. of contracts	US Dollar Notional (in lakhs)	INR equivalent (Rs. in lakhs)
31.03.2018	1	14.40	944.64
31.03.2017	1	33.30	2,174.49

[ii] The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations. The use of foreign currency forward contracts is governed by the Company's strategy approved by the Board of Directors, which provide guidelines on the use of such forward contracts consistent with the Company's Risk Management Policy. The Company does not use forward contracts for speculative purposes.

Outstanding Cross Currency Interest Rate Swaps contracts entered into by the Company on account of foreign currency loan:

As at	No. of contracts	USD equivalent (in lakhs)	INR equivalent (Rs. in lakhs)
31.03.2018	2	26.25	1,722.00
31.03.2017	2	30.00	1,959.00

Outstanding forwards contract entered into by the Company on account of foreign currency loans and interest:

As at	No. of contracts	USD equivalent (in lakhs)	No. of contracts	Euro equivalent (in lakhs)	INR equivalent (Rs. in lakhs)
31.03.2018	3	14.40	0	0.00	944.64
31.03.2017	6	63.76	1	12.86	5,064.37

[iii] The details of Company's foreign currency exposure as on 31 March, 2018 is as follows:

Currency	31-Mar-18		31-Mar-17	
	Receivables/ (Payables)	Rupee equivalent	Receivables/ (Payables)	Rupee equivalent
	(FC)	(Rs. in lakhs)	(FC)	(Rs. in lakhs)
Gross foreign exchange exposure:				
USD	(40.65)	(2,666.64)	(108.41)	(7,079.08)
EURO	(6.575)	(533.79)	(28.72)	(2,011.21)
Foreign currency hedged				
USD	(40.65)	(2,666.64)	(93.76)	(6,122.70)
EURO	-	-	(12.86)	(900.68)
Foreign currency unhedged				
USD	-	-	(14.65)	(956.38)
EURO	(6.575)	(533.79)	(15.86)	(1,110.53)

Note 40: Exceptional items [Item No VI of Statement of Profit and Loss]

Exceptional items as shown in the Statement of Profit and Loss represents Allowance on other non current assets of Rs. 167.71 lakhs on account of the write down in the value of its Property, Plant and Equipment and Capital Work in progress pertaining to Roll forming line at Jamshedpur, component manufacturing unit at Pantnagar and overhead crane at Pune based on an estimation of its realisable value, assessed by an independent valuer.

Note 41. Details of dues to micro and small enterprises

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.

Description	Year ended 31.03.2018 (Rs. in lakhs)	Year ended 31.03.2017 (Rs. in lakhs)
a. the principal amount remaining unpaid to any supplier	**155.96**	121.31
b. interest due thereon	**0.69**	0.63
c. interest due and payable for the period of delay in making payment other than the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	**3.97**	5.04
d. interest accrued and remaining unpaid	**4.66**	5.67
e. further interest remaining due and payable even in the succeeding years for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	**22.35**	17.69

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Note 42: Provision for contingencies

Disclosure as required under Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets

Provisions for Contingencies have been recognised in the financial statements considering the following:

Provision for contingencies in respect of Sales tax represents estimates made for probable liabilities arising out of pending disputes/ litigation with respective authority. The timing of the outflow with regard to the said matter depends on the demand received by the Company under the law.

i). The company has a present obligation as a result of past event

ii). It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

iii). A reliable estimate can be made of the amount of the obligation

Particulars	**Provision for contingencies 31.03.2018 (Rs. in lakhs)**	**Provision for contingencies 31.03.2017 (Rs. in lakhs)**
Balance at the beginning of the year	22.61	-
Additional provision recognised	-	22.61
Amount used/adjusted during the year	-	-
Balance at the end of the year	22.61	22.61

Note 43. Details of Specified Bank Notes (SBN)

The details of Specified Bank Notes (SBNs) or other denomination notes, as defined in the MCA notification G.S.R. 308(E) dated 30 March, 2017, held and transacted during the period from 8 November, 2016 to 30 December, 2016 is provided in the table below:

Particulars	**SBN's* (in Rs.)**	**Other denomination notes (in Rs.)**	**Total (in Rs.)**
Closing cash in hand as on 08.11.2016	1,85,500.00	1,24,043.00	3,09,543.00
Add:-Permitted receipts	-	5,56,878.00	5,56,878.00
Less:- Permitted payments	-	4,70,448.00	4,70,448.00
Less:- Amount deposited in banks	1,85,500.00	-	1,85,500.00
Closing cash in hand as on 30.12.2016	**-**	**2,10,473.00**	**2,10,473.00**

* For the purposes of this note, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated 8 November, 2016.

Note 44: Financial Instruments

A. Capital management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings as detailed in notes 12, 13 and 17 offset by cash and cash equivalents) and total equity of the Company.

The Company's management reviews the capital structure periodically. As part of the review, the management considers the cost of capital and the associated risks. The Company has a target gearing ratio of 20% - 75% determined as the proportion of net debt to total equity. The gearing ratio at 31 March, 2018 is 75%, which is within the target range of gearing ratio.

Gearing ratio

The gearing ratio at end of the reporting period was as follows:

	As at 31.03.2018 (Rs. in lakhs)	As at 31.03.2017 (Rs. in lakhs)
Debt (i)	48,028.85	36,313.43
Cash and cash equivalents (refer note 8)	2,922.46	1,469.93
Net debt	45,106.39	34,843.50
Total equity	60,304.91	53,676.42
Net debt to equity ratio	74.80%	64.91%

(i) Debt is defined as long term, short term borrowings and short term maturities of long term debt (excluding derivatives and other financial liabilities), as described in notes 12, 13 and 17.

B. Categories of financial instruments

	As at 31.03.2018 (Rs. in lakhs)	As at 31.03.2017 (Rs. in lakhs)
Financial assets		
Mandatorily measured at fair value through profit or loss (FVTPL)		
(a) Mandatorily measured at FVTPL (refer note 6)	281.23	274.72
Mandatorily measured at amortised cost		
(a) Cash and cash equivalents (refer note 8)	2,922.46	1,469.93
(b) Other financial assets at amortised cost (including trade receivables)	32,959.97	30,442.25
Mandatorily measured at FVTOCI		
(a) Investments in equity instruments designated upon initial recognition	-	-
Financial liabilities		
Mandatorily measured at fair value through profit or loss (FVTPL)		
(a) Designated as at FVTPL upon initial recognition	-	-
Measured at amortised cost		
(a) Derivative liability [refer note 17 (e)]	123.76	324.96
(b) Borrowings	45,111.18	33,352.13
(c) Other financial liabilities	19,662.11	22,712.04

C. Financial risk management objectives

The Company is exposed to market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The objective of the Company's risk management framework is to manage the above risks and aims to :
- identify and manage the Company's debt and related interest rate risk
- reduce overall interest cost to the Company
- identifying the tools to be used for insuring the risks such as interest rate swap
- management of foreign currency positions, derivative transactions and related risks
- ensure suitability of the derivative transaction to the Company

D. Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk, including:
(i) forward foreign exchange contract to hedge the exchange rate risk arising on the foreign currency outstanding;
(ii) interest rate swaps to mitigate the risk of rising interest rates; and
(iii) cross currency interest rate swaps to mitigate the risk of rising currency and interest rates.

E. Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward exchange contracts.

The carrying amount of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting periods are as follows :

	Liabilities as at (Rs. in lakhs)		Assets as at (Rs. in lakhs)	
	31.03.2018	**31.03.2017**	**31.03.2018**	**31.03.2017**
USD	2,666.64	7,079.08	-	-
EURO	533.79	2,011.21	-	-

(i) Foreign currency sensitivity analysis

The Company is mainly exposed to the fluctuations in the rates of foreign currency i.e. USD and Euro.
The following table details the Company's sensitivity to a 10% increase and decrease in INR against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis comprises outstanding foreign currency denominated monetary items. The sensitivity analysis includes external loans where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. A positive number below indicates an increase in profit or equity where the INR strengthens 10% against the relevant currency. For a 10% weakening of the INR against relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

	USD impact	
	2017-18	**2016-17**
Impact on profit or loss for the year (i) (Rs. in lakhs)	266.66	707.91
Impact on total equity as the end of reporting period (Rs. in lakhs)	-	-

	EURO impact	
	2017-18	**2016-17**
Impact on profit or loss for the year (i) (Rs. in lakhs)	53.38	201.12
Impact on total equity as the end of reporting period (Rs. in lakhs)	-	-

(i) This is mainly attributable to the exposure outstanding in USD and EURO for foreign currency loans and foreign currency payables of the company at the end of the reporting period.

(ii) Forward foreign exchange contracts

The Company has availed loans like External Commercial Borrowings (ECB) and Buyer's Credit to finance its capital projects. It is the policy of the Company to enter into forward exchange contracts to cover specific foreign currency repayments. The exposure is hedged based on the maturity profile of the exposure. The risk is capped for any subsequent adverse exchange rate movement but there is also opportunity loss in the event of subsequent favorable exchange rate movement.

The Company has entered into forward contracts to hedge its foreign currency borrowings repayments. The Company utilises a rollover hedging strategy, using contracts with terms of up to 6 months. Upon the maturity of a forward contract, the Company enters into a new contract designated as a separate hedging relationship.

F. Interest rate risk management

The Company is exposed to interest rate risk as the Company borrows funds at both fixed and floating interest rates. The Company manages the risk by maintaining an appropriate mix between fixed and floating rate borrowings, and by use of interest rate swaps and cross currency interest rate swaps. Hedging activities are evaluated to align with interest rate views and defined risk appetite, to deploy the most cost effective hedging strategies.

The foreign currency floating rate borrowings are immediately hedged by entering into interest rate swap or cross currency interest rate swap to safeguards against any negative interest rate movements.

(i) Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for floating borrowings at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Company's profit for the year ended 31 March, 2018 would decrease/increase by Rs. 137.87 lakhs (for the year ended 31 March, 2017: decrease/increase by Rs. 71.25 lakhs). This is mainly attributable to the Company's exposure to interest rates in its variable borrowings.

(ii) Interest rate swap contracts

Under interest rate swap contracts, the Company agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Company to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt and the cash flow exposures on the issued variable rate debt.

The interest rate swaps are settled on a quarterly basis. The Company settles the difference between fixed and floating interest rate on a net basis. Mark to Market (MTM) loss/gain at the each reporting date is accounted for in the Statement of Profit and Loss.

G. Price risk management

The Company is exposed to price risks arising from fair valuation of Company's investment in mutual funds. These investments are held for short term purposes. The carrying amount of the Company's investments designated as at fair value through profit or loss at the end of the reporting period is as follows:

	Fair value as at (Rs. in la	
	31.03.2018	**31.03.2017**
Investments in mutual funds	281.23	274.72

The sensitivity analyses below have been determined based on the exposure to NAV price risks at the end of the reporting year.

For the year ended 31 March, 2018 and 31 March, 2017, every 1 percentage increase / decrease in the NAV of investments, will affect the Company's profit before tax by Rs. 2.81 lakhs and 2.75 lakhs, respectively.

H. Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties as a means to mitigate the risk of financial loss from defaults.

Apart from Tata Steel Limited, the largest customer of the Company (refer note 7), the Company does not have significant credit risk exposure to any single counterparty. Concentration of credit risk related to Tata Steel Limited did not exceed 20% of gross monetary assets at any time during the year. Concentration of credit risk to any other counterparty did not exceed 5% of gross monetary assets at any time during the year.

I. Liquidity risk management

The ultimate responsibility for liquidity risk management rests with the management of the Company, which has established an appropriate risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturing profiles of financial assets and liabilities.

The following table detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The Contractual maturity is based on the earliest date on which the Company may be required to pay.

	Less than 1 year (Rs. in lakhs)	1-5 years (Rs. in lakhs)	More than 5 years (Rs. in lakhs)	Total (Rs. in lakhs)	Carrying amount (Rs. in lakhs)
31.03.2018					
Non-interest bearing	16,868.20	-	-	**16,868.20**	16,868.20
Variable interest rate instruments	3,187.31	13,360.75	12,258.39	**28,806.45**	20,090.45
Fixed interest rate instruments	26,278.58	1,373.98	-	**27,652.56**	27,327.49
	46,334.09	**14,734.73**	**12,258.39**	**73,327.21**	**64,286.14**
31.03.2017					
Non-interest bearing	20,076.68	-	961.25	**21,037.93**	21,037.93
Variable interest rate instruments	2,136.56	6,716.25	-	**8,852.81**	7,125.00
Fixed interest rate instruments	25,840.05	2,896.74	-	**28,736.79**	28,227.18
	48,053.29	**9,612.99**	**961.25**	**58,627.53**	**56,390.11**

Financing Facilities	**As at 31.03.2018 (Rs. in lakhs)**	**As at 31.03.2017 (Rs. in lakhs)**
Secured bank cash credit facility:		
-amount used	1,830.80	1,459.31
-amount unused	1,669.20	2,040.69
	3,500.00	**3,500.00**
Secured bank loan facilities with various maturity dates :		
-amount used	22,791.64	14,356.50
-amount unused	-	-
	22,791.64	**14,356.50**
Unsecured bank loan facilities :		
-amount used	22,864.72	23,050.73
-amount unused	-	-
	22,864.72	**23,050.73**

J. Fair value measurement

Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis.

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique (s) and input used)

Financial assets/ financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	31.03.2018	31.03.2017		
1) Foreign currency forward contract	Liabilities - Rs. 29.54 lakhs	Liabilities - Rs. 209.14 lakhs	Level 2	The fair valuation of the derivative instruments has been done based on forward exchange rates at the end of the reporting period received from the bank.
2) Interest rate swap contract	Assets - Rs. 0.52 lakhs	Assets - Rs. 1.91 lakhs	Level 2	The fair valuation of the derivative instruments has been done based on forward exchange rates at the end of the reporting period received from the bank.
3) Cross currency interest rate swap contract	Liabilities - Rs. 94.74 lakhs	Liabilities - Rs. 117.73 lakhs	Level 2	The fair valuation of the derivative instruments has been done based on forward exchange rates at the end of the reporting period received from the bank.
4) Investments in mutual fund at FVTPL	Assets - Rs. 281.23 lakhs	Assets - Rs. 274.72 lakhs	Level 2	Unquoted net asset value (NAV) received from mutual fund.
5) Investment in equity investment (unquoted)	-	-	Refer note (i) below	Refer note (i) below

Note:
(i) Includes investments whoes fair value is Nil.

Fair value of the Company's financial assets and financial liabilities that are not measured at fair value on a recurring basis

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

Note 45: There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year and as at 31.03.2018.

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

For and on behalf of the Board

Rupen Shah
Partner
Membership No. 116240

Anand Sen
Chairman
DIN: 00237914

Asis Mitra
Company Secretary

Anup Kumar
Chief Financial Officer

Abraham G Stephanos
Managing Director
DIN: 06618882

Date: 27 April, 2018
Place: Mumbai

Date: 27 April, 2018
Place: Kolkata