

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
TATA STEEL PROCESSING AND DISTRIBUTION LIMITED**

**Report on the Standalone Financial Statements**

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

**Management's Responsibility for the Standalone Financial Statements**

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

**Auditor's Responsibility**

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to



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design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, 2015, and its profit and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in financial statements - refer note 28 (b, c & e) and 43 to the financial statements;



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- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on derivative contracts - refer note 40 to the financial statements;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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



**Abhijit Bandyopadhyay**  
Partner  
(Membership No. 054785)

KOLKATA, 21 April, 2015

**ANNEXURE TO THE AUDITORS' REPORT**

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

- (i) Having regard to the nature of the Company's business/activities/result clauses (viii) of paragraph 3 of the Order are not applicable to the Company.
- (ii) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner 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 program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- (iii) In respect of its inventories:
  - (a) As explained to us, inventories were physically verified during the year by the management at reasonable intervals. In case of inventories lying with third parties, certificates confirming the inventories have been received for stocks held.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act.
- (v) In our opinion and according to the information and explanations given to us, having regard to the explanation that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and the sale of goods and services. During the course of our audit we have not observed any major weaknesses in the internal control system.
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provision of the Companies Act and the rules framed thereunder, where ever applicable, in relation to its deemed deposit of unadjusted advance lying for more than 365 days taken from the customers in the regular course of its business.



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(vii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost records and audit) Rules, 2014 prescribed by the Central Government under Section 148 of the Companies Act, 2013 in respect of the business of manufacture of automotive components at Panthnagar, plate processing unit at Tada and Pickling operations at Pune, and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete. The management contends that the Companies (Cost records and audit) Rules, 2014 do not apply to business of trading of steel after carrying out conversion activities and accordingly has represented that the Central Government has not prescribed the maintenance of cost records for any other product of the Company.

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

(a) The Company has generally been regular in depositing undisputed dues, including Income-tax, Service Tax, duty of Customs, Duty of Excise, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Income tax, Service tax, Duty of Customs, Duty of Excise and Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable

(b) Details of dues of Income tax, Sales tax, Wealth Tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax and Cess which have not been deposited as at March 31, 2015 on account of any dispute are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Rs. lacs)
Central Sales Tax Act	CST	Joint Commissioner of Commercial Taxes (Appeals)	2006-07	71.71
			2007-08	50.14
			2008-09	77.99
			2009-10	5.84
Central Excise Act	Excise Duty	Central Excise & Service Tax Appellate Tribunal	2002-05	393.18
		Jharkhand High Court, Ranchi	2005-06	4,970.19
Central Excise Act	Excise Duty	Central Excise & Service Tax Appellate Tribunal	12/2008 to 11/2010	11.89



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Value added Tax	Jharkhand VAT	Joint Commissioner of Commercial Taxes (Appeals)	2008-09	161.93
Value added Tax	Bhubaneswar VAT	Joint Commissioner of Commercial Taxes (Appeals)	09-12-2005 to 30-05-2011	8.23
Value Added Tax Act	Jharkhand VAT	Joint Commissioner of Commercial Taxes (Appeals)	2007-08	5.72
Uttar Pradesh Sales Tax Act	Sales Tax	Joint Commissioner of Commercial Taxes (Appeals)	2006-07 2007-08	1.81 8.32
Bombay Sales Tax	Sales Tax	Bombay High Court	{1998-99, 2001-02, to and 2004-05}	112.11
Maharashtra Value added tax	Maharashtra Value added tax	Joint Commissioner of Commercial Taxes (Appeals)	2007-08	11.88
Income Tax Act	Income Tax Act	Commissioner of Income Tax (Appeals)	A.Y. 2010-11	95.25
Income Tax Act	Income Tax Act	Commissioner of Income Tax (Appeals)	A.Y. 2007-08	54.81
Income Tax Act	Income Tax Act	Income Tax Appellate Tribunal	A.Y. 2009-10 A.Y 2008-09 A.Y 2006-07	74.22 30.45 13.72
Income Tax Act	Income Tax Act	High Court, Kolkata	A.Y 2002-03 A.Y 2003-04	1.48 5.45
Income Tax Act	Income Tax Act	Commissioner of Income Tax (Appeals)	A.Y 2011-12	93.58
Income Tax Act	Income Tax Act	Deputy Commissioner of Income Tax *	A.Y 2012-13	149.15

\* The company has received an order from Deputy Commissioner of Income Tax dated 29<sup>th</sup> March, 2015[received on 31<sup>st</sup> March, 2015]. The Company is in the process of filing appeal against the said order before Commissioner of Income tax (Appeals) as on the date of the report.

- (c) There were no amount which were required to be transferred to investor education an protection fund in accordance with the relevant provisions of the Companies Act 1956 (1 of 1956) and rules made thereunder.



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- (c) There were no amount which were required to be transferred to investor education an protection fund in accordance with the relevant provisions of the Companies Act 1956 (1 of 1956) and rules made thereunder.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks or financial institutions.
- (x) In our opinion and according to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, the term loans have been applied by the Company during the year for the purposes for which they were obtained.
- (xii) To best of our knowledge an according to the information and explanations given to us, no fraud by the Company and no fraud on the Company was noticed or reported during the year.

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



Abhijit Bandyopadhyay  
Partner  
Membership No. 054785

**KOLKATA, 21 April, 2015**

**TATA STEEL PROCESSING AND DISTRIBUTION LIMITED**  
**Balance Sheet as at 31st March 2015**



I. EQUITY AND LIABILITIES	Note No.	As at	As at	As at	As at
		31.03.2015	31.03.2015	31.03.2014	31.03.2014
		Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs
(1) <b>Shareholders' Funds</b>					
(a) Share Capital	2	6,825.00		6,825.00	
(b) Reserves and Surplus	3	38,980.73	45,805.74	37,708.54	44,533.54
(2) <b>Non-Current Liabilities</b>					
(a) Long-term Borrowings	4	11,038.09		6,304.64	
(b) Deferred Tax Liabilities (Net) [Refer Note 37]		761.28		1,024.87	
(c) Other Long-term Liabilities	5	216.09		-	
(d) Long-term Provisions	6	1,785.64	13,801.10	1,099.91	8,429.42
(3) <b>Current Liabilities</b>					
(a) Short-term Borrowings	7	1,000.00		-	
(b) Trade Payables	8	8,602.99		14,564.94	
(c) Other Current Liabilities	9	3,581.00		5,055.51	
(d) Short-term Provisions	10	1,629.02	14,813.01	941.79	20,562.24
<b>TOTAL</b>			<b>74,419.84</b>		<b>73,525.20</b>
II. <b>ASSETS</b>					
(1) <b>Non-Current Assets</b>					
(a) Fixed Assets	11				
(i) Tangible Assets		27,969.31		28,821.24	
(ii) Intangible Assets		187.58		160.06	
(iii) Capital Work-in-Progress		2,488.66		1,707.62	
(b) Non-Current Investments	12	-		-	
(c) Long term Loans and Advances	14	3,948.29	34,593.84	1,017.62	31,706.54
(2) <b>Current Assets</b>					
(a) Current Investments	13	200.00		1,103.54	
(b) Inventories	15	20,128.79		16,546.94	
(c) Trade Receivables	16	14,939.42		19,032.13	
(d) Cash and Bank Balances	17	1,840.30		2,003.39	
(e) Short-term Loans and Advances	18	2,523.30		2,230.84	
(f) Other Current Assets	19	194.19	39,826.00	901.82	41,818.66
<b>TOTAL</b>			<b>74,419.84</b>		<b>73,525.20</b>

**Summary of Significant Accounting Policies** 1

The Notes 2 to 44 form an integral part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells  
Chartered Accountants

Abhijit Bandyopadhyay  
Partner

Date: 21.04.15  
Place: Kolkata  
Asis Mitra  
Company Secretary

Pratik Chatterjee  
Chief Financial Officer

Anand Sen  
Chairman

Abraham G Stephanos  
Managing Director



**TATA STEEL PROCESSING AND DISTRIBUTION LIMITED**  
**Statement of Profit and Loss for the year ended 31st March 2015**



	Note No.	Year ended 31.03.2015 Rs. in lacs	Year ended 31.03.2015 Rs. in lacs	Year ended 31.03.2014 Rs. in lacs	Year ended 31.03.2014 Rs. in lacs
I. Revenue from Operations (gross)	20		204,712.85		172,541.90
Less: Excise duty			<u>244.36</u>		<u>271.87</u>
<b>Revenue from Operations (net)</b>			<b>204,468.49</b>		<b>172,270.03</b>
II. Other Income	21		<u>199.86</u>		<u>352.44</u>
III. <b>Total Revenue (I +II)</b>			<b>204,668.35</b>		<b>172,622.47</b>
IV. <b>Expenses</b>					
(a) Cost of Materials consumed	22	154,483.99		124,646.36	
(b) Purchase of Stock-in-Trade	23	21,237.13		21,254.92	
(c) Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade	24	(960.42)		29.19	
(d) Employee Benefits Expense	25	6,027.09		4,751.71	
(e) Finance Costs	26	867.02		532.37	
(f) Depreciation and Amortisation expense	11	2,023.84		1,632.70	
(g) Other Expenses	27	<u>15,633.77</u>		<u>14,551.56</u>	
		<u>199,312.42</u>		<u>167,398.81</u>	
Less : Expenditure (other than Interest) transferred to Capital and other accounts		<u>85.61</u>	<b>199,226.81</b>	<u>171.97</u>	<b>167,226.84</b>
V. <b>Profit before exceptional and extra ordinary items and Tax (III - IV)</b>			<b>5,441.54</b>		<b>5,395.63</b>
VI. Exceptional items					
(a) Provision for loss on Impairment of non-current assets. [Refer Note 41(i)]		1368.22		200.63	
(b) Reversal of provision for loss on Impairment of non-current assets. [Refer Note 41(ii)]		<u>-</u>	<b>1,368.22</b>	<u>(828.94)</u>	<b>(628.31)</b>
VII. <b>Profit before Tax (V - VI)</b>			<b>4,073.32</b>		<b>6,023.94</b>
VIII. <b>Tax Expense</b>					
(a) Current Tax		1,730.00		1,350.00	
(b) Deferred Tax [Refer Note 37]		<u>(201.01)</u>	<b>1,528.99</b>	<u>400.00</u>	<b>1,750.00</b>
IX. <b>Profit/(Loss) for the period (VII-VIII)</b>			<b>2,544.33</b>		<b>4,273.94</b>
X. <b>Earnings Per share of Rs. 10 each Basic &amp; Diluted (Rs.)</b> [Refer Note 34]			<b>3.73</b>		<b>6.26</b>

**Summary of Significant Accounting Policies**

1

The Notes 2 to 44 form an integral part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells  
Chartered Accountants

Abhijit Bandyopadhyay  
Partner

Date : 21.04.15, Asis Mitra  
Place : Kolkata, Company Secretary

Pratik Chatterjee  
Chief Financial Officer

Anand Sen  
Chairman

Abraham G Stephanos  
Managing Director

**TATA STEEL PROCESSING AND DISTRIBUTION LIMITED**  
**Cash Flow Statement for the year ended 31st March 2015**

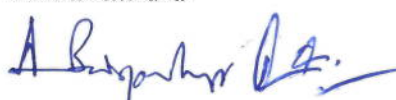


	Year ended 31.03.2015		Year ended 31.03.2014	
	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
NET PROFIT BEFORE TAX		4,073.32		6,023.94
<i>Adjustments for :</i>				
Depreciation	2,023.84		1,632.70	
Interest Income	(87.76)		(138.07)	
Dividend Income	(112.10)		(119.31)	
Finance Costs	867.02		532.37	
Unrealised (Gain)/ Loss on Foreign Exchange	(53.79)		14.52	
Loss on account of Forward premium	14.64		11.67	
Loss on sale/scrapping of Fixed Assets	0.43		48.95	
Provision for Doubtful Debts & Advances	(35.83)		77.20	
Provision for impairment loss on non-current asset	1,368.22		200.64	
Reversal of Provision for impairment on non-current asset	35.97		(828.94)	
Other non-operating Income	-		(95.06)	
Liability no longer required written back	(59.81)		(9.35)	
		3,960.83		1,327.32
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		8,034.15		7,351.26
<i>Adjustments for :</i>				
(Increase)/Decrease in Sundry Debtors	4,128.54		(4,700.75)	
(Increase)/Decrease in Inventories	(3,581.85)		(1,274.46)	
Increase/(Decrease) in Payables	(5,372.56)		4,064.81	
(Increase)/Decrease in Loans & Advances and other current assets	(141.44)	(4,967.31)	(977.48)	(2,887.88)
CASH GENERATED FROM OPERATIONS		3,066.84		4,463.38
Direct taxes paid		(1,788.53)		(921.17)
<b>NET CASH FROM OPERATING ACTIVITIES</b>		1,278.31		3,542.21
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets	(7,023.57)		(6,846.05)	
Sale of Fixed Assets	68.54		5.53	
Recovery against capital costs	724.00			
Purchase of Current Investments	(31,111.77)		(22,203.38)	
Sale of Current Investments	32,012.59		26,502.83	
Investment in bank deposits	-		-	
Maturity of bank deposits	400.00		300.00	
Interest received	90.15		148.25	
Dividend received	114.83		128.30	
		(4,725.23)		(1,964.52)
<b>C CASH FLOW FROM FINANCIAL ACTIVITIES</b>				
Proceeds from Long Term Borrowings	6,000.00		1,500.00	
Repayment of Long Term Borrowings	(2,473.18)		(2,517.04)	
Capital Subsidy on investment	30.00		-	
Proceeds from Short Term Borrowings	1,000.00		-	
Repayment of Short Term Borrowings	-		(160.43)	
Increase/(Decrease) in statutory restricted Accounts Balances	(3.62)		256.28	
Interest paid	(869.37)		(570.75)	
<b>NET CASH FROM FINANCING ACTIVITIES</b>		3,683.83		(1,491.94)
<b>Net Increase in Cash and Cash equivalents (A+B+C)</b>		236.91		85.75
Cash and Cash Equivalents at the beginning of the year [ Refer note 17]		1,003.39		917.64
Cash and Cash Equivalents at the end of the year [ Refer note 17]		1,240.30		1,003.39

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins and Sells  
Chartered Accountants

  
Abhijit Bandyopadhyay  
Partner

Asis Mitra  
Company Secretary

  
Pratik Chatterjee  
Chief Financial Officer

  
Anand Sen  
Chairman

  
Abraham G Stephanos  
Managing Director

Date : 21.04.15  
Place : Kolkata

### **Basis of preparation of Financial Statements**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

### **Note 1: Summary of Significant Accounting Policies.**

#### **a) Use of Estimates**

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

#### **b) Revenue Recognition**

##### **i) Sale of goods**

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

##### **ii) Processing Charges**

Revenue from service transactions is usually recognised as the service is performed on conversion of customers material by the completed service contract method. Processing charges include freight and packaging charges but net of service tax.

##### **iii) Dividend and Interest income**

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

#### **c) Fixed Assets**

All fixed assets are valued at cost less depreciation/amortisation. The cost of an asset includes the purchase cost of materials, including import duties and non refundable taxes, and any directly attributable costs of bringing an asset to the location and condition of its intended use.

#### **d) Depreciation**

Depreciation on fixed assets is provided on straight-line method over the remaining useful life of assets. During the current period, the Company has revisited its estimates of useful life of its fixed assets as prescribed in Schedule II of the Companies Act, 2013,

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

- a) Factory Building - 30 years.
- b) Building(Others)<sup>(1)</sup> - 30 to 60 years.
- c) Roads and Pathways <sup>(1)</sup> - 10 to 20 years.
- d) Plant and Machinery <sup>(1)</sup> - 6 to 20 years.
- e) Electrical Installations <sup>(1)</sup> - 5 to 20 years.
- f) Furniture and Fixtures - 10 years.
- g) Office Equipment <sup>(1)</sup> - 5 to 15 years.
- h) Computers(including software) <sup>(1)</sup> - 5 years.
- i) Vehicles <sup>(1)</sup> - 5 years.
- j) Leasehold land are amortised over the life of the lease.

<sup>(1)</sup> Useful life of these 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. The useful lives for these assets considered for depreciation is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

#### **e) Investments**

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

#### **f) Inventories**

Raw materials are valued at cost comprising purchase price, freight and handling, non refundable taxes and duties and other directly attributable costs.

Work in Progress valued at cost including cost of conversion and other cost incurred to bring the asset to the present condition

Finished and semi-finished products are valued at lower of cost and net realisable value.

Stores and spares are valued at cost comprising of purchase price, freight and handling, non refundable taxes and duties and other directly attributable costs less provision for obsolescence.

Value of inventories are generally ascertained on the "weighted average" basis.



**Note 1. Summary of Significant Accounting Policies. (Contd..)**

**g) Foreign Currency Transactions**

Foreign Currency transactions and forward exchange contracts are recorded on initial recognition in the reporting currency i.e. Indian rupees, using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities in currencies other than the reporting currency and foreign exchange contracts remaining unsettled are remeasured at the rates of exchange prevailing at the balance sheet date. Exchange difference arising on the settlement and on the remeasurement of long term foreign currency monetary items related to acquisition of depreciable fixed assets are adjusted to the cost of such assets. Exchange difference arising on the settlement and on the remeasurement of other long term foreign currency monetary items are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance period of such long term asset/liability or 31st March 2020 whichever is earlier. Exchange difference arising on the settlement and on the remeasurement of short term monetary items are included in profit and loss for the year. In case of forward exchange contracts, the difference between the contract rate and the spot rate on the date of transaction is charged to the profit and loss account over the period of the contract

**h) Derivative Financial Instruments**

(i) The Company uses derivative financial instruments such as Forwards & Swaps to hedge its risks associated with foreign exchange fluctuations. Such derivative financial instruments are used as risk management tools and not for speculative purposes.

(ii) Derivative financial instruments entered into for hedging foreign exchange risks of recognised foreign currency monetary items are accounted for as per the principles laid down in Accounting Standard - 11 "The effects of changes in Foreign Rates".

(iii) For derivative financial instruments and foreign currency monetary items designated as Cash Flow hedges, the effective portion of the fair value of the derivative financial instruments are recognised in Cash Flow Hedge Reserve and reclassified in the period in which the Statement of Profit and Loss is impacted by the hedged items. In cases where the exposure gives rise to a non-financial asset, the effective portion is reclassified from Hedging Reserve to the initial carrying amount of the non-financial asset as a 'basis adjustment' and recycled to the Statement of Profit and Loss when the respective non-financial asset affects the Statement of Profit and Loss in future periods. The ineffective portion of the change in fair value of such instruments is recognised in the Statement of Profit and Loss in the period in which they arise. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For transactions of firm commitment, any cumulative gain or loss on the hedging instrument recognised in Cash Flow Hedge Reserve is retained until the transaction occurs.

If the transaction is no longer expected to occur, the net cumulative gain or loss recognised in Cash Flow Hedge Reserve is immediately transferred to the Statement of Profit and Loss.

(iv) If no hedging relationship is designated, the fair value of the derivative financial instruments is marked to market through the Statement of Profit and Loss.

**i) Borrowing Costs**

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

**j) Employee Benefits**

**i). Short term benefits**

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

**ii). Post employment benefits**

**Defined Contribution plans**

Defined contribution plans are those plans where the Company pays fixed contributions to a separate entity. Contributions are paid in return for services rendered by the employees during the year. The company has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay employee benefits. The contributions are expensed as they are incurred in line with the treatment of wages and salaries.

**Defined Benefit Plans**

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

**k) Taxes on Income**

**(i) Current Taxes**

Provision for Current income-tax is measured as the amount expected to be paid to the tax authorities on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

**(ii) Deferred Taxes**

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

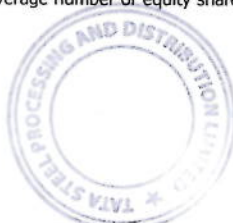
Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

**l) Leases**

The Company's significant leasing arrangements are in respect of operating leases for premises (Residences, office etc). The leasing arrangements, which are cancellable, range between 11 months to 3 years generally, and are usually renewable by mutual consent on agreed terms. Rental expenses on operating leases is recognised on a straightline basis over the terms of the relevant leases.

**m) Earnings Per Share**

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



# TATA STEEL PROCESSING AND DISTRIBUTION LIMITED

Notes annexed to and forming part of Financial Statements



## NOTE 2 : SHARE CAPITAL

(a) **Authorised**

75,000,000 Equity Shares of Rs.10 each

(b) **Issued , Subscribed and fully paid up**

68,250,000 Equity Shares of Rs. 10 each fully paid  
[100% Share Capital of the company is held by Tata Steel Ltd. , The Holding Company ]

**Total issued, subscribed and fully paid up share capital**

	As at 31.03.2015 Rs. in lacs	As at 31.03.2014 Rs. in lacs
	7,500.00	7,500.00
	6,825.00	6,825.00
	<b>6,825.00</b>	<b>6,825.00</b>

Additional information:

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.



# TATA STEEL PROCESSING AND DISTRIBUTION LIMITED

Notes annexed to and forming part of Financial Statements



NOTE 3 : RESERVES AND SURPLUS	As at	As at	As at	As at
	31.03.2015	31.03.2015	31.03.2014	31.03.2014
	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs
<b>(A) General Reserve</b>				
At the commencement of the year	-		-	
Add: Transfer from Surplus in Statement of Profit and Loss	127.22		-	
At the end of the year		127.22		-
<b>(B) Surplus in Profit and Loss</b>				
At the commencement of the year	37,708.54		33,434.60	
Add: Profit for the year	2,544.33		4,273.94	
Less : (i) Adjustment relating to depreciation on change in estimated useful life at the commencement of the year (Net of Deferred Tax of Rs. 62.58 lacs)	118.25		-	
(ii) Transfer to General Reserve	127.22			
(iii) Proposed Dividend (Re 1.00 per share) <sup>(1)</sup>	682.50			
(iv) Income Tax on Proposed Dividend	136.47			
At the end of the year		39,188.43		37,708.54
<b>(C) Capital Subsidy <sup>(2)</sup></b>		30.00	-	-
<b>(D) Cash Flow Hedge Reserve</b>				
At the commencement of the year	-		-	
(i) Fair value changes recognised	(364.92)		-	
At the end of the year		(364.92)		-
		<b>38,980.73</b>		<b>37,708.54</b>

(1) The Board of Directors has proposed a dividend of Re 1.00 per Equity Share (2013-14 Rs. Nil) for the year ended March 31, 2015. The dividend payment is subject to the approval of the shareholders in the ensuing Annual General Meeting.

(2) Capital subsidy received from State Industrial Development Corporation of Uttarakhand Limited for investments in Pantnagar.



**TATA STEEL PROCESSING AND DISTRIBUTION LIMITED**

Notes annexed to and forming part of Financial Statements


**NOTE 4 : LONG-TERM BORROWINGS**

	As at 31.03.2015 Rs. in lacs	As at 31.03.2014 Rs. in lacs
(a) <b>Secured Borrowings</b>		
Term Loans		
From Bank	10,785.43	5,752.45
(b) <b>Unsecured Borrowings</b>		
Term Loans		
From Others	-	295.91
(c) <b>Deferred payment liabilities</b>		
Sales tax deferment loans	252.66	256.28
	<b>11,038.09</b>	<b>6,304.64</b>

 Notes: **Additional information on Long term borrowings**

	Particulars of Loan	Amount outstanding as on 31.03.2015 (Rs. in lacs)	Amount outstanding as on 31.03.2014 (Rs. in lacs)	Terms of Repayment	Security
A]	<b>Term loan from Banks</b>				
	i. Rupee Loan	-	481.25	Quarterly repayments till 31.03.2015	All fixed assets of the Company except those purchased with the funds borrowed from Export Development of Canada and CBA Australia
	ii. Rupee Loan	-	724.54	Quarterly repayments till 31.03.2015	
	iii. Rupee Loan	-	662.50	Quarterly repayments till 31.03.2015	
	iv. Rupee Loan	7,500.00	1,500.00	Quarterly repayments starting from 31.03.2017 till 31.12.2021	
	v. ECB loan-USD 7.03 million. (31.03.2014 - 7.495 million)	4,433.12	4,533.73	Quarterly repayments starting 31.03.2014 till 31.12.2018	
	<b>Total</b>	<b>11,933.12</b>	<b>7,902.02</b>		
	Less: Current Maturities of Long term borrowings (shown under Current Liabilities)	1,147.69	2,149.57		
	<b>Long term borrowings-Secured</b>	<b>10,785.43</b>	<b>5,752.45</b>		
B]	<b>Term loan from Others</b>				
	i. ECB loan -USD 0.498 million. (31.03.2014 USD 0.978 mill.)	308.48	591.82	Half yearly repayments till 31.12.2015	Unsecured
	Less: Current Maturities of Long term borrowings (shown under Current Liabilities)	308.48	295.91		
	<b>Long term borrowings-Unsecured</b>	<b>0.00</b>	<b>295.91</b>		
C]	<b>Sales Tax Deferment Loan</b>	<b>252.66</b>	<b>256.28</b>	Repayable in five equal annual instalments after a period of 10 years from the end of the month of respective loans.	Unsecured





**NOTE 5 : Other Long Term Liabilities**

(a) Liabilities for capital goods

As at 31.03.2015 Rs. in lacs	As at 31.03.2014 Rs. in lacs
<b>216.09</b>	-
<b>216.09</b>	-





# TATA STEEL PROCESSING AND DISTRIBUTION LIMITED

Notes annexed to and forming part of Financial Statements



## NOTE 6 : LONG TERM PROVISIONS

### (a) Provision for Employee Benefits

- (i) Leave Encashment
- (ii) Other Post Retirement Benefits
- (iii) Gratuity

	As at 31.03.2015	As at 31.03.2014
	Rs. in lacs	Rs. in lacs
(i) Leave Encashment	742.37	452.44
(ii) Other Post Retirement Benefits	986.59	647.47
(iii) Gratuity	56.68	-
	<b>1,785.64</b>	<b>1,099.91</b>



**TATA STEEL PROCESSING AND DISTRIBUTION LIMITED**  
**Notes annexed to and forming part of Financial Statements**



**NOTE 7 : SHORT-TERM BORROWINGS**

**Unsecured  
 Loan repayable on demand**

(i) Demand loan from bank

	As at 31.03.2015 Rs. in lacs
	1,000.00
	<b>1,000.00</b>

	As at 31.03.2014 Rs. in lacs
	-
	-



**TATA STEEL PROCESSING AND DISTRIBUTION LIMITED**

**Notes annexed to and forming part of Financial Statements**



**NOTE 8 : TRADE PAYABLES**

**Trade Payables for supplies / services**

- (i) Total Outstanding dues of Micro Small and Medium Enterprises
- (ii) Total Outstanding dues of Trade Payables other than Micro Small and Medium Enterprises

	As at 31.03.2015 Rs. in lacs	As at 31.03.2014 Rs. in lacs
	-	-
	8,602.99	14,564.94
	<b>8,602.99</b>	<b>14,564.94</b>



## TATA STEEL PROCESSING AND DISTRIBUTION LIMITED

### Notes annexed to and forming part of Financial Statements



#### NOTE 9 : OTHER CURRENT LIABILITIES

	As at 31.03.2015 Rs. in lacs	As at 31.03.2014 Rs. in lacs
(a) Current maturities of long-term debt		
(i) Secured Loans		
Term Loan from Bank	1,147.69	2,149.57
(ii) Unsecured Loans		
From Others	308.48	295.91
(b) Interest accrued but not due on borrowings	3.13	5.47
(c) Advance from Customers	323.62	355.56
(d) Financial Derivative liability	400.89	-
(e) For other liabilities (1)	1,397.19	2,249.00
	<b>3,581.00</b>	<b>5,055.51</b>

#### Additional information

(1) Includes Statutory dues and liability for capital goods.



**TATA STEEL PROCESSING AND DISTRIBUTION LIMITED**  
**Notes annexed to and forming part of Financial Statements**



**NOTE 10 : SHORT-TERM PROVISIONS**

	As at 31.03.2015 Rs. in lacs	As at 31.03.2014 Rs. in lacs
(a) Provision for Tax (net of Advance Tax Rs. 9,244.67 lacs, 31.03.2014 Rs. 9,244.67 lacs)	719.33	719.33
(b) Provision for employee benefits		
(i) Leave Encashment	8.22	41.88
(ii) Other Post Retirement Benefits	39.46	24.94
(c) Provision for Contingencies-Sales Tax	43.04	155.64
(d) Proposed Dividend	682.50	-
(e) Income Tax on Proposed Dividend	136.47	-
	<b>1,629.02</b>	<b>941.79</b>



TATA STEEL PROCESSING AND DISTRIBUTION LIMITED  
Notes annexed to and forming part of Financial Statements



NOTE 11 : FIXED ASSETS

Description	Rs. in Lacs												
	Freehold land	Leasehold Land	Building	Plant & Machinery	Electrical Installations	Furniture & Fixtures	Office Equipment	Vehicles	Computers	Total Tangible Assets	Computer Software	Total Intangible Assets	Total Assets
Gross Block as at 01.04.2014	164.83	1,245.73	12,175.14	27,083.37	2,155.28	311.68	238.87	134.08	399.07	43,908.05	306.00	306.00	44,214.05
Additions/ Transfers during the year	-	106.87	872.56	1,145.47	158.55	17.85	37.13	88.33	101.36	2,528.12	89.67	89.67	2,617.79
Adjustment for Foreign Exchange fluctuation (Gain)/Loss	-	-	87.75	99.04	12.88	-	-	-	-	199.67	-	-	199.67
Deletions/ Transfers during the year	-	-	136.51	318.14	39.37	0.89	1.73	25.60	3.56	525.80	-	-	525.80
<b>Gross Block as at 31.03.2015</b>	<b>164.83</b>	<b>1,352.60</b>	<b>12,998.94</b>	<b>28,009.74</b>	<b>2,287.34</b>	<b>328.64</b>	<b>274.27</b>	<b>196.81</b>	<b>496.87</b>	<b>46,110.04</b>	<b>395.67</b>	<b>395.67</b>	<b>46,505.71</b>
Impairment as at 01.04.2014	-	-	84.67	99.11	15.85	0.87	0.13	-	-	200.63	-	-	200.63
Impairment during the year	-	-	-	1,366.64	1.28	-	0.18	-	0.12	1,368.22	-	-	1,368.22
Impairment reversed during the year	-	-	84.67	99.11	15.85	0.87	0.13	-	-	200.63	-	-	200.63
<b>Impairment as at 31.03.2015</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,366.64</b>	<b>1.28</b>	<b>-</b>	<b>0.18</b>	<b>-</b>	<b>0.12</b>	<b>1,368.22</b>	<b>-</b>	<b>-</b>	<b>1,368.22</b>
Accumulated Depreciation as at 01.04.2014	-	149.30	2,219.20	11,376.72	698.10	127.80	58.16	38.10	221.30	14,888.68	145.94	145.94	15,034.62
Depreciation during the Year	-	57.06	447.21	1,155.12	121.64	35.42	51.06	32.56	61.62	1,961.69	62.15	62.15	2,023.84
Adjustment with reserve during the year	-	-	39.08	43.27	50.13	6.98	28.92	2.79	9.66	180.83	-	-	180.83
Deductions/ Transfers during the year	-	-	34.21	187.75	15.95	0.46	1.55	14.79	1.48	256.19	-	-	256.19
<b>Accumulated Depreciation as at 31.03.2015</b>	<b>-</b>	<b>206.36</b>	<b>2,671.28</b>	<b>12,387.36</b>	<b>853.92</b>	<b>169.74</b>	<b>136.59</b>	<b>58.66</b>	<b>291.10</b>	<b>16,775.01</b>	<b>208.09</b>	<b>208.09</b>	<b>16,983.10</b>
Assets held for Disposal	-	-	1.00	1.50	-	-	-	-	-	2.50	-	-	2.50
<b>Net Block as at 31.03.2015</b>	<b>164.83</b>	<b>1,146.24</b>	<b>10,328.66</b>	<b>14,257.24</b>	<b>1,432.14</b>	<b>158.90</b>	<b>137.50</b>	<b>138.15</b>	<b>205.65</b>	<b>27,969.31</b>	<b>187.58</b>	<b>187.58</b>	<b>28,156.89</b>
Gross Capital Work in Progress as at 01.04.2014	164.83	1,096.43	9,872.27	15,609.04	1,441.33	183.01	180.58	95.98	177.77	28,821.24	160.06	160.06	28,981.30
Adjustments during the year	-	-	-	-	-	-	-	-	-	-	-	-	1,707.62
<b>Capital Work in Progress as at 31.03.2015</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>781.04</b>
Capital Work in Progress as at 31.03.2014	-	-	-	-	-	-	-	-	-	-	-	-	2,488.66
													1,707.62



**TATA STEEL PROCESSING AND DISTRIBUTION LIMITED**  
**Notes annexed to and forming part of Financial Statements**



**NOTE : 12 & 13: INVESTMENTS**

	Balance As at 31.03.2015		Balance As at 31.03.2014	
	No. of Units	Rs. in lacs	No. of Units	Rs. in lacs
<b>Note 12 : NON - CURRENT INVESTMENTS</b>				
UNQUOTED, NON TRADE				
Equity shares of Rs. 10/- each fully paid in Nicco Jubilee Park Ltd. ( Book Value: Re 1)	10,000.000	1.00	10,000.000	1.00
Less: Provision for Diminution in value		(1.00)		(1.00)
<b>Total</b>	<b>10,000.000</b>	<b>-</b>	<b>10,000.000</b>	<b>-</b>
<b>Note 13: CURRENT INVESTMENTS (At lower of cost or fair value)</b>				
<b>Investments in Mutual Fund schemes</b>				
<b>UNQUOTED</b>				
Baroda Pioneer Liquid Fund - Plan A- DDR	-	-	10,017.47	100.24
Baroda Pioneer Treasury Advantage Fund - Plan A - DDR	-	-	9,907.82	101.40
IDFC Dynamic Bond Fund - Growth - Regular Plan	1,362,490.00	200.00	689,379.42	100.00
Kotak Liquid Scheme - Plan A - DDR	-	-	8,202.86	100.31
LIC Nomura MF Liquid Fund - DDR	-	-	9,132.07	100.27
L&T Liquid Fund -DDR	-	-	9,915.11	100.30
SBI Premier Liquid Fund - Direct - DDR	-	-	9,976.36	100.09
SBI Magnum Insta Cash - Cash Plan - DDR	-	-	9,939.85	100.38
Tata Money Market Fund - Plan A - DDR	-	-	19,988.08	200.18
UTI Liquid Cash Plan Institutional	-	-	9,845.87	100.37
<b>Total</b>	<b>1,362,490.00</b>	<b>200.00</b>	<b>786,304.91</b>	<b>1,103.54</b>



# TATA STEEL PROCESSING AND DISTRIBUTION LIMITED

## Notes annexed to and forming part of Financial Statements



### NOTE 14 : LONG TERM LOANS AND ADVANCES

	As at 31.03.2015 Rs. in lacs	As at 31.03.2014 Rs. in lacs
<b>(a) Unsecured, Considered Good</b>		
(i) Capital advances to related parties	-	138.07
(ii) Capital advances to others	3,270.39	87.30
(iii) Security deposits	174.15	200.31
(iv) Other loans and advances (1)	203.92	350.60
(v) Advance income tax (net of provision for tax Rs 8,001.00 lacs, 31.03.2014 Rs 6,271.00 lacs)	299.83	241.34
<b>(b) Considered Doubtful</b>		
Unsecured, capital advances	55.09	55.09
	<b>4,003.38</b>	<b>1,072.71</b>
Less: Provision for doubtful capital advances	55.09	55.09
	<b>3,948.29</b>	<b>1,017.62</b>

(1) Includes claimable excise benefits and amount paid under protest to Sales Tax Authorities.





# TATA STEEL PROCESSING AND DISTRIBUTION LIMITED

## Notes annexed to and forming part of Financial Statements



### NOTE 15: INVENTORIES

( valued at lower of cost or net realisable value except for Stores and Spares which is valued at cost less provision for obsolescence)

- (a) Raw materials  
[include goods in transit Rs. 2,307.65 lacs  
( 31.03.2014 Rs. 2,151.62 lacs)]
- (b) Work-in-Progress
- (c) Finished goods (including scrap)
- (d) Stock-in-trade  
[include Goods in transit Rs. 28.39 lacs (31.03.2014  
Rs. 36.11 lacs)]
- (e) Stores and spares

	As at 31.03.2015 Rs. in lacs	As at 31.03.2014 Rs. in lacs
(a) Raw materials	15,095.74	12,609.45
(b) Work-in-Progress	63.63	26.61
(c) Finished goods (including scrap)	3,104.22	2,869.97
(d) Stock-in-trade	1,414.07	724.92
(e) Stores and spares	451.13	315.99
	<b>20,128.79</b>	<b>16,546.94</b>

### Details of Inventory

#### (a) Raw Materials

(i) Steel Coils	14,671.48	12,594.92
(ii) Others (Plate, pipes)	424.26	14.53
	<u>15,095.74</u>	<u>12,609.45</u>

#### (b) Work-in-Progress

(i) Steel Coils	-	-
(ii) Others (Components)	63.63	26.61
	<u>63.63</u>	<u>26.61</u>

#### (c) Finished goods (including scrap)

(i) Steel Sheets	3,101.47	2,846.00
(ii) Others (components)	2.75	23.97
	<u>3,104.22</u>	<u>2,869.97</u>

#### (d) Stock-in-trade

(i) Steel Sheets	1,408.99	714.41
(ii) Others (Long products)	5.08	10.51
	<u>1,414.07</u>	<u>724.92</u>



# TATA STEEL PROCESSING AND DISTRIBUTION LIMITED

Notes annexed to and forming part of Financial Statements



## NOTE 16 : TRADE RECEIVABLE

	As at 31.03.2015 Rs. in lacs	As at 31.03.2014 Rs. in lacs
(a) <b>Outstanding for a period exceeding six months</b>		
Unsecured, Considered good	613.17	85.82
Unsecured, Doubtful	2,120.59	2,156.42
	<b>2,733.76</b>	<b>2,242.24</b>
Less : Provision for bad and doubtful debts	2,120.59	2,156.42
	<b>613.17</b>	<b>85.82</b>
(b) <b>Others</b>		
Unsecured, Considered good	14,326.25	18,946.31
	<b>14,939.42</b>	<b>19,032.13</b>





# TATA STEEL PROCESSING AND DISTRIBUTION LIMITED

Notes annexed to and forming part of Financial Statements



## NOTE 18 : SHORT-TERM LOANS AND ADVANCES

	As at 31.03.2015 Rs. in lacs	As at 31.03.2014 Rs. in lacs
(a) <b>Unsecured, Considered Good</b>		
(i) Loans and advances to related parties	171.47	165.79
(ii) Advances recoverable in cash or in kind or for value to be received (1)	1,603.87	1,499.81
(iii) Balance with Excise authorities on current account	747.96	491.09
(b) <b>Gratuity</b>	-	74.15
(c) <b>Doubtful</b>		
(i) Advances recoverable in cash or in kind or for value to be received :	54.17	54.17
	2,577.47	2,285.01
Less: Provision for doubtful advances	54.17	54.17
	<b>2,523.30</b>	<b>2,230.84</b>

Additional information

(1) Includes prepaid expenses and input tax credits



**TATA STEEL PROCESSING AND DISTRIBUTION LIMITED**  
**Notes annexed to and forming part of Financial Statements**



**NOTE 19 : OTHER CURRENT ASSETS**

	As at 31.03.2015 Rs. in lacs	As at 31.03.2014 Rs. in lacs
(i) Interest receivable on Term Deposits with Bank	0.93	3.31
(ii) Unbilled revenue	193.26	174.51
(iii) Other receivables (1)	-	724.00
	<b>194.19</b>	<b>901.82</b>

Additional information

- (1) Other receivables consist of receivable against capital costs.



# TATA STEEL PROCESSING AND DISTRIBUTION LIMITED

Notes annexed to and forming part of Financial Statements



## NOTE 20 : REVENUE FROM OPERATIONS

	Year ended 31.03.2015	Year ended 31.03.2014
	Rs. in lacs	Rs. in lacs
(a) Sale of Products	186,068.86	155,314.63
(b) Sale of Services	16,518.87	15,022.66
(c) Other operating revenues (1)	2,125.12	2,204.61
	<b>204,712.85</b>	<b>172,541.90</b>
(d) Less: Excise duty	244.36	271.87
	<b>204,468.49</b>	<b>172,270.03</b>

### Details of Sale of Products

(i) Steel Coils and sheets	183,305.29	153,800.61
(ii) Others (Long products and components)	2,763.57	1,514.02
	<b>186,068.86</b>	<b>155,314.63</b>

### Details of Sales of Services

Processing of Steel Coils/ Sheets, Longs & Plates	16,518.87	15,022.66
	<b>16,518.87</b>	<b>15,022.66</b>

### Additional information

(1) Includes scrap sales of Rs. 1,939.87 lacs [ Previous year Rs.2,174.99 lacs]



**TATA STEEL PROCESSING AND DISTRIBUTION LIMITED**

**Notes annexed to and forming part of Financial Statements**



**NOTE 21 : OTHER INCOME**

	Year ended 31.03.2015	Year ended 31.03.2014
	Rs. in lacs	Rs. in lacs
(a) Interest Income on bank deposits, etc.	87.76	138.07
(b) Dividend Income from current investments	112.10	119.31
(c) Other non-operating Income [Refer note 41 (ii)]	-	95.06
	<b>199.86</b>	<b>352.44</b>



**TATA STEEL PROCESSING AND DISTRIBUTION LIMITED**

Notes annexed to and forming part of Financial Statements



	Year ended 31.03.2015	Year ended 31.03.2014
	Rs. in lacs	Rs. in lacs
<b>NOTE 22: COST OF RAW MATERIALS CONSUMED</b>		
Opening Stock	12,609.45	11,289.00
Add : Purchases	156,970.28	125,966.81
	<b>169,579.73</b>	<b>137,255.81</b>
Less : Closing stock	15,095.74	12,609.45
	<b>154,483.99</b>	<b>124,646.36</b>
<b>Details of Raw materials consumed</b>		
(i) Steel Coils	153,223.81	124,137.13
(ii) Others	1,260.18	509.23
	<b>154,483.99</b>	<b>124,646.36</b>
<b>NOTE 23 PURCHASE OF STOCK IN TRADE</b>		
(i) Steel sheets	20,280.65	20,829.91
(ii) Others	956.48	425.01
	<b>21,237.13</b>	<b>21,254.92</b>
<b>NOTE 24: CHANGES IN INVENTORIES</b>		
<b>WORK-IN-PROGRESS</b>		
Opening stock	26.61	65.72
Less: Closing stock	63.63	26.61
	(37.02)	39.11
<b>FINISHED GOODS</b>		
Opening stock	2,869.97	3,138.72
Less: Closing stock	3,104.22	2,869.97
	(234.25)	268.75
<b>STOCK IN TRADE</b>		
Opening stock	724.92	446.25
Less: Closing stock	1,414.07	724.92
	(689.15)	(278.67)
	<b>(960.42)</b>	<b>29.19</b>





**TATA STEEL PROCESSING AND DISTRIBUTION LIMITED**

**Notes annexed to and forming part of Financial Statements**



**NOTE: 25 EMPLOYEE BENEFITS EXPENSE**

- (a) Wages and salaries, including bonus
- (b) Company's contribution to Provident and other funds
- (c) Staff Welfare

Year ended 31.03.2015	Year ended 31.03.2014
Rs. in lacs	Rs. in lacs
5,116.10	4,138.12
708.30	435.10
202.69	178.49
<b>6,027.09</b>	<b>4,751.71</b>



**TATA STEEL PROCESSING AND DISTRIBUTION LIMITED**  
**Notes annexed to and forming part of Financial Statements**



**NOTE 26 : FINANCING COST**

- (a) Interest Expense
  - (i) On long term borrowings
  - (ii) On short term borrowings
  
- Less: Interest Capitalised

	Year ended 31.03.2015	Year ended 31.03.2014
	Rs. in lacs	Rs. in lacs
	774.91	474.10
	92.11	94.68
	<b>867.02</b>	<b>568.78</b>
	-	36.41
	<b>867.02</b>	<b>532.37</b>



**TATA STEEL PROCESSING AND DISTRIBUTION LIMITED**

**Notes annexed to and forming part of Financial Statements**



**NOTE 27: OTHER EXPENSES**

	Year ended 31.03.2015	Year ended 31.03.2014
	Rs. in lacs	Rs. in lacs
Stores consumed	5,102.21	4,582.07
Power and Fuel	957.98	865.07
Conversion charges	1,673.07	1,506.95
Packing expenses	534.50	478.74
Rent	485.95	462.74
Rates and taxes	69.59	66.88
Insurance	134.51	104.66
Repairs		
- Buildings	78.55	37.66
- Machinery	709.72	680.73
- Others	728.05	685.37
Postage,telegram and telephone	82.31	91.23
Vehicle running	46.12	40.32
Directors' Fees	5.94	5.66
Travelling & Conference	486.55	602.62
Printing and stationary	76.53	74.39
Legal and professional charges	245.72	214.33
Loss on Sale/Scrap of Fixed Assets	0.43	48.95
Freight and Handling Charges	1,528.05	1,340.55
Provision for Bad and Doubtful Debts and Advances	(35.83)	77.20
Excise Duty	3.14	(6.17)
Miscellaneous expenses <sup>(1)</sup>	2,720.68	2,591.61
	<b>15,633.77</b>	<b>14,551.56</b>

Note (1)-Includes Rs.130.30 lacs incurred on account of CSR expenses in accordance with sec 135 of the Companies Act, 2013.



**Note 28: Contingent Liabilities**

	31.03.2015 Rs. in lacs	31.03.2014 Rs. in lacs
Contingent Liabilities not provided for		
a). Bills Discounted	3,574.84	3,140.49
b). Excise Duty #	5,375.26	5,375.26
c). Sales tax (In respect of non submission of Forms and other matters/ reimbursement in case of liability)	614.38	352.90
d). Guarantee	6.71	6.71
e). Income Tax	307.33	200.17

# in respect of chargeability and assessable value determination; the Department is in appeal in respect of Rs. 4970.19 lacs ( 31.03.2014: Rs. 4970.19 lacs) and for this amount the expected reimbursements in case of any liability are not determined.

**Note 29: Capital Commitments**

Estimated amounts of contracts remaining to be executed on capital account and not provided : Rs. 11,591.77 lacs (As at 31.03.2014 Rs. 1,266.31 lacs )

Note 30: Consumption of Imported and Indigenous Materials	2014-15		2013-14	
	%	Amount (Rs. in lacs)	%	Amount (Rs. in lacs)
a). Raw Materials consumed				
- Indigenous	100.00%	154,483.99	100.00%	124,646.36
- Imported	0.00%	-	0.00%	-
	100.00%	154,483.99	100.00%	124,646.36
b). Stores and Spare parts				
- Indigenous	98.94%	5,048.15	99.80%	4,573.06
- Imported	1.06%	54.06	0.20%	9.01
	100.00%	5,102.21	100.00%	4,582.07

**Note 31: Value of Imports (C. I .F)**

	2014-15 Amount (Rs. in lacs)	2013-14 Amount (Rs. in lacs)
a). Raw Material	-	-
b). Stores and Spare parts	40.98	21.43
c). Capital Goods	695.54	1,861.59

**Note 32: Expenditure in Foreign Currency ( on annual basis)**

	2014-15 Amount (Rs. in lacs)	2013-14 Amount (Rs. in lacs)
a). Others (Travelling, Conference fee etc.,)	18.63	79.25

**Note 33: Payment to Auditors comprises:**

	2014-15 Amount (Rs. in lacs)	2013-14 Amount (Rs. in lacs)
(a) To Statutory Auditors		
i). Audit Fees	20.50	20.50
ii). Tax Audit Fees	2.50	2.50
iv). Other services	8.27	9.17
v). Out-of-pocket expenses	4.15	3.42
	35.42	35.59
(b) To Cost Auditors		
i). Cost Audit	1.50	1.30
ii). Other services	0.15	0.15
	1.65	1.45

The above figures are exclusive of Service Tax

**Note 34: Earnings per share**

	2014-15	2013-14
Net Profit for the year available to equity share holders (Rs. in lacs)	2,544.33	4,273.94
Weighted average number of equity shares	68,250,000	68,250,000
Nominal value per equity share-Rs.	10	10
Basic and diluted earnings per share (Rs.)	3.73	6.26



**Note 35: Related party Disclosures**

a). List of Related Parties and Relationship

Name of the Related Party

- |   |   |
|---|---|
| i). Tata Steel Limited                              | 100% Holding Company                          |
| ii). Tata Metaliks Ltd                              | Fellow Subsidiary Company                     |
| iii). Tinplate Company of India                     | Fellow Subsidiary Company                     |
| iv). Tata Metaliks D I Pipe Ltd                     | Fellow Subsidiary Company                     |
| v). Jamshedpur Utilities & Services Company Limited | Fellow Subsidiary Company                     |
| vi). Layde Steel SLU,B Eguskitza, Durango,          | Fellow Subsidiary Company                     |
| vii). Sandipan Chakravorty                          | Managing Director (Till 30th September, 2014) |
| viii). Abraham G Stephanos                          | Managing Director (From 01st October, 2014)   |
| ix). Pratik Chatterjee                              | Chief Financial Officer                       |
| x). Asis Mitra                                      | Company Secretary                             |

b). Related party transactions

Name of the related party	Nature of transactions	Mar-15	Mar-14
Tata Steel Limited		<b>Holding Company</b>	<b>Holding Company</b>
		<b>Amount (Rs. in lacs)</b>	<b>Amount (Rs. in lacs)</b>
	Purchase of goods	179,717.05	145,447.11
	Processing charges, consignment agency income, compensation income/(expense), etc.,	15,869.82	14,415.79
	Expenses Reimbursed	880.39	827.18
	Reimbursement of expenses by TSL	2.56	-
		<b>31.03.2015</b>	<b>31.03.2014</b>
	Amounts receivable	3443.66	2,669.39
	Amounts Payable	4367.19	10,566.90
	Revenue Advance	171.47	165.79
Security Deposit	21.48	21.48	
Tata Metaliks Ltd		<b>Mar-15</b>	<b>Mar-14</b>
		<b>Fellow Subsidiary company</b>	<b>Fellow Subsidiary company</b>
		<b>Amount (Rs. in lacs)</b>	<b>Amount (Rs. in lacs)</b>
	Sale of goods	-	24.75
		<b>31.03.2015</b>	<b>31.03.2014</b>
Tinplate Company of India		<b>Mar-15</b>	<b>Mar-14</b>
		<b>Fellow Subsidiary company</b>	<b>Fellow Subsidiary company</b>
		<b>Amount (Rs. in lacs)</b>	<b>Amount (Rs. in lacs)</b>
	Expenses Reimbursed	36.93	37.77
		<b>31.03.2015</b>	<b>31.03.2014</b>
Tata Metaliks D I Pipe Ltd		<b>Mar-15</b>	<b>Mar-14</b>
		<b>Fellow Subsidiary company</b>	<b>Fellow Subsidiary company</b>
	<b>Amount (Rs. in lacs)</b>	<b>Amount (Rs. in lacs)</b>	
Amounts Payable	2.85	3.00	
	<b>Mar-15</b>	<b>Mar-14</b>	
	<b>Amount (Rs. in lacs)</b>	<b>Amount (Rs. in lacs)</b>	
Sale of goods	43.45	-	



Name of the related party	Nature of transactions	Mar-15	Mar-14
Jamshedpur Utilities & Services Company Limited		<i>Fellow Subsidiary company</i> <b>Amount</b> <i>(Rs. in lacs)</i>	<i>Fellow Subsidiary company</i> <b>Amount</b> <i>(Rs. in lacs)</i>
	Purchase of Fixed Assets	<b>0.41</b>	-
	Receiving of Services	<b>0.60</b>	-
Layde Steel SLU, B Eguskizta, Durango, Spain		<i>Fellow Subsidiary company</i> <b>Amount</b> <i>(Rs. in lacs)</i>	<i>Fellow Subsidiary company</i> <b>Amount</b> <i>(Rs. in lacs)</i>
	Purchase of capital goods	<b>138.07</b>	-
		<b>31.03.2015</b>	<b>31.03.2014</b>
		<i>Fellow Subsidiary company</i> <b>Amount</b> <i>(Rs. in lacs)</i>	<i>Fellow Subsidiary company</i> <b>Amount</b> <i>(Rs. in lacs)</i>
	Capital Advance	-	138.07
Key Management Personnel	Remuneration to Key Management Personnel:	<b>Mar-15</b>	<b>Mar-14</b>
	Mr. Sandipan Chakravorty	214.82	194.60
	Mr. Abraham G Stephanos	103.77	79.60
	Mr. Pratik Chatterjee	50.80	46.63
	Mr. Asis Mitra	20.29	19.98

**Note 36: Employee Benefits**

- A. The company has recognised in the Statement of Profit and loss and CWIP an amount of Rs. 382.48 Lacs and Rs 2.45 Lacs in Capital Work in progress ( 31.03.2014: Rs.317.10 lacs and Rs 4.65 lacs in Capital work in progress) expenses under defined contribution plans.

Benefit (Contribution to)	2014-15	2013-14
	<b>Amount</b> <i>(Rs. in lacs)</i>	<b>Amount</b> <i>(Rs. in lacs)</i>
i). Provident Fund	231.42	171.38
ii). Superannuation Fund	148.46	136.01
iii). Employee state Insurance	5.05	14.36
	<b>384.93</b>	<b>321.75</b>

The company operates post retirement defined benefit plans as follows:

- a. Funded  
i. Post Retirement Gratuity
- b. Unfunded  
i. Leave Encashment  
ii. Post Retirement Medical Benefits  
iii. Pension to Ex-directors

**C. Details of the Gratuity Leave Salary Benefit are as follows**

Description	2014-15		2013-14	
	<b>Gratuity Amount</b> <i>(Rs. In lacs)</i>	<b>Leave Amount</b> <i>(Rs. In lacs)</i>	<b>Gratuity Amount</b> <i>(Rs. In lacs)</i>	<b>Leave Amount</b> <i>(Rs. In lacs)</i>
<b>1. Reconciliation of opening and closing balances of obligation</b>				
a. Obligation as at 01.04.2014	725.15	494.32	570.09	415.65
b. Current service cost	76.87	63.01	64.97	51.74
c. Interest cost	61.81	42.36	45.91	33.13
d. Acquisition cost/(credit)	-	-	-	-
e. Actuarial (gain)/loss	252.29	223.67	64.55	17.13
f. Benefits paid	(113.88)	(72.78)	(20.37)	(23.33)
g. Obligation as at 31.03.2015	<b>1,002.24</b>	<b>750.58</b>	<b>725.15</b>	<b>494.32</b>
<b>2. Change in fair value of plan assets</b>				
a. Fair value of plan assets as at 01.04.2014	799.30	-	642.20	-
b. Expected return on plan assets	77.57	-	63.80	-
c. Actuarial gain/(loss)	(9.96)	-	(1.72)	-
d. Contributions/refunds made by/to the company	192.54	72.78	115.40	23.33
e. Benefits paid	(113.88)	(72.78)	(20.37)	(23.33)
f. Fair value of plan assets as at 31.03.2015	<b>945.57</b>	<b>-</b>	<b>799.30</b>	<b>-</b>



	2014-15		2013-14	
<b>3. Reconciliation of fair value of plan assets and obligations</b>				
a. Fair value of plan assets as at 31.03.2015	945.57	-	799.30	-
b. Present value of obligation as at 31.03.2015	(1,002.24)	(750.58)	(725.15)	(494.32)
c. Amount recognised in the balance sheet Surplus/ (Deficit)	(56.67)	(750.58)	74.15	(494.32)
<b>4. Expenses recognised during the year</b>				
a. Current service cost	76.87	63.01	64.97	51.74
b. Interest cost	61.81	42.36	45.91	33.13
c. Expected return on plan assets	(77.57)	-	(63.80)	-
d. Actuarial (gains)/loss	262.26	223.67	66.27	17.13
e. Expenses recognised during the year	323.37	329.04	113.35	102.00
<b>5. Investment details</b>				
a. Others (Funds with Life Insurance Corporation of India)	945.57	-	799.30	-
<b>6. Assumptions</b>				
a. Discount rate (per annum)	7.75%	7.75%	9.25%	9.25%
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%
The expected return on plan assets is based on the return received on the Fund maintained with Life Insurance Corporation of India against liability for Gratuity.				
<b>D. Details of the Post Retirement Medical Benefit (PRMB) and Defined Pension are as follows</b>				
Description	2014-15		2013-14	
	Medical Amount (Rs. In lacs)	Pension Amount (Rs. In lacs)	Medical Amount (Rs. In lacs)	Pension Amount (Rs. In lacs)
<b>1. Reconciliation of opening and closing balances of obligation</b>				
a. Obligation as at 01.04.2014	235.91	436.54	258.51	413.17
b. Current service cost	28.05	-	37.41	33.67
c. Interest cost	20.20	3.65	21.09	33.67
d. Plan amendments	-	-	-	-
e. Actuarial (gain)/loss	127.95	198.70	(78.63)	(38.92)
f. Benefits paid	(3.98)	(20.92)	(2.47)	(5.05)
g. Obligation as at 31.03.2015	408.13	617.97	235.91	436.54
<b>2. Change in fair value of plan assets</b>				
a. Fair value of plan assets as at 01.04.2014	-	-	-	-
b. Expected return on plan assets	-	-	-	-
c. Actuarial gain/(loss)	-	-	-	-
d. Contributions made by the company	3.98	20.92	2.47	5.05
e. Benefits paid	(3.98)	(20.92)	(2.47)	(5.05)
f. Fair value of plan assets as at 31.03.2015	-	-	-	-
<b>3. Reconciliation of fair value of plan assets and obligations</b>				
a. Fair value of plan assets as at 31.03.2015	-	-	-	-
b. Present value of obligation as at 31.03.2015	(408.13)	(617.97)	(235.91)	(436.54)
c. Amount recognised in the balance sheet	(408.13)	(617.97)	(235.91)	(436.54)
<b>4. Expenses recognised during the year</b>				
a. Current service cost	28.05	-	37.41	33.67
b. Interest cost	20.20	3.65	21.09	33.67
c. Expected return on plan assets	-	-	-	-
d. Plan amendments	-	-	-	-
e. Actuarial (gain)/loss	127.95	198.70	(78.63)	(38.92)
f. Expenses recognised during the year	176.20	202.35	(20.13)	28.42
<b>5. Investment details</b>				
a. Others (Funds with Life Insurance Corporation of India)	-	-	-	-
<b>6. Assumptions</b>				
a. Discount rate (per annum)	7.75%	7.75%	9.25%	9.25%
b. Estimated rate of return on plan assets (per annum)	-	-	-	-
c. Rate of escalation in pension	-	6.00%	-	3.30%
d. Medical cost - % of annual entitlement utilised	8.00%	-	8%	-
e. Effect of 1% change in health care cost aggregate current service and interest cost	Increase (9%) 65.24	Decrease (7%) 34.73	Increase (9%) 73.47	Decrease (7%) 42.47
Closing balance of obligation	513.65	331.06	269.23	173.58



**E. Other Disclosures**

Net Asset/(Liability) recognised in the Balance Sheet (including experience adjustment impact)	2014-15	2013-14	2012-13	2011-12	2010-11
	Amount (Rs. In lacs)	Amount (Rs. In lacs)	Amount (Rs. In lacs)	Amount (Rs. In lacs)	Amount (Rs. In lacs)
<b>Gratuity</b>					
I. a) Present value of defined benefit obligation	1,002.24	725.15	570.09	446.85	315.47
b) fair value of Plan Assets	945.57	799.30	642.20	493.32	255.98
c) Surplus / (Deficit) in plan assets	(56.67)	74.15	72.11	46.47	(59.49)
II a) Experience Adjustment on plan liabilities[ Gain/(Loss)]	(55.59)	(69.23)	15.54	(97.73)	(1.55)
b) Experience Adjustment on plan assets [ Gain/(Loss)]	(9.96)	(1.72)	(4.60)	1.99	0.10
<b>Leave</b>					
I. a) Present value of defined benefit obligation	750.57756	494.32	415.65	309.05	236.27
b) fair value of Plan Assets	N/A	N/A	N/A	N/A	N/A
c) Surplus / (Deficit) in plan assets	-750.57756	(494.32)	(415.65)	(309.05)	(236.27)
II a) Experience Adjustment on plan liabilities[ Gain/(Loss)]	-73.0054	(20.52)	(21.14)	(69.52)	(12.07)
b) Experience Adjustment on plan assets [ Gain/(Loss)]	N/A	N/A	N/A	N/A	N/A
<b>PRMB</b>					
I. a) Present value of defined benefit obligation	408.12625	235.91	258.51	261.22	104.80
b) fair value of Plan Assets	N/A	N/A	N/A	N/A	N/A
c) Surplus / (Deficit) in plan assets	-408.12625	(235.91)	(258.51)	(261.22)	(104.80)
II a) Experience Adjustment on plan liabilities[ Gain/(Loss)]	-27.2897	8.55	93.25	(35.80)	(17.17)
b) Experience Adjustment on plan assets [ Gain/(Loss)]	N/A	N/A	N/A	N/A	N/A
<b>Pension</b>					
I. a) Present value of defined benefit obligation	617.9742	436.54	413.17	344.20	383.48
b) fair value of Plan Assets	N/A	N/A	N/A	N/A	N/A
c) Surplus / (Deficit) in plan assets	-617.9742	(436.54)	(413.17)	(344.20)	(383.48)
II a) Experience Adjustment on plan liabilities[ Gain/(Loss)]	-567.0335	(3.80)	-	92.92	18.75
b) Experience Adjustment on plan assets [ Gain/(Loss)]	N/A	N/A	N/A	N/A	N/A

**Note 37: Deferred Tax Liability**

	Deferred tax liability/ (Asset) as at 01.04.2014	Current year Charge/ (Credit)/ Adjustments	Deferred tax liability/ (Asset) as at 31.03.2015
(Rs. in lacs)			
<b>Deferred Tax Liabilities</b>			
i). Difference between book and tax depreciation	2,244.94	17.14	2,262.08
	<u>2,244.94</u>	<u>17.14</u>	<u>2,262.08</u>
<b>Deferred Tax Assets</b>			
i) Provision for doubtful debt and advances	(735.41)	(17.23)	(752.64)
ii). Provision for contingencies	(52.90)	38.00	(14.90)
ii). Others	(431.76)	(301.50)	(733.26)
	<u>(1,220.07)</u>	<u>(280.73)</u>	<u>(1,500.80)</u>
<b>Deferred Tax Asset on depreciation adjusted with Opening retained earnings</b>	-	62.58	-
<b>Deferred Tax Liabilities (Net)</b>	<u>1,024.87</u>	<u>(201.01)</u>	<u>761.28</u>

**Note 38: Segment Information**

The Company has considered business segment as the primary segment for disclosure. The Company is engaged in the processing and distribution of steel products, which in the context of Accounting Standard (AS) – 17 "Segmental Reporting" issued by the Institute of Chartered Accountants of India is considered as the only business segment.

**Geographical Segment**

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

**Note 39: Treatment of foreign exchange fluctuation gain/loss**

The company had availed the option given under the notification No. G.S.R 913(E) dated December 29, 2011 issued by the Ministry of Corporate Affairs relating to Accounting Standard AS-11 "The Effects of changes in Foreign Exchange Rates". Accordingly, the net foreign exchange loss on Foreign Currency Loan amounting to Rs. 199.67 lacs relating to the year ended 31.03.2015 has been added to the cost of capital assets. ( Previous year added to the cost of capital asset Rs. 675.80 lacs)

The net difference in Foreign exchange (i.e. difference between the spot rate on the dates of the transaction and the actual rate at which transactions are settled / appropriate rate applicable at the year end) credited to the Statement of Profit and Loss is Rs 53.74 lacs (Previous year Rs. 14.30 lacs debited to the Statement of Profit and Loss)





**Note 40: Derivative Instruments**

- [i] The company has entered into Interest Rate Swap to hedge its future interest rate Risk on its External Commercial Borrowings from Export Development of Canada & Commonwealth Bank of Australia. 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 purpose.

Outstanding Interest Rate Swaps to hedge against Fluctuations in interest rate changes:-

As at	No of Contracts	US Dollar Notional (in Million)	INR Equivalent (Rs in Lacs)
31.03.2015	2	7.52	4,741.60
31.03.2014	2	8.46	5119.50

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

Outstanding short-term forward exchange contracts entered into by the Company on account of import of Capital goods:-

As at	No of Contracts	Euro Equivalent (in Million)	INR Equivalent (Rs in Lacs)
31.03.2015	4	5.59	3,825.50
31.03.2014	-	-	-

- [iii] As of the Balance Sheet date, the Company's net foreign currency exposures, being foreign currency loans taken, not hedged by a derivative instrument or otherwise is Rs 4,741.60 lacs [ USD Equivalent 7.52 Million ] (Previous Year Rs 4,977.59 lacs [ USD Equivalent 8.23 Million ]).

**Note 41: Exceptional Items [ Item No VI of Statement of Profit and Loss ]**

Exceptional items as shown in the Statement of Profit and Loss represent :

- [i] Provision for Impairment loss of Non Current assets of Rs 1,368.22 lacs is on account of the write down in the value of its Fixed assets pertaining to its Nano Plant, based on an estimation of its Realisable value, undertaken by an independent valuer. [Previous Year-Provision for Impairment loss of Non current assets of Rs 200.63 lacs. The Impairment is on account of the write down in the value of its Fixed assets pertaining to its Rebar Plant, post the same being intended for sale in Financial Year 2014-15, based on an estimation of its Realisable value, undertaken by an independent valuer.]
- [ii] Reversal of provision for loss on Impairment of non-current assets for Rs Nil lacs. [ Refer Item VI (b) of Statement of Profit and Loss ] (Previous Year-Reversal of provision for loss on Impairment of non-current assets for Rs 828.94 lacs. [ Refer Item VI (b) of Statement of Profit and Loss ].As a result of the suspension of the project activities pertaining to its Component manufacturing project in Singur, West Bengal since November, 2008, the company had provided for an Impairment loss towards write down of its Capital work in progress for Rs 828.94 lacs as on 31.03.2010. In the current financial year, Rs.924 lacs was recovered from Tata Motors as compensation towards the same, of which Rs 828.94 lacs have been credited to Capital Work in progress. The excess over the capital work in progress, amounting to Rs. 95.06 lacs is credited to "Other non-operating Income" [ Note 21 (c)]. As a consequence, the impairment loss provided thereon has been reversed under "Exceptional items" in the statement of Profit and loss.)

**Note 42. Details of dues to micro and small enterprises**

Based on and to the extent of information obtained from suppliers regarding their status as Micro, Small or Medium enterprises under Micro, Small and Medium Enterprises Development Act, 2006, there are no amounts due to them as at the end of the year

**Note 43: Provision for contingencies**

Disclosure as required under AS 29

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

- The company has a present obligation as a result of past event
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- A reliable estimate can be made of the amount of the obligation

Particulars	Provision for contingencies 2014-15 (Rs in Lacs)	Provision for contingencies 2013-14 (Rs in Lacs)
Opening Carrying amount	155.64	155.64
Provision made during the year	4.02	-
Amount used during the year	116.62	-
Unused amount reversed during the year	-	-
Closing Carrying amount	43.04	155.64



**Note 44:** Previous year figures have been recast/restated where necessary.

For and on behalf of the Board of Directors

Asis Mitra  
Company Secretary

Pratik Chatterjee  
Chief Financial Officer

Anand Sen  
Chairman

Abraham G Stephanos  
Managing Director