AMK & ASSOCIATES
Chartered Accountants

Stesalit Tower 303, 3rd Floor
E 2-3, Block EP & GP
Sector V, Salt Lake
Kolkata-700091
Ph- 033-40697147

Sunshine Tower, 7th Floor,
Unit No.: 716,
Senapati Bapat Marg, Dadar (West)
Mumbai- 400013
Ph- 022-24322838

Independent Auditor's Report

To
The Board of Directors
TAYO Rolls Limited

1. We have audited the accompanying statement of quarterly standalone financial results of TAYO Rolls Limited ("the Company") for the Quarter and Year Ended 31st March, 2018 ("the statement") being submitted by the Company pursuant to requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular CIR/CFD/FAC/62/2016 dated 5th July, 2016. The quarterly standalone financial results are the derived figures between the audited figures in respect of the year ended 31st March, 2018 and the published year-to-date figures up to 31st December, 2017, being the date of the end of the third quarter of the current financial year, which were subjected to limited review.

2. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors, has been compiled from the related standalone Ind AS financial statements which has been prepared in accordance with the Indian Accounting Standards prescribed under section 133 of the Companies Acct, 2013 read with relevant rules issued there under ("Ind AS") and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial statements based on our audit of such standalone financial statements.

3. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financials results are free from material misstatement(s). An audit includes examining on a test basis, evidence supporting the amounts disclosed as financial results. An Audit also includes assessing the accounting principles used and significant

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estimates made by the Management. We believe that our audit provides a reasonable basis for our opinion.

In our opinion and to the best of our information and according to the explanations given to us, these quarterly standalone financial results as well as the year to date results/

i. are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular CIR/CFD/FAC/62/2016 dated 5th July, 2016 in this regard; and

ii. give a true and fair view of the net loss including other comprehensive and other financial information for the quarter ended 31st March,2018 and for the year ended 31st March, 2018.

We draw attention to Note 'b' of the statement wherein it is indicated that the Company has accumulated losses and its net worth has been fully eroded. The Company has incurred a net loss during the current quarter and year ended on 31st March, 2018 and the previous year ended 31stMarch, 2017. The Company's current liabilities exceeded its current assets as on 31st March, 2018. These conditions along with other matters set forth in Note 'b', indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Accordingly, the financial results of the Company have not been prepared on a going concern basis for the reasons stated in the said note.

Our report is not qualified in respect of this matter.

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Chartered Accountants

4. Further, read with Paragraph 1 above, we report that the figures for the quarter ended 31st March, 2018 represent the derived figures between the audited figures in respect of the financial year ended 31st March, 2018 and the published year-to-date figures up to 31st December, 2017 being the date of the end of the third quarter of the current financial year, which were subjected to a limited review as stated in paragraph 1 above, as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular CIR/CFD/FAC/62/2016 dated 5th July, 2016

For AMK & Associates
Chartered Accountants
FRN 327817E

Kolkata
2nd May, 2018

Bhupendra Kumar Bhutia
Partner
(M.No. 059363)

AMK & ASSOCIATES
Chartered Accountants

TAYO ROLLS LIMITED
BALANCE SHEET AS AT 31 MARCH, 2018

ASSETS	Notes	As at 31.03.2018	Rupees in lakhs As at 31.03.2017
Non-current assets			
(a) Property, plant and equipment	3	**4,656.49**	6,236.39
(b) Capital work-in-progress	3	**-**	-
(c) Other intangible assets	4	**-**	0.49
(d) Financial assets			
(i) Investments:			
Other investments	5	**0.09**	0.09
ii) Other financial assets	6	**144.51**	6.40
(e) Non-current tax assets	8	**427.13**	490.69
(f) Other non-current assets	7	**190.66**	199.03
Total non-current assets		**5,418.88**	6,933.09
Current assets			
(a) Inventories	9	**763.82**	771.19
(b) Financial assets			
(i) Trade receivables	10	**73.53**	113.87
(ii) Cash and cash equivalents	11	**249.00**	779.03
(iii) Bank balances other than cash and cash equivalents	12	**546.40**	0.47
(iv) Other financial assets	6	**76.47**	70.25
(c) Other current assets	7	**146.83**	118.61
Total current assets		**1,856.05**	1,853.42
Total assets		**7,274.93**	8,786.51
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	**1,026.13**	1,026.13
(b) Other equity	14	**(45,857.49)**	(43,291.85)
Total equity		**(44,831.36)**	(42,265.72)
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	**35,814.42**	27,984.10
Total non-current liabilities		**35,814.42**	27,984.10
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	**6,700.00**	12,253.26
(ii) Trade payables	18	**2,858.81**	2,521.76
(iii) Other financial liabilities	19	**1,665.57**	1,477.02
(b) Provisions	17	**1,928.75**	2,508.41
(c) Current tax liabilities (net)	8	**123.08**	123.08
(d) Other current liabilities	20	**3,015.66**	4,184.60
Total current liabilities		**16,291.87**	23,068.13
Total liabilities		**52,106.29**	51,052.23

Total equity and liabilities		**7,274.93**	8,786.51
See accompanying notes to the financial statements	1-38		

In terms of our report attached

For AMK & Associates
Chartered Accountants

For and on behalf of the Board

Bhupendra Kumar Bhutia
Partner

K SHANKAR MARAR
Director
DIN: 06656658

ANAND SEN
Chairman
DIN: 00237914

SURESH PADMANABHAN
Dy Chief Financial Officer

Place: Kolkata
Date: 2 May, 2018

Place: Kolkata
Date: 2 May, 2018

TAYO ROLLS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2018

Rupees in lakhs

		Notes	**Year ended 31.03.2018**	Year ended 31.03.2017
I	Revenue from operations	21	**34.83**	4,663.76
II	Other income	22	**58.53**	602.07
III	**Total income (I + II)**		**93.36**	5,265.83
IV	**Expenses**			
	(a) Cost of materials consumed	23	**-**	899.48
	(b) Changes in inventories of finished goods, stock in trade and work in progress	24	**7.37**	1,988.24
	(c) Excise duty on sale of goods		**-**	443.28
	(d) Employee benefits expense	25	**1,386.76**	2,206.12
	(e) Finance costs	26	**916.99**	1,686.35
	(f) Depreciation and amortisation expense	27	**478.04**	694.46
	(g) Consumption of stores		**-**	672.87
	(h) Power and fuel		**10.52**	413.64
	(i) Other expenses	28	**464.34**	2,037.38
	Total expenses (IV)		**3,264.02**	11,041.82
V	**Loss before exceptional items and tax (III - IV)**		**(3,170.66)**	(5,775.99)
VI	Exceptional items	36	**605.02**	(2,518.89)
VII	**Loss before tax (V - VI)**		**(2,565.64)**	(8,294.88)
VIII	Tax expense:		**-**	-
IX	**Loss for the year (VII - VIII)**		**(2,565.64)**	(8,294.88)
X	**Other comprehensive income**			
	Items that will not be reclassified to profit and loss			
	Equity instruments through other comprehensive income	14.3	**-**	2.16
	Total other comprehensive income for the year		**-**	2.16
XI	**Total comprehensive income for the year (IX + X)**		**(2,565.64)**	(8,292.72)
	Earnings per equity share (face value of Rs. 10 each):			
	(1) Basic	30	**(25.00)**	(80.84)
	(2) Diluted		**(25.00)**	(80.84)

See accompanying notes to the financial statements 1-38

In terms of our report attached

For AMK & Associates
Chartered Accountants

For and on behalf of the Board

Bhupendra Kumar Bhutia
Partner

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Director
DIN: 06656658

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Chairman
DIN: 00237914

SURESH PADMANABHAN
Dy Chief Financial Officer

Place: Kolkata
Date: 2 May, 2018

Place: Kolkata
Date: 2 May, 2018

TAYO ROLLS LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2018

	Year ended 31.03.2018	Rupees in lakhs Year ended 31.03.2017
A. Cash flow from operating activities:		
Loss for the year	**(2,565.64)**	(8,294.88)
Adjustments for:		
Depreciation and amortisation expense	**478.04**	694.46
Unrealised loss/(gain) on exchange fluctuation	**-**	16.42
Loss on sale/write off of tangible assets	**4.15**	71.97
Finance costs recognised in profit or loss	**916.99**	1,686.35
Interest Income recognised in statement in profit and loss	**(44.27)**	(22.26)
Income recognised in profit and loss for write back of liabilities no longer required	**-**	(575.46)
Expenses recognised in profit and loss for exceptional items	**(605.02)**	2,518.89
Expenses recognised in profit and loss for doubtful debts and advances	**-**	344.15
Expenses recognised in profit and loss for warranty	**-**	85.45
	(1,815.75)	(3,474.91)
Movements in working capital		
(Increase)/decrease in trade and other receivables	**(671.87)**	2,860.68
(Increase)/decrease in inventories	**7.37**	2,980.46
Increase/(decrease) in retirement benefit assets/obligations	**(543.48)**	(2,735.50)
Increase/(decrease) in trade and other payables	**835.16**	(1,081.15)
Cash used in operations	**(2,188.57)**	(1,450.42)
Income taxes (paid)/refund	**63.56**	(41.64)
Net cash used in operating activities	**(2,125.01)**	(1,492.06)
B. Cash Flow from Investing activities:		
Payments for property, plant and equipment	**(94.22)**	(241.99)
Proceeds from disposal of property, plant and equipment	**-**	3.19
Proceeds on sale of financial assets	**-**	29.23
Interest received	**38.05**	18.02
Net cash flow used in investing activities	**(56.17)**	(191.55)
C. Cash flow from financing activities:		
Proceeds from issue of non-cumulative redeemable preference shares	**7,825.00**	2,905.00
Proceeds from related parties	**700.00**	-
Proceeds/ (repayment) of current borrowings (net)	**(6,253.26)**	1,607.22
Repayment of non-current borrowings	**(398.12)**	(1,592.50)
Interest and other borrowing costs paid	**(222.47)**	(965.83)
Net cash flow from financing activities	**1,651.15**	1,953.89
Net increase/(decrease) in cash or cash equivalents	**(530.03)**	270.28
Cash and cash equivalents as at the beginning of the year	**779.03**	508.75
Cash and cash equivalents as at the end of the year	**249.00**	779.03

See accompanying notes to the financial statements 1-38

In terms of our report attached

For AMK & Associates
Chartered Accountants

Bhupendra Kumar Bhutia
Partner

Place: Kolkata
Date: 2 May, 2018

For and on behalf of the Board

K SHANKAR MARAR
Director
DIN: 06656658

ANAND SEN
Chairman
DIN: 00237914

SURESH PADMANABHAN
Dy Chief Financial Officer

Place: Kolkata
Date: 2 May, 2018

TAYO ROLLS LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2018

(A) Equity share capital

	Amount Rupees in lakhs
Balance as at 01.04.2016	1,026.13
Changes in equity share capital during the year	-
Balance as at 31.03.2017	**1,026.13**
Changes in equity share capital during the year	-
Balance as at 31.03.2018	**1,026.13**

(B) Other equity

Rupees in lakhs

	Retained earning	Other items of other comprehensive income	Securities premium reserve	Total
Balance as at 01.04.2016	(40,503.03)	(38.06)	5,541.96	(34,999.13)
Loss for the year	(8,294.88)	-	-	(8,294.88)
Profit on sale of equity instruments designated at fair value through OCI	-	2.16	-	2.16
Balance as at 31.03.2017	**(48,797.91)**	**(35.90)**	**5,541.96**	**(43,291.85)**
Profit for the year	(2,565.64)	-	-	(2,565.64)
Other comprehensive income	(35.90)	35.90		-
Balance as at 31.03.2018	**(51,399.45)**	**-**	**5,541.96**	**(45,857.49)**

See accompanying notes to the financial statements 1-38
In terms of our report attached

For AMK & Associates
Chartered Accountants

Bhupendra Kumar Bhutia
Partner

Place: Kolkata
Date: 2 May, 2018

For and on behalf of the Board

K SHANKAR MARAR
Director
DIN: 06656658

ANAND SEN
Chairman
DIN: 00237914

SURESH PADMANABHAN
Dy Chief Financial Officer

Place: Kolkata
Date: 2 May, 2018

3 Property, plant and equipment and capital work-in progress

Rupees in lakhs

Carrying amounts of :	As at 31.03.2018	As at 31.03.2017
Buildings	**233.36**	244.11
Plant and machinery	**4,375.31**	5,924.21
Furniture and fixtures	**32.29**	44.98
Office equipment	**15.53**	21.12
Vehicles	**-**	1.97
Sub-total	**4,656.49**	6,236.39
Capital work-in-progress	**-**	-
Total	**4,656.49**	6,236.39

Cost or deemed cost

Rupees in lakhs

As at 31.03.2018	**Buildings**	**Plant and machinery**	**Furniture and fixtures**	**Office equipment**	**Vehicles**	**Total property, plant and equipment**	**Capital work in progress**	**Total property, plant and equipment including capital work in progress**
Balance as at 01.04.2017	**265.65**	**7,948.18**	**73.28**	**33.25**	**11.54**	**8,331.90**	**-**	**8,331.90**
Additions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Disposals/Adjustments	**-**	**1,107.12**	**-**	**-**	**-**	**1,107.12**	**-**	**1,107.12**
Balance as at 31.03.2018	**265.65**	**6,841.06**	**73.28**	**33.25**	**11.54**	**7,224.78**	**-**	**7,224.78**
Accumulated depreciation								
Balance as at 01.04.2017	**21.54**	**2,023.97**	**28.30**	**12.13**	**9.57**	**2,095.51**	**-**	**2,095.51**
Charge for the year	**10.75**	**446.55**	**12.69**	**5.59**	**1.97**	**477.55**	**-**	**477.55**
Disposals/Adjustments	**-**	**4.77**	**-**	**-**	**-**	**4.77**	**-**	**4.77**
Balance as at 31.03.2018	**32.29**	**2,465.75**	**40.99**	**17.72**	**11.54**	**2,568.29**	**-**	**2,568.29**
Carrying amounts as at 31.03.2018	**233.36**	**4,375.31**	**32.29**	**15.53**	**-**	**4,656.49**	**-**	**4,656.49**

Rupees in lakhs

As at 31.03.2017	Buildings	Plant and machinery (Refer note 2 below)	Furniture and fixtures	Office equipment	Vehicles	Total property, plant and equipment	Capital work in progress	Total property, plant and equipment including capital work in progress
Balance as at 01.04.2016	265.65	7,948.18	72.63	33.25	18.76	8,338.47	42.53	8,381.00
Additions	-	-	0.65	-	-	0.65	-	0.65
Disposals/Adjustments	-	-	-	-	7.22	7.22	42.53	49.75
Balance as at 31.03.2017	265.65	7,948.18	73.28	33.25	11.54	8,331.90	-	8,331.90
Accumulated depreciation								
Balance as at 01.04.2016	10.77	1,366.51	14.23	6.10	6.71	1,404.32	-	1,404.32
Charge for the year	10.77	657.46	14.07	6.03	4.68	693.01	-	693.01
Disposals/Adjustments	-	-	-	-	1.82	1.82	-	1.82
Balance as at 31.03.2017	21.54	2,023.97	28.30	12.13	9.57	2,095.51	-	2,095.51
Carrying amounts as at 31.03.2017	244.11	5,924.21	44.98	21.12	1.97	6,236.39	-	6,236.39

Notes:

1 Term loans from IDBI Bank Limited were secured by first charge on the property, plant and equipment of the Company. (Refer notes 16)

4 Other intangible assets

Rupees in lakhs

	As at 31.03.2018	As at 31.03.2017
Carrying amounts of :		
Computer software	-	0.49
Technical knowhow fee	-	-
Total	**-**	0.49

Cost or deemed cost

Rupees in lakhs

As at 31.03.2018	**Computer software**	**Technical knowhow fee**	**Total intangible assets**
Balance as at 01.04.2017	**4.13**	**180.01**	**184.14**
Additions	**-**	**-**	-
Disposals/Adjustments	**-**	**-**	-
Balance as at 31.03.2018	**4.13**	**180.01**	**184.14**
Accumulated amortisation			
Balance as at 01.04.2017	**3.64**	**180.01**	**183.65**
Charge for the year	**0.49**	**-**	**0.49**
Disposals/Adjustments	**-**	**-**	**-**
Balance as at 31.03.2018	**4.13**	**180.01**	**184.14**
Carrying amounts as at 31.03.2018	**-**	**-**	**-**

Rupees in lakhs

As at 31.03.2017	Computer software	Technical know-how fee	Total intangible assets
Balance as at 01.04.2016	4.13	180.01	184.14
Additions	-	-	-
Disposals/Adjustments	-	-	-
Balance as at 31.03.2017	4.13	180.01	184.14
Accumulated depreciation			
Balance as at 01.04.2016	2.98	179.22	182.20
Charge for the year	0.66	0.79	1.45
Disposals/Adjustments	-	-	-
Balance as at 31.03.2017	3.64	180.01	183.65
Carrying amounts as at 31.03.2017	0.49	-	0.49

5 Investments

Non-current	As at 31.03.2018 Qty.	As at 31.03.2018 Amount Rupees in lakhs	As at 31.03.2017 Qty.	As at 31.03.2017 Amount Rupees in lakhs
Other investments				
I Unquoted Investments				
(a) Investments in equity instruments at FVTOCI				
(i) Adityapur Toll Bridge Company Limited (Equity Shares of Rs. 10 each) [net of impairment of Rs. 0.50 lakhs (as at 31.03.2017 : Rs. 0.50 lakhs)]	**5,000**	**-**	5,000	-
(ii) Nicco Jubilee Park Limited (Equity shares of Rs. 10 each) [net of impairment of Rs. 3.00 lakhs (as at 31.03.2017 : Rs. 3.00 lakhs)]	**30,000**	**-**	30,000	-
(iii) Tata Construction & Projects Limited (Equity Shares of Rs. 10 each) [net of impairment of Rs. 3.88 lakhs (as at 31.3.2017 : Rs. 3.88 lakhs)]	**32,326**	**-**	32,326	-
(b) Investments in debentures or bonds				
(i) Tata Construction & Projects Limited (10% Secured Non-Convertible Debentures of Rs. 100 each) [net of impairment of Rs. 3.00 lakhs (as at 31.03.2017 : Rs. 3.00 lakhs)]	**3,000**	**-**	3,000	-
(ii) Government securities-Lodged as security deposit with parties		**0.09**		0.09
Total aggregate unquoted investments		**0.09**		0.09
Aggregate carrying value of unquoted investments		0.09		0.09
Aggregate amount of impairment in the value of investments		10.38		10.38

Category-wise other investments-as per Ind AS 109 classification

	As at 31.03.2018	Rupees in lakhs **As at 31.03.2017**
Financial assets carried at amortised cost		
Government securities-Lodged as security deposit with parties	0.09	0.09
Aggregate value of other investments	**0.09**	0.09

Rupees in lakhs

	As at 31.03.2018	As at 31.03.2017
6 Other financial assets		
Non-current		
Security deposits	**6.40**	6.40
Deposits with Bank	**85.00**	-
Earmarked deposits with bank (Refer note (i))	**53.11**	-
Total	**144.51**	6.40
Current		
Interest accrued on deposits and advances	**76.47**	70.25
Total	**76.47**	70.25

Note:

(i) Earmarked deposits with bank represents margin money against issue of bank guarantees

Rupees in lakhs

	As at 31.03.2018	As at 31.03.2017
7 Other assets		
Non-current		
Capital advances	**-**	8.31
Advance with public bodies	**185.97**	185.97
Prepaid lease payment (net)	**4.69**	4.75
	190.66	199.03
Current		
Advance with public bodies	**137.17**	99.03
Other advances	**9.66**	19.58
Total	**146.83**	118.61

Prepaid lease payment of Rs. 1.75 lakhs (as at 31.03.2017: Rs. 1.75 lakhs) incurred for settling right on leased assets for which documents are yet to be executed. The Company has applied to the Bihar Government for exemption of this land from the Urban Land (Ceiling and Regulation) Act, 1976. The decision of the Government is still awaited.

8 Tax assets and liabilities

	As at 31.03.2018	As at 31.03.2017
		Rupees in lakhs
Non-current tax assets		
Advance payment against taxes [Net of provision of Rs. 737.04 lakhs (as at 31.03.2017 : Rs. 737.04 lakhs)]	**427.13**	490.69
	427.13	490.69

Current tax liabilities

	As at 31.03.2018	As at 31.03.2017
		Rupees in lakhs
Provision for current tax [Net of advance tax of Rs. 576.73 lakhs (as at 31.03.2017 : Rs. 576.73 lakhs)]	**123.08**	123.08
	123.08	123.08

9 Inventories

(lower of cost and net realisable value)

	As at 31.03.2018	As at 31.03.2017
		Rupees in lakhs
Raw materials	**763.80**	763.80
Semi-finished goods	**-**	-
Finished goods	**-**	7.37
Stores and spares	**0.02**	0.02
	763.82	771.19

The cost of inventories recognised as an expense during the year was Rs. nil (for the year ended 31 March, 2017: Rs. 899.48 lakhs). (Refer note 23)

The cost of inventories recognised as an expense includes Rs. nil (for the years ended 31 March, 2017 : Rs. 996.83 lakhs) in respect of write-downs of inventory to net realisable value during the year.

The mode of valuation of inventories have been stated in note 2.15

10 Trade receivables

Rupees in lakhs

	As at 31.03.2018	As at 31.03.2017
Trade receivables unsecured		
(a) Considered good	**73.53**	113.87
(b) Doubtful	**109.87**	521.41
Allowance for doubtful debts (expected credit loss allowance)	**(109.87)**	(521.41)
	73.53	113.87

10.1 Trade receivables

The average credit period on sale of goods is 30 days. No interest is charged on the outstanding balances.

Age of receivables

Rupees in lakhs

	As at 31.03.2018	As at 31.03.2017
Within the credit period	**-**	3.85
1-30 days past due	**-**	54.24
31-60 days past due	**-**	91.40
61-90 days past due	**-**	49.59
More than 90 days past due	**183.40**	436.20
	183.40	635.28

Of the trade receivable balances as at the reporting period, balances representing significant outstanding balances of the Company which represents more than 5% of the total balance of the trade receivable are as follows:

Rupees in lakhs

Top five customers	As at 31.03.2018	As at 31.03.2017
Customer A	**55.24**	118.13
Customer B	**25.61**	71.80
Customer C	**24.17**	-
Customer D	**20.09**	-
Customer E	**18.28**	
	143.39	189.93

Movement in the expected credit loss allowance

Rupees in lakhs

	As at 31.03.2018	As at 31.03.2017
Balance at beginning of the year	**521.41**	177.26
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	**(411.54)**	344.15
Balance at end of the year	**109.87**	521.41

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 "Financial instruments" requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected credit losses for all trade receivables that do not constitute a financing transaction.

The Company has estimated the liability for the provision for doubtful debts of Rs. 109.87 lakhs as at 31.03.2018 (as at 31.03.2017 : Rs. 521.41 lakhs) for performance of the products (mainly rolls) based on past experience and amounts not likely to be received due to suspension of operations.

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

11 Cash and cash equivalents

Rupees in lakhs

	As at 31.03.2018	As at 31.03.2017
Cash on hand	**0.20**	0.25
Cheques, draft on hand	**-**	-
Balances with banks		
a) In current accounts	**208.80**	778.78
b) In deposit accounts	**40.00**	-
Cash and cash equivalents as per Statement of cash flows	**249.00**	**779.03**

12 Bank balances other than cash and cash equivalents

Rupees in lakhs

	As at 31.03.2018	As at 31.03.2017
(i) In current account	**0.47**	0.47
(ii) In deposit account	**545.93**	-
	546.40	0.47

Note:

(i) Earmarked balances represents balances held for unpaid dividends in current account.

(ii) Earmarked balance represents margin money against issue of bank guarantees in deposit accounts.

	As at 31.03.2018	Rupees in lakhs As at 31.03.2017
13 Equity share capital		
Equity share capital	**1,026.13**	1,026.13
	1,026.13	1,026.13
Authorised share capital		
15,000,000 fully paid equity shares of Rs. 10 each	**1,500.00**	1,500.00
Issued and subscribed capital		
10,260,935 fully paid equity shares of Rs. 10 each (as at 31 March, 2017: 10,260,935)	**1,026.13**	1,026.13
	1,026.13	1,026.13

Fully paid equity shares

	Numbers	Rupees in lakhs
Balance as at 1 April, 2016	10,260,935	1,026.13
Issued during the year	-	-
Balance as at 31 March, 2017	10,260,935	1,026.13
Issued during the year	-	-
Balance as at 31 March, 2018	**10,260,935**	**1,026.13**

Equity shares :
Rights, preferences and restrictions attached to shares :

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. 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.

Details of share held by the holding company

	No. of fully paid ordinary shares
As at 31.03.2018	
Tata Steel Limited, the holding company	5,587,372
As at 31.03.2017	
Tata Steel Limited, the holding company	5,587,372

Details of shares held by each shareholder holding more than 5%

	As at 31.03.2018		As at 31.03.2017	
	Numbers	**% holding**	Numbers	% holding
Fully paid equity shares				
Tata Steel Limited	**5,587,372**	**54.45%**	5,587,372	54.45%
Yodogawa Steel Works Limited	**1,536,704**	**14.98%**	1,536,704	14.98%

14 Other equity

	As at 31.03.2018	As at 31.03.2017
		Rupees in lakhs
Retained earnings	**(51,399.45)**	(48,797.91)
Securities premium reserve	**5,541.96**	5,541.96
Other comprehensive income	-	(35.90)
	(45,857.49)	(43,291.85)

14.1 Retained earnings

	As at 31.03.2018	As at 31.03.2017
		Rupees in lakhs
Balance at the beginning of the year	**(48,797.91)**	(40,503.03)
Other comprehensive income	(35.90)	-
Loss for the year	(2,565.64)	(8,294.88)
Balance at the end of the year	**(51,399.45)**	(48,797.91)

14.2 Securities premium reserve

	As at 31.03.2018	As at 31.03.2017
		Rupees in lakhs
Balance at the beginning of the year	5,541.96	5,541.96
Share issued during the year	-	-
Balance at the end of the year	**5,541.96**	5,541.96

14.3 Other items of other comprehensive income

	As at 31.03.2018	As at 31.03.2017
		Rupees in lakhs
Balance at the beginning of the year	**(35.90)**	**(38.06)**
Profit on sale of equity instruments designated at fair value through OCI	**-**	**2.16**
Transferred to retained earnings	**35.90**	**-**
Balance at the end of the year	**-**	**(35.90)**

	As at 31.03.2018	As at 31.03.2017
		Rupees in lakhs
15 Non-current borrowings		
Unsecured - at amortised cost		
(i) Other loans		
Non-cumulative redeemable preference shares (Refer note (i) below)	**35,814.42**	27,984.10
	35,814.42	27,984.10

Summary of borrowings arrangements

(i) Non-cumulative redeemable preference shares

25,100,000 Non-cumulative redeemable preference shares of Rs. 100 each are entitled to a fixed rate of dividend at the rate of 8.50% p.a., 64,00,000 Non-cumulative redeemable preference shares of Rs. 100 each are entitled to a fixed rate of dividend at the rate of 7.17% p.a. and 43,30,000 Non-cumulative redeemable preference shares of Rs. 100 each are entitled to a fixed rate of dividend at the rate of 7.00% p.a. The issuer shall redeem the preference shares at face value in three equal instalments at the beginning of eighth, ninth and tenth year from the due date of allotment.

Unamortised preference share issue expenses adjusted for the year ended 31.03.2018 Rs. 15.58 lakhs (as at 31.03.2017: Rs. 20.90 lakhs)

(ii) The terms of repayment of other loans are stated below

As at 31.03.2018

Preference shares issued are redeemable on the following dates

Year of redemption	Amount Rupees in lakhs
2019-20	2,833.33
2020-21	2,833.33
2021-22	5,733.34
2022-23	5,000.00
2023-24	5,533.33
2024-25	6,210.00
2025-26	4,110.00
2026-27	3,576.67
	35,830.00
Less: Impact of recognition of borrowing at amortised cost using effective interest method under Ind AS	(15.58)
	35,814.42

As at 31.03.2017

(a) Preference shares issued are redeemable on the following dates

Year of redemption	Amount
	Rupees in lakhs
2019-20	2,833.33
2020-21	2,833.33
2021-22	5,733.34
2022-23	5,000.00
2023-24	5,533.33
2024-25	3,601.67
2025-26	1,501.67
2026-27	968.33
	28,005.00
Less: Impact of recognition of borrowing at amortised cost using effective	(20.90)
	27,984.10

16 Current borrowings

			Rupees in lakhs
		As at 31.03.2018	As at 31.03.2017
Unsecured - at amortised cost			
a)	Loans from related parties (Refer note (i) below)	**6,700.00**	6,000.00
Secured - at amortised cost			
a)	Loans repayable on demand from banks (Refer note (ii) below)		
i)	Bank of India	**-**	3,584.93
ii)	IDBI Bank Ltd	**-**	2,668.33
Total		**6,700.00**	12,253.26

Notes :

(i) Amounts repayable to related parties of the Company. Interest of 7.00% - 13.07% p.a. is charged on the outstanding loan balances (as at 31.03.2017: 7.00% - 13.07% p.a.)

(ii) Loans repayable on demand from bank includes cash credit facilities with Bank of India and IDBI Bank. The cash credit facilities were secured by hypothecation of all tangible movable assets of the Company including finished and semi-finished stocks, raw materials, stores and book debts ranking pari passu. In addition they were secured by way of second charge on the immovable properties of the Company ranking pari passu. The cash credit facilities from Bank of India and IDBI bank carry a floating interest rate of Bank Base Rate + 380 bps per annum and Bank Base Rate + 275 bps per annum respectively.

17 Current provisions

Rupees in lakhs

	As at 31.03.2018	As at 31.03.2017
(I) Provision for employees benefits		
(a) Post employment defined benefits		
(i) Retiring gratuity	**94.49**	328.78
(ii) Post retirement medical benefits to employees	**122.48**	124.88
(b) Other benefits		
(i) Leave benefit scheme	**170.61**	230.82
	387.58	684.48
(c) Provision for employee separation compensation (VSS) (Also refer note 36)	**940.24**	1,186.81
(II) Other provision - warranties (Refer note 17.1)	**600.93**	637.12
	1,928.75	2,508.41

Rupees in lakhs

17.1 Other provisions for warranty	As at 31.03.2018	As at 31.03.2017
Balance at the beginning of the year	**637.12**	655.02
Additional provisions recognised	**-**	85.45
Reductions arising from payments	**(36.19)**	(103.35)
Balance at the end of the year	**600.93**	637.12

Notes:

(i) Provision for employee benefits include leave, early retirement and termination benefits provided by the Company as per the VSS scheme announced by the Company during the year and revised from time to time.

(ii) The provision for warranty claims incudes warranty given on sale of rolls. Provision for warranty is made based on technical estimates and past experience of such costs. Actual claims may differ from estimates and the difference is recognised in the year of occurrence.

18 Trade payables

Rupees in lakhs

	As at 31.03.2018	As at 31.03.2017
Creditors for supplies and services		
(a) Micro enterprises and small enterprises	**-**	-
(b) Others	**1,423.82**	1,919.82
Creditors for accrued wages and salaries	**1,434.99**	601.94
	2,858.81	2,521.76

The average credit period for purchase of goods is one month. No interest is charged on trade payables on the outstanding balance except for micro, small and medium enterprises as reported below.

Disclosure required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED')

Amounts payable to MSMED suppliers as at year end are as under :

Rupees in lakhs

		As at 31.03.2018	As at 31.03.2017
a)	Principal amount remaining unpaid to supplier as at the end of the accounting year	**-**	-
b)	Interest due thereon remaining unpaid to supplier as at the end of the accounting year	**-**	-
c)	The amount of interest paid/ settled in terms of Section 16, along with the amount of payment made to the supplier beyond the appointment day during the year.	**-**	7.46
d)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	**-**	-
e)	The amount of interest accrued during the year and remaining unpaid at the end of the accounting year	**-**	-
f)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSME	**-**	-

19 Other financial liabilities

Rupees in lakhs

		As at 31.03.2018	As at 31.03.2017
Current			
a)	Current maturities of long term debt (Refer note (i) below)	**-**	395.45
b)	Interest accrued but not due (Refer note (ii) below)	**1,589.18**	902.63
c)	Unpaid dividends	**0.17**	0.17
d)	Unclaimed dividends	**0.30**	0.30
e)	Unpaid matured fixed deposits	**0.11**	0.13
f)	Creditors for capital supplies/services	**75.81**	178.34
		1,665.57	1,477.02

Notes:

(i) Term Loans from IDBI Bank Limited was secured by first charge on the property, plant and equipment of the Company. The borrowings carry a floating interest rates (Bank Base Rate BBR + 275 bps) with remaining quarterly repayment period of one quarter. Unamortised processing fees of current maturities of long term loan amounting to Rs. nil (as at 31.03.2017: Rs. 2.65 lakhs) was adjusted against balances.

(ii) The interest has been accrued on outstanding from related parties for the year ended 31.03.2018, Rs. 6,700.00 lakhs (as at 31.03.2017 : Rs. 6,000.00 lakhs) at various rates. (Refer note 16)

20 Other current liabilities

Rupees in lakhs

		As at 31.03.2018	As at 31.03.2017
a)	Advances received from customers	**2,333.86**	2,333.86
b)	Statutory dues (Excise duty, service tax, sales tax, GST, TDS, royalty etc.)	**75.57**	105.43
c)	Others (includes provision for deferred liability for EPCG)	**606.23**	1,745.31
		3,015.66	4,184.60

21 Revenue from operations

		Year ended 31.03.2018	Rupees in lakhs Year ended 31.03.2017
(a)	Sale of products (including excise duty of Rs. nil for the year ended 31.03.2018; Rs. 443.28 lakhs for the year ended 31.03.2017)	**7.19**	2,951.08
(b)	Sale of services	**-**	738.51
(c)	Other operating revenues		
	(i) Sale of miscellaneous goods	**1.95**	939.69
	(ii) Sundry income	**25.69**	34.48
		34.83	4,663.76

22 Other income

		Year ended 31.03.2018	Rupees in lakhs Year ended 31.03.2017
a)	**Interest income**		
	Interest on deposits (at amortised cost)	**15.15**	22.26
	Interest on income tax	**29.12**	-
b)	**Other gains and losses**		
	Net foreign exchange gains	**14.26**	4.35
c)	**Other non-operating income**		
	Liabilities no longer required written back	**-**	575.46
	Total	**58.53**	602.07

23 Cost of materials consumed

		Year ended 31.03.2018	Rupees in lakhs Year ended 31.03.2017
(a)	Opening stock	**763.80**	1,308.93
(b)	Add: Purchase	**-**	354.35
	Sub-total	**763.80**	1,663.28
(c)	Less: Closing stock	**763.80**	763.80
Total		**-**	899.48

24 Changes in inventories of finished goods, stock in trade and work in progress

Rupees in lakhs

	Year ended 31.03.2018	Year ended 31.03.2017
Finished and semi-finished goods at beginning of the period	**7.37**	1,995.61
Finished and semi-finished goods at end of the period	**-**	7.37
Changes in inventories	**7.37**	1,988.24

25 Employee benefits expense

Rupees in lakhs

		Year ended 31.03.2018	Year ended 31.03.2017
(a)	Salaries and wages	**1,177.68**	1,880.62
(b)	Employee separation compensation	**-**	1.29
(c)	Contribution to provident and other funds		
	i) Provident fund	**90.67**	91.90
	ii) Superannuation fund	**0.22**	53.46
	iii) Gratuity	**94.49**	83.87
	iv) Tayo Pension fund	**0.64**	12.76
(d)	Staff welfare expenses	**23.06**	82.22
Total		**1,386.76**	2,206.12

26 Finance costs

Rupees in lakhs

	Year ended 31.03.2018	Year ended 31.03.2017
Interest costs		
Interest on term loan	**-**	124.23
Interest on bank loans (working capital)	**187.31**	841.32
Interest on loans from related parties	**721.71**	704.90
Other borrowing costs	**7.97**	15.90
Total interest expenses for financial liabilities not classified as FVTPL	**916.99**	1,686.35

27 Depreciation and amortisation expense

(i)	Depreciation of property, plant and equipment (Refer note 3)	**477.55**	693.01
(ii)	Amortisation of intangible assets (Refer note 4)	**0.49**	1.45
		478.04	694.46

TAYO ROLLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS

28 Other expenses

		Year ended 31.03.2018	Rupees in lakhs Year ended 31.03.2017
(1)	Repairs to machinery	**1.56**	21.52
(2)	Freight and handling charges	**0.18**	40.45
(3)	Rent	**0.70**	3.40
(4)	Royalty	**-**	27.93
(5)	Rates and taxes	**6.80**	15.79
(6)	Insurance charges	**4.79**	19.00
(7)	Allowance for doubtful debts and receivables	**(22.02)**	344.15
(8)	(Decrease) / increase in excise duty on inventory	**-**	(37.67)
(9)	Other expenses		
	(a) Product warranty charges	**-**	85.45
	(b) Loss on sale/write off of tangible assets	**4.15**	71.97
	(c) Auditors remuneration and out-of-pocket expenses (net of Service Tax / GST)		
	(i) For audit	**2.00**	9.00
	(ii) For taxation matters	**0.40**	1.50
	(iii) For other services	**0.10**	0.50
	(iv) For reimbursement of expenses	**-**	0.10
	(d) Legal and other professional costs	**80.16**	154.03
	(e) Advertisement, promotion and selling expenses	**-**	-
	(f) Travelling expenses	**20.29**	25.37
	(g) Consultation fees	**83.47**	68.63
	(h) Rolls machining charges	**-**	80.05
	(i) Other general expenses	**281.76**	1,106.21
Total		**464.34**	2,037.38

1. General information:

TAYO ROLLS LIMITED ("the Company"), formerly Tata- Yodogawa Limited was incorporated in 1968. The address of its registered office is at Jamshedpur. Its parent and ultimate holding company is Tata Steel Limited. The Company was promoted by Tata Steel Limited in collaboration with Yodogawa Steel Works, Japan and Nissho Iwai Corporation of Japan for production of cast iron and cast steel rolls for metallurgical industries. As a part of its backward integration, the Company has set up a mini blast furnace of 40,000 tpa for the manufacture of Pig Iron. Other products include Forged Rolls, Engineering Forging and Ingots. The Company has a license and know-how agreement with Sheffield Forgemasters International, UK for the transfer of technology to manufacture forging quality ingots, forged bars, engineering forgings and forged rolls. The principal activities of the Company are described in Note 30. The equity shares of the Company are listed on Bombay Stock Exchange Limited (BSE).

The functional and presentation currency of the Company is Indian Rupee ("INR") which is the currency of the primary economic environment in which the Company operates. All financial information presented in Indian rupees has been rounded to the nearest lakhs except share and per share data.

2. Significant accounting policies :

2.1 Statement of compliance

The financial statements have been prepared in accordance with the 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. The Ind AS financial statements have been prepared on accrual basis. The matter stated in Note 2.2 indicates the inappropriateness of the use of generally accepted accounting principles that are applicable to a going concern entity in preparation of Ind AS financial statements of the Company for the year ended 31 March, 2018.

2.2 Going concern assumption

The Company has incurred a loss of Rs. 2,565.64 lakhs during the year ended 31 March, 2018 (incurred a loss of Rs. 8,294.88 lakhs during the year ended 31 March, 2017) and the accumulated losses as at 31 March, 2018 amounting to Rs. 51,399.45 lakhs (as at 31 March, 2017 Rs. 48,833.81 lakhs) has eroded the net worth of the Company and the Company's current liabilities exceeds its current assets by Rs. 14,435.82 lakhs as at 31 March, 2018 (as at 31 March, 2017 Rs. 21,214.71 lakhs).

The Company's operating results continue to be materially affected by various factors, particularly high pricing pressures due to overcapacity in roll industry, general economic slowdown and unavailability of future financing. Considering, these factors the going concern assumption is not appropriate for preparing the Ind AS financial statements and these Ind AS financial statements have been prepared on not a going concern basis. Accordingly, the assets have been stated at the lower of their historic cost and estimated net realisable value and the liabilities have been stated at the values at which they are expected to be discharged.

The Board of Directors had referred the Company to the Board for Industrial and Financial Reconstruction (BIFR) as required under the First proviso of section 15 (1) of The Sick Industrial Companies (Special Provisions) Act, 1985 and the Company is registered with BIFR on 23 March, 2016. Meanwhile, the Ministry of Finance issued Notifications S.O. 3568 (E) & S.O. 3569 (E) dated 25 November, 2016 to the effect that SICA has been repealed with effect from 1 December, 2016 and all the references or inquiry pending before the BIFR and/ or AAIFR shall stand abated.

The Board of Directors at their meeting held on 3 July, 2017 has decided to refer the Company to the National Company Law Tribunal under Section 10 of the Insolvency and Bankruptcy Code, 2016 for initiation of Corporate Insolvency Resolution Process. Subsequently, on 13 July, 2017, the Company has filed relevant application before the National Company Law Tribunal, Kolkata under Section 10 of the Insolvency and Bankruptcy Code, 2016, which was rejected on 22 December, 2017. The Company has filed an appeal before the National Company Law Appellate Tribunal against the aforesaid order. The matter is sub-judice.

The Board of Directors at their meeting held on 5 September, 2016 had decided to close the operations of the Company. Accordingly, on 6 September, 2016 the Company has filed closure application U/s 25-O of the Industrial Disputes Act, 1947 with the State Government Authorities. The application was rejected on 27 October, 2016. The Company has filed a Writ Petition in the Hon'ble Jharkhand High Court against the rejection order. The matter is sub-judice.

Accordingly, the financial statements have been prepared on not a going concern basis.

2.3 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.

2.4 Use of estimates and critical accounting judgements

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 note 3
- Provision for employee benefits and other provisions: Refer note 17 and note 31
- Contingent liabilities: Refer note 33

2.5 Revenue recognition

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 and excluding taxes or duties collected on behalf of the government.

Sale of goods

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised 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 are accounted over the period of rendering of services.

Dividend and interest income

Dividend income from investments is recognised when the right to receive payment has been established.

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 measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.6 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

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.

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

Operating lease

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. 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.

Finance lease

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

2.7 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 retranslation on non-monetary items carried at fair value are included in Statement of Profit and Loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income.

2.8 Borrowing costs

Borrowing 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 their intended use or sale.

Interest 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 profit or loss in the period in which they are incurred.

2.9 Employee benefits

Short term employee benefits

Short term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

<u>Retirement benefit costs</u>

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

<u>Short-term and other long-term employee benefits</u>

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave 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 Group in respect of services provided by employees up to the reporting date.

2.10 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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 liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively 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 recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.11 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 de-recognised. Where a tangible fixed asset 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 tangible assets.

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.

2.12 Intangible assets

Intangible assets acquired separately

Computer software and Technical knowhow fee costs are included in the balance sheet as intangible assets where they are clearly linked to long term economic benefits for the Company. In this case they are measured initially at purchase cost and then amortised on a straight-line basis over their estimated useful lives. All other costs on patents, trademarks and software are expensed in the Statement of Profit and Loss as incurred.

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.

2.13 Depreciation and amortisation of property, plant and equipment and intangible assets

Depreciation or amortisation is provided so as to write off, on a straight-line basis, the cost of property, plant and equipment and other intangible assets, including those held under finance leases to their residual value. These charges are commenced from the dates the assets are available for their intended use and are spread over their estimated useful economic lives or, in the case of leased assets, over the lease period if shorter. The estimated useful lives of assets and residual values are reviewed regularly and, when necessary, revised. No further charge is provided in respect of assets that are fully written down but are still in use.

Depreciation on assets under construction commences only when the assets are ready for their intended use.

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

Useful life of plant and machinery is considered to be 15-20 years.

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

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

2.14 Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal 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.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a 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 immediately in profit or loss.

2.15 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories are determined on “weighted average” basis. 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 spare parts are carried at lower of cost and net realisable value.

2.16 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:

- 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
- 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.

Warranties

Provisions for the expected cost of warranty obligations under local sale of goods legislation are recognised at the date of sale of the relevant products, at the Company's best estimate of the expenditure required to settle the obligation.

2.17 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.

Financial assets

All regular way 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 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.

2.18 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instruments

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

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (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 financial liability or (where appropriate) a shorter period, to the gross carrying amount on initial recognition.

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 gains or losses and is recognised in profit or loss.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.19 Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

2.20 Cash flow statement

Cash flows are reported using the indirect method, where by profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.21 Earnings per equity share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

2.22 Operating cycle

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.

2.23 Segment Reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns, internal organisation, management structure and the internal performance reporting systems. The accounting policies adopted for the segment reporting are in line with the accounting policies of the Company.

29 Segment information

29.1 Products and services from which reportable segments derive their revenues

Operating segments are defined as components of an enterprises for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is the Board of Directors of the Company.

The Company has identified business segments (type of products) as reportable segments. The business segments comprise:

a. Roll operation
b. Pig iron operation
c. Ingot operation
d. Engg forgings operation

Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment have been allocated on a reasonable basis. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable.

29.2 Segment revenues and results

Summarised segment information for the years ended 31 March, 2018 and 31 March, 2017 is as follows:

Rupees in lakhs

	Year ended 31.03.2018	Year ended 31.03.2017
Segment revenue		
Roll operation	**62.29**	2,816.56
Pig iron operation	**-**	1,492.87
Ingot operation	**-**	35.20
Engg forgings operation	**-**	354.13
Unallocated	**31.07**	602.07
	93.36	5,300.83
Inter segment revenue	-	(35.00)
Total income	**93.36**	5,265.83
Segment result [profit/(loss)]		
Roll operation	**(1,208.64)**	(3,713.02)
Pig iron operation	**(484.02)**	(11.12)
Ingot operation	**(150.64)**	(265.20)
Engg forgings operation	**(279.61)**	(513.29)
Net loss for the period (before finance costs, tax	**(2,122.91)**	(4,502.63)
Les: Finance costs	**916.99**	1,686.35
Les: Exceptional items (net)	**(605.02)**	2,518.89
Les: Other unallocable expenditure (net off unallocable income)	**130.75**	(412.99)

Total profit/(loss) before tax	**(2,565.64)**	(8,294.88)

29.3 Segment assets and liabilities

Rupees in lakhs

Particulars	**Year ended 31.03.2018**	Year ended 31.03.2017
Segment assets		
Roll operation	**2,176.96**	3,431.89
Pig iron operation	**1,059.99**	1,116.50
Ingot operation	**449.99**	474.12
Engg forgings operation	**934.97**	984.59
Total segment assets	**4,621.91**	6,007.10
Unallocated assets	**2,653.02**	2,779.41
Total assets	**7,274.93**	8,786.51
Segment liabilities		
Roll operation	**5,749.89**	5,528.68
Pig iron operation	**1,401.97**	1,345.61
Ingot operation	**53.11**	39.81
Engg forgings operation	**460.81**	425.12
Total segment liabilities	**7,665.78**	7,339.22
Unallocated liabilities	**44,440.51**	43,713.01
Total liabilities	**52,106.29**	51,052.23

29.4 Other segment information

Depreciation and amortisation

Rupees in lakhs

	Year ended 31.03.2018	Year ended 31.03.2017
Roll operation	**163.53**	236.79
Pig iron operation	**54.94**	256.22
Ingot operation	**39.93**	42.67
Engg forgings operation	**77.62**	67.09
Unallocated	**142.02**	91.69
Total depreciation and amortisation	**478.04**	694.46

Additions to non-current assets

Rupees in lakhs

	Year ended 31.03.2018	Year ended 31.03.2017
Roll operation	**-**	0.65
Pig iron operation	**-**	-
Ingot operation	**-**	-
Engg forgings operation	**-**	-
Unallocated	**-**	-
	-	0.65

Non cash expenditure other than depreciation and amortisation

Rupees in lakhs

	Year ended 31.03.2018	Year ended 31.03.2017
Roll operation	**-**	975.51
Pig iron operation	**-**	167.40

Ingot operation	-	39.71
Engg forgings operation	-	64.84
Unallocated	-	3.19

29.5 Revenue from major products and services

The following is an analysis of the Company's revenue from its major products and services

Rupees in lakhs

	Year ended 31.03.2018	Year ended 31.03.2017
Roll operation	**62.29**	2,816.56
Pig iron operation	**-**	1,492.87
Ingot operation	**-**	0.20
Engg forgings operations	**-**	354.13
	62.29	4,663.76

29.6 Geographical information

The Company operates in two principal geographical areas-India (country of domicile) and outside India (mainly Bangladesh).

Rupees in lakhs

	Year ended 31.03.2018	Year ended 31.03.2017
Revenue from external customers		
India	**93.36**	5,238.61
Outside India	**-**	27.22
	93.36	5,265.83

Rupees in lakhs

	Year ended 31.03.2018	Year ended 31.03.2017
Non-current assets		
India	**5,418.88**	6,933.09
Outside India	**-**	-
	5,418.88	6,933.09

29.7 Information about major customers

Details of revenue from transactions with a single customer which are more than 7% or more of the Companies revenue are as follows:

Rupees in lakhs

	Year ended 31.03.2018	**Year ended 31.03.2017**
Customer A		
Roll operation	-	980.40
Pig iron operation	-	619.22
Engg forgings operations	-	75.63
	-	1,675.25
Customer E		
Roll operation		331.96
	-	331.96
Customer F		
Roll operation	**25.68**	-
	25.68	-
Customer G		
Roll operation	**18.84**	-
	18.84	-
Customer H		

Roll operation	**7.19**	-
	7.19	-

30 Earnings per share

	Year ended 31.03.2018	Rs. per share Year ended 31.03.2017
Basic/diluted earnings per share (A/B)	**(25.00)**	(80.84)

Basic/diluted earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:

		Year ended 31.03.2018	Year ended 31.03.2017
A	Earnings used in the calculation of basic/diluted earnings per share (Rupees in lakhs)	**(2,565.64)**	(8,294.88)
B	Weighted average number of equity shares for the purposes of basic/diluted earnings per share	**10,260,935**	10,260,935

Note: The Company did not have any potentially dilutive securities in any of the periods presented.

31 Employee benefit plan

31.1 Defined contribution plan

The Company participates in a number of defined contribution plans on behalf of relevant personnel. Any expense recognised in relation to these schemes represents the value of contributions payable during the period by them at rates specified by the rules of those plans. The only amounts included in the balance sheet are those relating to the prior month's contributions that were not due to be paid until after the end of the reporting period.

The Company has recognised, in the Statement of Profit and Loss for the year ended 31.03.2018, an amount of Rs. 91.53 lakhs (for the year ended 31.03.2017 Rs. 158.12 lakhs) as expenses under the following defined contribution plans

		Rupees in lakhs
Benefit (Contribution to)	**Year ended 31.03.2018**	Year ended 31.03.2017
Provident fund	**90.67**	91.90
Superannuation fund	**0.22**	53.46
Employees pension scheme	**0.64**	12.76
	91.53	158.12

As at 31 March, 2018, contribution of Rs. 14.80 lakhs (as at 31 March, 2017 Rs. 1.46 lakhs) representing amount payable to the Employee Provident Fund, Rs. 0.50 lakh (as at 31 March, 2017 Rs. 0.27 lakh) to superannuation fund and Rs. nil (as at 31 March, 2017 Rs. 0.43 lakh) to employees pension scheme in respect of the year ended 31 March 2018 and year ended 31 March, 2017) reporting period had not been paid to the plans.

31.2 Defined benefit plan :

The Company operates post retirement benefit plans as follows:

Funded
i) Post retirement gratuity

Unfunded
i) Post Retirement Medical Benefit (PRMB)
ii) Pension to Directors

i) Funded defined benefit plans- Post retirement gratuity

The amount included in the Balance Sheet arising from the entity's obligation in respect of its post retirement gratuity plan is as follows:

		Rupees in lakhs
	As at 31.03.2018	As at 31.03.2017
Provision for funded defined benefit obligation (Actual basis) Refer note 4 below	**664.00**	811.38
Present value of funded defined benefit obligation	**-**	-
Fair value of plan assets	**569.51**	482.60
Funded status surplus/ (deficit)	**(94.49)**	(328.78)

Principal actuarial assumptions:

Particulars	**As at 31.03.2018**	As at 31.03.2017
Discount rate (p.a.)	**Refer note 4 below**	Refer note 4 below
Expected rate of return on assets (p.a.)	**7.50%**	7.00%
Salary escalation rate (p.a.)	**Refer note 4 below**	Refer note 4 below

	As at 31.03.2018	As at 31.03.2017
Demographic assumptions:		
Normal retirement age (years)	**60**	60
Mortality rate	**Refer note 4 below**	Refer note 4 below
<u>Withdrawal rate</u>		
Ages from 20-25		
Ages from 25-30		
Ages from 30-35	**Refer note 4 below**	Refer note 4 below
Ages from 35-50		
Ages from 50-55		
Ages from 55-58		

Notes:

1) The discount rate is based on the prevailing market yields of Indian Government bonds as at the balance sheet date for the estimated term of obligations.

2) The gratuity plan is funded.

3) The estimates of future salary increases considered take into account the inflation, seniority, promotion and other relevant

4) As the Company has prepared the financial statements for the year ended 31 March, 2018 and 31 March, 2017 on not a going concern basis, liability for post retirement gratuity is provided for on an actual basis and hence disclosures as required under Ind AS 19 "Employee Benefits" related to defined benefit plans have not been made.

Movement in the fair value of the plan assets are as follows:

Rupees in lakhs

Particulars	**Year ended 31.03.2018**	Year ended 31.03.2017
Opening fair value of plan assets	**482.60**	1,033.70
Interest income	**36.23**	54.74
Employer contributions	**328.78**	97.01
Return on plan assets greater/ (lesser) than discount rate	**(19.39)**	1.69
Benefits paid	**(258.71)**	(704.54)
Closing fair value of plan assets	**569.51**	482.60

The plan assets of the Company managed through a trust are managed by Trustees of Tata Yodogawa Ltd Gratuity Fund. The details of investments relating to these assets are as under

	As at 31.03.2018	As at 31.03.2017
Investment details (% invested)		
Government of India Securities (Central and State)	**30.42%**	15.30%
High quality corporate bonds (including public sector bonds)	**42.20%**	37.00%
Cash (including special deposits)	**27.38%**	47.70%
Total	**100.00%**	100.00%

The Company expects to make a contribution of Rs. 94.49 lakhs (as at 31 March, 2017: Rs. 328.78 lakhs) to defined benefit plan during the next financial year.

ii) Unfunded defined benefit plans

The amount included in the Balance Sheet arising from the entity's obligation in respect of its unfunded defined benefit plans is as follows:

Post Retirement Medical Benefit (PRMB)

Rupees in lakhs

Particulars	**As at 31.03.2018**	As at 31.03.2017
Provision for unfunded defined benefit obligation (Actual basis) Refer note 4 below	**122.48**	124.88
Present value of unfunded defined benefit obligation	**-**	
	(122.48)	124.88

Principal actuarial assumptions:

Particulars	**As at 31.03.2018**	**As at 31.03.2017**
Discount rate (p.a.) Medical costs inflation rate (p.a.) Average medical cost (Rs/person)	**Refer note 4 below**	Refer note 4 below

	As at 31.03.2018	As at 31.03.2017
Demographic assumptions:		
Normal retirement age (years)	**60**	60
Mortality rate (in service)	**Refer note 4 below**	Indian Assured Lives Mortality (2006-08)
Mortality rate (Post retirement)	**Refer note 4 below**	LIC (1996-98) Annuitants ultimate
<u>Withdrawal rate</u>		
Ages from 20-25 Ages from 25-30 Ages from 30-35 Ages from 35-50 Ages from 50-55 Ages from 55-80	**Refer note 4 below**	**Refer note 4 below**

Notes:

1) The discount rate is based on the prevailing market yields of Indian Government bonds as at the balance sheet date for the estimated term of obligations.

2) The plan is funded.

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

4) As the Company has prepared the financial statements for the year ended 31 March, 2018 and 31 March, 2017 on not a going concern basis, liability for unfunded defined benefit plans for the year ended 31 March, 2018 is provided for on an actual basis and hence disclosures as required under Ind AS 19 "Employee Benefits" related to defined benefit plans have not been made for that period.

The following table sets out the the amount recognised in the financial statements:

Particulars	**As at 31.03.2018**		As at 31.03.2017	
	Post Retirement Medical benefits	**Pension to Directors**	Post Retirement Medical benefits	Pension to Directors
i. Amounts recognised in the Statement of Profit and Loss in respect of these unfunded defined benefits plans are as follows:				
Current service cost	**-**	**-**	-	-
Interest cost	**-**	**-**	-	-
Provision recorded (Refer note 4 above)	**-**	**-**	-	15.17
Components of unfunded defined benefit costs recognised in profit or loss	**-**	**-**	**-**	**-**
ii. Remeasurement on the net unfunded defined benefit liability:				
Actuarial (gain)/loss	**-**	**-**	-	-
Component of unfunded defined benefit costs recognised in other comprehensive income	**-**	**-**	**-**	**-**

(Rupees in lakhs)

Particulars	As at 31.03.2018		As at 31.03.2017	
	Post Retirement Medical benefits	**Pension to Directors**	Post Retirement Medical benefits	Pension to Directors
iii. Movement in the fair value of the unfunded defined benefit obligation:				
Obligation as at the beginning of the year	**124.88**	**-**	542.68	249.97
Current service cost	**-**	**-**	-	-
Interest cost	**-**	**-**	-	-
Actuarial (gain)/ loss	**-**	**-**	-	-
Provision recorded (Refer note 4 above)	**-**	**-**	-	15.17
Benefits paid	**(2.40)**	**-**	(417.80)	(265.14)
Obligation as at the end of the year	**122.48**	**-**	**124.88**	**-**

Sensitivity Analysis

Significant actuarial assumptions for the determination of the unfunded defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Year ended 31.03.2018		Year ended 31.03.2017	
	Post Retirement Medical benefits	**Pension to Directors**	Post Retirement Medical benefits	Pension to Directors
Effect of a 1% change in medical escalation rate				
- 1% Increase - 1% Decrease	**Refer note 4 above**	**Refer note 4 above**	Refer note 4 above	Refer note 4 above
Effect of a 1% change in discount rate - 1% Increase - 1% Decrease	**Refer note 4 above**	**Refer note 4 above**	Refer note 4 above	Refer note 4 above

Actuarial assumptions for leave benefit scheme

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

	Valuation as at	
	31.03.2018	31.03.2017
Normal retirement age (years)	**60**	60
Discount rate(s)	**7.50%**	7.00%
Expected rate(s) of salary increase	**0.00%**	6.00%

Notes:

1) The discount rate is based on the prevailing market yields of Indian Government bonds as at the balance sheet date for the estimated term of obligations.

2) The compensated absences plan is unfunded.

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

32 Related Party Transactions

A. List of related parties :

i Holding company

Tata Steel Limited

ii. Fellow Subsidiaries

a) Tata Steel Europe Limited

b) The Indian Steel & Wire Products Limited

c) The Tinplate Company of India Limited

d) Jamshedpur Continuous Annealing and Processing Company Private Limited

e) Jamshedpur Utilities & Services Company Limited

f) Tata Metaliks Limited

g) Tata Metaliks DI Pipes Limited

i) Tata Sponge Iron Limited

j) TKM Global Logistics Limited

k) TRF Limited

iii. Others - Post employment benefit plan

a) Trustees of Tata Yodogawa Limited Gratuity Fund

b) Trustees of Tata Yodogawa Limited Provident Fund

c) Tata Yodogawa Limited Employees Pension Fund

d) Tata Yodogawa Limited Superannuation Fund

iv. Key Management Personnel (KMP)

Mr. K. Shankar Marar (Managing Director)

Rupees in lakhs

Nature of Transactions	Holding company	Fellow Subsidiaries	Others	Key Management Personnel (KMP)	Total
B. Transactions with related parties					
(i) Sale of goods					
1 Tata Steel Limited	- (1,056.03)	- (-)	- (-)	- (-)	- (1,056.03)
2 The Tinplate Company of India Limited	- (-)	- (61.19)	- (-)	- (-)	- (61.19)
3 The Indian Steel & Wire Products Limited	- (-)	- (49.08)	- (-)	- (-)	- (49.08)
4 TRF	- (-)	- -	- (-)	- (-)	- -
5 Jamshedpur Continuous Annealing and Processing Company Private Limited	- (-)	- (0.57)	- (-)	- (-)	- (0.57)
Total	- (1,056.03)	- (110.84)	- (-)	- (-)	- (1,166.87)
(ii) Purchase of goods					
1 Tata Steel Limited	- (88.48)	- (-)	- (-)	- (-)	- (88.48)
(iii) Sale of services					
1 Tata Steel Limited	- (619.22)	- (-)	- (-)	- (-)	- (619.22)
(iv) Receiving of services					
1 Tata Steel Limited	**364.49** (396.99)	- (-)	- (-)	- (-)	**364.49** (396.99)
2 Jamshedpur Utilities & Services Company Limited	- (-)	**10.52** (328.89)	- (-)	- (-)	**10.52** (328.89)
Total	**364.49** (396.99)	**10.52** (328.89)	- (-)	- (-)	**375.01** (725.88)
(v) Receiving of borrowings					
1 Tata Steel Limited	**700.00** (2,137.00)	- (-)	- (-)	- (-)	**700.00** (2,137.00)
(vi) Repayment of borrowings					
1 Tata Steel Limited	(500.00)	- (-)	- (-)	- (-)	- (500.00)
(vii) Interest income					
1 Jamshedpur Utilities & Services Company Limited	- (-)	**0.35** (5.64)	- (-)	- (-)	**0.35** (5.64)
(viii) Interest costs					
1 Tata Steel Limited	**721.71** (704.90)	- (-)	- (-)	- (-)	**721.71** (704.90)

(ix) Reimbursement of expenses (paid)					
1 Tata Steel Limited	**79.03**	**-**	**-**	**-**	**79.03**
	(24.70)	(-)	(-)	(-)	(24.70)
2 The Indian Steel & Wire Products Limited	**-**		**-**	**-**	**-**
	(-)	(4.16)	(-)	(-)	(4.16)
Total	**79.03**	**-**	**-**	**-**	**79.03**
	(24.70)	(4.16)	(-)	(-)	(28.86)
(x) Issue of preference shares					
1 Tata Steel Limited	**7,825.00**	**-**	**-**	**-**	**7,825.00**
	(2,905.00)	(-)	(-)	(-)	(2,905.00)
(xi) Provision for doubtful debts and receivables					
1 Tata Steel Limited	**-**	**-**	**-**	**-**	**-**
	(4.79)	(-)	(-)	(-)	(4.79)
2 The Tinplate Company of India Limited	**-**		**-**	**-**	**-**
	(-)	(7.66)	(-)	(-)	(7.66)
3 Tata Steel Europe Limited	**-**		**-**	**-**	**-**
	(-)	(1.58)	(-)	(-)	(1.58)
Total	**-**	**-**	**-**	**-**	**-**
	(4.79)	(9.24)	-	(-)	(14.03)
(xii) Contribution to post employment benefit plans					
1 Trustees of Tata Yodogawa Limited Gratuity Fund	-	-	**94.49**	**-**	**94.49**
	(-)	(-)	(83.87)	(-)	(83.87)
2 Trustees of Tata Yodogawa Limited Provident Fund	**-**	**-**	**90.66**	**-**	90.66
	(-)	(-)	(251.90)	(-)	(251.90)
3 Tata Yodogawa Limited Employees Pension Fund	**-**	**-**	**0.64**	**-**	**0.64**
	(-)	(-)	(28.15)	(-)	(28.15)
4 Tata Yodogawa Limited Superannuation Fund	**-**	**-**	**0.22**	**-**	**0.22**
	(-)	(-)	(43.21)	(-)	(43.21)
Total	**-**	**-**	**186.01**	**-**	**186.01**
	(-)	(-)	(407.13)	(-)	(407.13)
(xiii) Managerial remuneration#					
Mr. K. Shankar Marar	**-**	**-**	**-**	**-**	**-**
	(-)	(-)	(-)	(40.18)	(40.18)

Managerial remuneration for KMP excludes provision for leave benefit scheme and gratuity, as separate figures for KMP is not available.

Note: Figures in brackets stated pertain to year ended 31 March, 2017

Rupees in lakhs

Particulars	Holding company	Fellow Subsidiaries	Key Management Personnel (KMP)	Total
C. The following balances were outstanding at the end of the reporting				
(i) Outstanding receivables				
a) Tata Steel Limited				
As at 31-03-2018	**66.09**	-	-	**66.09**
As at 31-03-2017	118.13	-	-	118.13
b) The Indian Steel & Wire Products Limited				
As at 31-03-2018	-	-	-	-
As at 31-03-2017	-	0.53	-	0.53
c) Tata Steel Europe Limited				
As at 31-03-2018	-	-	-	-
As at 31-03-2017	-	1.58	-	1.58
d) The Tinplate Company of India Limited				
As at 31-03-2018	-	-	-	-
As at 31-03-2017	-	**7.66**	-	7.66
e) Tata Metaliks DI Pipes Limited				
As at 31-03-2018	-	**1.94**	-	**1.94**
As at 31-03-2017	-	1.94	-	1.94
f) TRF Limited				
As at 31-03-2018	-	**18.28**	-	**18.28**
As at 31-03-2017	-	-	-	-
(ii) Deposits (including interest accrued)				
a) Jamshedpur Utilities & Services Company Limited				
As at 31-03-2018	-	**4.15**	-	**4.15**
As at 31-03-2017	-	8.04	-	8.04
(iii) Outstanding payables				
a) Tata Steel Limited				
As at 31-03-2018	**858.75**	-	-	**858.75**
As at 31-03-2017	362.78	-	-	362.78
b) The Indian Steel & Wire Products Limited				
As at 31-03-2018	-	**14.20**	-	**14.20**
As at 31-03-2017	-	13.96	-	13.96
c) Jamshedpur Utilities & Services Company Limited				
As at 31-03-2018	-	**0.45**	-	**0.45**
As at 31-03-2017	-	1.15	-	1.15
d) The Tinplate Company of India Limited				
As at 31-03-2018	-	**0.60**	-	**0.60**
As at 31-03-2017	-	-	-	-
(iv) Issue of preference shares				
a) Tata Steel Limited				
As at 31-03-2018	**33,814.00**	-	-	**33,814.00**
As at 31-03-2017	26,005.00	-	-	26,005.00

(v)	**Current borrowings**				
	a) Tata Steel Limited				
	As at 31-03-2018	**6,700.00**	-	-	**6,700.00**
	As at 31-03-2017	6,000.00	-	-	6,000.00
(vi)	**Interest accrued**				
	a) Tata Steel Limited				
	As at 31-03-2018	**1,589.18**	-	-	**1,589.18**
	As at 31-03-2017	867.47	-	-	867.47
(vii)	**Advance received**				
	a) Tata Steel Limited				
	As at 31-03-2018	**2,097.36**	-	-	**2,097.36**
	As at 31-03-2017	2,157.10	-	-	2,157.10
(viii)	**Allowance for doubtful debts (expected credit loss allowance)**				
	a) Tata Steel Limited				
	As at 31-03-2018	**-**	**-**	**-**	**-**
	As at 31-03-2017	**4.79**	**-**	**-**	4.79
	b) The Tinplate Company of India Limited				
	As at 31-03-2018	**-**	**-**	**-**	**-**
	As at 31-03-2017	**-**	7.66	**-**	7.66
	c) Tata Steel Europe Limited				
	As at 31-03-2018	**-**	**-**	**-**	**-**
	As at 31-03-2017	**-**	1.58	**-**	1.58

33 Contingent liabilities and commitments

Rupees in lakhs

		As at 31.03.2018	As at 31.03.2017
33.1	**Contingent liabilities**		
a)	Claims against the Company not acknowledged as debts		
	Excise and service tax *	**313.14**	405.60
	Sales tax	**275.60**	129.60
	Income tax	**233.11**	271.64
	Other money for which the Company is contingently liable		
(i)	JSEB/BSEB -electricity charges (excluding interest) (Refer note (i) and (ii) below)	**23,036.06**	23,036.06
(ii)	Export promotion capital goods scheme (Refer note (iii) below)	**-**	922.79
	* Amount paid under protest in respect thereof	**10.00**	10.00
b)	**Guarantees**		
	- Bank guarantee (Refer note (ii) below)	**372.00**	372.00

(i) Consequent to the judgment dated 2 May, 2013 of Honourable Jharkhand High Court with regard to the applicability of power tariff structure on the Company's Induction Furnace Unit from January 2000, the Jharkhand State Electricity Board (JSEB) had raised rectified energy bill dated 10 June, 2013 for Rs. 27,203.00 lakhs (later claim revised to Rs. 26,361.00 lakhs). The rectified energy bill was challenged separately before the Honourable Jharkhand High Court. The Company has also contested the judgment dated 2 May, 2013 on the applicability of power tariff structure by way of filing an appeal before the Honourable Jharkhand High Court which has been admitted on merit on 3 July, 2013 . The demand raised by JSEB has been considered as contingent liability in the financial statements.

JSEB had also initiated Certificate proceedings for recovery of Rs. 26,361.00 lakhs against the Company and the Board of Directors, which was challenged before the Certificate Officer. The Certificate Officer in his Order dated 12 December, 2015 has absolved the directors from any liability to the extent the certificate amount is considered. He also directed JSEB to raise revised bills and the Company to pay the same within 15 days of the order. JSEB has raised the revised bill dated 24 December, 2015 for Rs. 21,803.67 lakhs. The Company has also challenged the Order dated 12 December, 2015 of the Certificate officer before the Division Bench of the Jharkhand High Court.

On 18 December, 2015, the Division Bench of Jharkhand High Court has passed its Order that "No Coercive Action" shall be initiated against the Company during pendency and final hearing of the Appeals.

(ii) During the financial year 2000-01, Bihar State Electricity Board (BSEB) had issued circulars revising the fuel surcharge rates for the period from 1996-97 to 1999-2000. Based on management estimate the Company had paid and provided the principal amount aggregating to Rs. 43.61 lakhs in the books of account and filed a Letters Patent Appeal (LPA) before the Division Bench of the Jharkhand High Court disputing payment of delayed payment surcharge (DPS) amounting to Rs. 1,232.39 lakhs.

Further, the Company had also filed a Special Leave Petition (SLP) before the Hon'ble Supreme Court for seeking relief from payment of DPS. The Supreme Court granted stay on the payment of DPS till final decision by the Jharkhand High Court. The matter is still sub-judice. Pending finalisation of the matter no adjustments have been made in the financial statements for the year ended 31 March, 2018.

The Company had issued a bank guarantee of Rs. 372.00 lakhs relating to above.

(iii) The Company had filed an application with the Director General of Foreign Trade for discharge of export obligation. During the year Export Oboligation Discharges Certificate (EODC) has been received and there is no obligation.

33.2 Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. nil (as at 31.03.2017: Rs. nil) against which advances paid Rs. nil (as at 31.03.2017: Rs. 8.31 lakhs).

34.1 End use of funds raised from the issue of Non-Cumulative Redeemable Preference Shares

Rupees in lakhs

	As at 31.03.2018	As at 31.03.2017
Opening balance as at beginning of the year	**258.53**	-
Funds raised during the year	**7,825.00**	2,905.00
Utilisation of fund		
a) Capital expenditure	**-**	-
b) Repayment of cash credit utilisation	**6,381.92**	
c) Repayment of inter corporate deposit (ICD)	**-**	500.00
d) Working capital	**1,501.61**	2,146.47
Unutilised monies at end of the year	**200.00**	258.53

34.2 The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

34.3 There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

	GBP	USD	JPY	Rupees in lakhs
Amount receivable from export of goods	**-**	**-**	**-**	**-**
	(0.02)	(0.26)		(21.10)
Amount payable for:				
Royalty	**-**	**3.18**	**-**	**207.12**
	-	(3.19)	(522.92)	(510.21)

Note: Figures in brackets are for the previous year.

34.5 TURNOVER, CLOSING AND OPENING STOCKS OF GOODS PRODUCED

Class of products	Turnover @		Closing Stock		Opening Stock	
	Tonnes	Rupees in lakhs	Tonnes	Rupees in lakhs	Tonnes	Rupees in lakhs
a) Rolls						
(i) Steel, steel base	**-**	**-**	*	*	**-**	**-**
and Cast iron rolls	(990)	(1,483.50)			(50)	(53.98)
(ii) Forged rolls	**3**	**7.19**	**-**	**-**	**3**	**7.37**
	(284)	(669.79)	(3)	(7.37)	(22)	(45.86)
b) Pig iron						
(i) Others - pig iron skull etc.	**-**	**-**		**-**		**-**
	-	(459.32)		-		(570.62)
c) Ingots	**-**	**-**	**-**	**-**	**-**	**-**
					(133)	(64.14)
d) Engineering forgings	**-**	**-**	**-**	**-**	**-**	**-**
	(174)	(338.48)	-	-	(2)	(2.21)
e) Conversion income	**-**	**-**	**-**	**-**	**-**	**-**
	-	(738.50)	-	-	-	-
TOTAL		**7.19**		**-** **		**7.37**
		(3,689.59)		(7.37)		(736.81)

Notes:
(i) @ includes excise duty recovered from customers and excludes other operating revenues
(ii) * after adjustment for stocks value written down and transferred to semi-finished stock
(iii) ** Value of closing stocks includes excise duty.
(iv) Figures in brackets are in respect of the previous year.

34.6 CONSUMPTION OF RAW MATERIALS *

	Year ended 31.03.2018		Year ended 31.03.2017	
	Quantity Tonnes	**Rupees in lakhs**	Quantity Tonnes	Rupees in lakhs
a) Scrap (net of own generated scrap)	**-**	**-**	478	97.47
b) Ferro Moly	**-**	**-**	2	11.74
c) Other ferro alloys	**-**	**-**	4	12.49
d) Nickel	**-**	**-**	10	63.48
e) Fluxes	**-**	**-**	2	4.36
f) others	**-**	**-**		709.94
		-		899.48

* Net of shortage/excess identified during physical count.

34.7 Details of closing stock of raw materials (including packing materials)

Rupees in lakhs

Particulars	**Closing Stock**	
	As at 31.03.2018	As at 31.03.2017
(a) Scrap	**280.19**	280.19
(b) Other ferro alloys	**20.34**	20.34
(c) Others	**463.27**	463.27
Total	**763.80**	763.80

34.8 C.I.F. value of imports:

Rupees in lakhs

		Year ended 31.03.2018	Year ended 31.03.2017
a)	Components, stores and spares parts	-	18.49

34.9 Expenditure in foreign currency:

a)	Royalty	-	27.93

34.10 Consumption of imported and indigenous materials

Value of consumption of imported and indigenously obtained raw materials, components, stores and spare parts and the percentage of each to the total consumption:

	Year ended 31.03.2018		Year ended 31.03.2017	
	%	**Rupees in lakhs**	%	Rupees in lakhs
a) Raw materials:				
Imported	**-**	**-**	-	-
Indigenous	**-**	**-**	100.00	899.48
b) Components, stores and spare parts:				
Imported	**-**	**-**	4.00	18.49
Indigenous	**-**	**-**	96.00	654.38

34.11 Earnings in foreign exchange:

Rupees in lakhs

	Year ended 31.03.2018	Year ended 31.03.2017
FOB value of exports (including value of exports through export house/agents)	-	27.22

35 Financial instruments

Capital management

The Company has incurred a loss of Rs. 2,565.64 lakhs during the year ended 31 March, 2018 (incurred a loss of Rs. 8,294.88 lakhs during the year ended 31 March, 2017) and the accumulated losses as at 31 March, 2018 amounting to Rs. 51,399.45 lakhs (as at 31 March, 2017 amounting to Rs. 48,797.91 lakhs) have eroded the net worth of the Company. The Company's operating results continue to be materially affected by various factors, particularly high pricing pressures due to overcapacity in roll industry, general economic slowdown and unavailability of future financing.

The Board of Directors at their meeting held on 5 September, 2016 have decided to close the operations of the Company. Accordingly, on 6 September, 2016 the Company has filed closure application u/s 25-O of the Industrial Disputes Act, 1947 with the State Government Authorities. The application was rejected on 27 October, 2016. The Company has filed a writ petition in the Honourable Jharkhand High Court against the rejection order. The matter is sub judice.

The short term funding requirements are met primarily through issue of non-cumulative redeemable preference shares to the holding company and loans from the holding company.

Gearing ratio

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

Rupees in lakhs

	As at 31.03.2018	As at 31.03.2017
Debt (i)	**42,514.42**	40,632.81
Cash and bank balance	**795.40**	779.50
Net debt	**41,719.02**	39,853.31
Total equity	**(44,831.36)**	(42,265.72)
Net debt to equity ratio (%)	**-93.06%**	-94.29%

(i) Debt is defined as long term and short term borrowings as disclosed in note 16, 17 and 20

A. Financial assets and liabilities

As at 31.03.2018

Rupees in lakhs

Financial assets	**Amortised cost**	**Fair value through OCI**	**Fair value through profit and loss**	**Total carrying value**	**Total fair value**
Other investments	**0.09**	-	-	**0.09**	**0.09**
Trade receivables	**73.53**	-	-	**73.53**	**73.53**
Cash and cash equivalents	**249.00**	-	-	**249.00**	**249.00**
Bank balances other than cash and cash equivalents	**546.40**	-	-	**546.40**	**546.40**
Other financial assets (current and non-current)	**220.98**	-	-	**220.98**	**220.98**
Total financial assets	**1,090.00**	-	-	**1,090.00**	**1,090.00**
Financial liabilities					
Borrowings	**42,514.42**	-	-	**42,514.42**	**42,514.42**
Trade payables	**2,858.81**	-	-	**2,858.81**	**2,858.81**
Other financial liabilities	**1,665.57**	-	-	**1,665.57**	**1,665.57**
Total financial liabilities	**47,038.80**	-	-	**47,038.80**	**47,038.80**

As at 31.03.2017

Financial assets	Amortised cost	Fair value through OCI	Fair value through profit and loss	Total carrying value	Rupees in lakhs Total fair value
Other investments	0.09	-	-	0.09	0.09
Trade receivables	113.87	-	-	113.87	113.87
Cash and cash equivalents	779.03	-	-	779.03	779.03
Bank balances other than cash and cash equivalents	0.47	-	-	0.47	0.47
Other financial assets (current and non-current)	76.65	-	-	76.65	76.65
Total financial assets	970.11	-	-	970.11	970.11
Financial liabilities					
Borrowings	40,237.36	-	-	40,237.36	40,237.36
Trade payables	2,521.76	-	-	2,521.76	2,521.76
Other financial liabilities	1,477.02	-	-	1,477.02	1,477.02
Total financial liabilities	44,236.14	-	-	44,236.14	44,236.14

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

Quoted prices in an active market (Level 1):

This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) inactive markets for identical assets or liabilities. This category consists quoted equity shares, quoted corporate debt instruments and mutual fund investments.

Valuation techniques with observable inputs (Level 2):

This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This level of hierarchy includes Company's over-the-counter (OTC) derivative contracts.

Valuation techniques with significant unobservable inputs (Level 3):

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

Investments of the Company are measured at fair value at the end of each reporting period. The following table gives information on determination of its fair value, the valuation technique and inputs used.

Financial assets	Fair value as at		Fair value hierarchy	Valuation techniques and
	31.03.2018	31.03.2017		
	Rupees in lakl	Rupees in lakhs	Rupees in lakhs	
Investment in equity instruments (Quoted)	**-**	-	-	
Investment in equity instruments (Unquoted)	**-**	-	-	
Investments in debentures or bonds	**0.09**	0.09	Level 3	Valued using the cost approach to arrive at their fair value. Refer note (ii) below.

Notes:

(i) Includes certain investments whose fair values are Nil.

(ii) Cost of these investments approximate the fair value because there is a range of possible fair value measurements and the cost represents estimate of fair value within that range.

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.

C. Financial risk management

The Company's activities expose it to a variety of financial risks which includes market risk (including foreign currency exchange rate risk and interest rate risk), credit risk and liquidity risk.

The Company's focus is to ensure liquidity which is sufficient to meet the Company's operational requirements. The Company monitors and manages key financial risks so as to minimise potential adverse effects on its financial performance. The Company has a risk management policy which covers the risks associated with the financial assets and liabilities. The details for managing each of these risks are summarised ahead.

Market risk

Market risk is the risk that the expected cash flows or fair value of a financial instrument could change owing to changes in market prices. The Company's activities expose it primarily to the financial risks of changes in Foreign currency exchange rate and interest.

Foreign currency exchange rate risk:

Foreign exchange risk comprises of risk that may arise to the Company because of fluctuations in foreign currency exchange rates. Fluctuations in foreign currency exchange rates may have an impact on the Statements of Profit and Loss. At the year end, the Company was exposed to foreign exchange risk arising from the foreign currency payables of the Company.

The carrying amounts of the Company foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Rupees in lakhs

	Liabilities as at 31.03.2018	**Assets as at 31.03.2018**
Euro	-	-
GBP	-	-
USD	**207.12**	-
JPY	-	-
Total	**207.12**	-

Rupees in lakhs

	Liabilities as at 31.03.2017	Assets as at 31.03.2017
Euro	-	-
GBP	-	1.57
USD	207.12	19.53
JPY	303.09	-
Total	**510.21**	**21.10**

The following table details the Company's sensitivity to 10% increase or decrease in the rupee 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 the foreign exchange rate. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

Impact on loss/equity	For the year ended 31.03.2018	31.03.2017
	Rupees in lakhs	
Euro	**-**	-
GBP	**-**	0.16
USD	**(20.71)**	(18.76)
JPY	**-**	(30.31)
	(20.71)	(48.91)

Interest rate risk management

The Company is exposed to interest rate risk on current and non-current borrowings outstanding as at the year end which include both fixed and floating interest rate borrowings.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's loss for the year ended 31.03.2018 would increase/decrease by Rs. 33.50 lakhs (for the year ended 31.03.2017 Rs. 61.27 lakhs).

Credit risk management

Credit risk refers to the risk that the 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 and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management regularly.

Liquidity risk management

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial assets.

The Company has obtained fund and non-fund based working capital lines from various banks. The Company invests its surplus funds in bank fixed deposits and liquid plus schemes of mutual funds, which carry mark to market risk.

<u>Expected maturity for financial liabilities</u>

Rupees in lakhs

As at 31.03.2018	**Less than 1 year**	**Between 1 to 5 years**	**More than 5 years**	**Total**
Financial liabilities				
Borrowing including undiscounted interest	**7,454.20**	**16,400.00**	**19,430.00**	**43,284.20**
Trade payables	**2,858.81**	**-**	**-**	**2,858.81**
Other financial liabilities	**1,665.57**	**-**	**-**	**1,665.57**
	11,978.58	**16,400.00**	**19,430.00**	**47,808.58**
As at 31.03.2017				
Financial liabilities				
Borrowing including undiscounted interest	14,174.08	16,400.00	11,605.00	42,179.08
Trade payables	2,521.76	-	-	2,521.76
Other financial liabilities	1,081.57	-	-	1,081.57
	17,777.41	16,400.00	11,605.00	45,782.41

36 Exceptional items

(i) Voluntary separation scheme

The Board of Directors in the meeting held on 26 May 2016 had approved a Voluntary Separation Scheme (the VSS Scheme) for employees and a phase wise suspension of operations. The Company issued a VSS circular on 31 May, 2016 to all its employees and having evaluated the response from employees subsequently revised the scheme on 5 September, 2016, 28 October 2016, 9 March, 2017, 15 May, 2017 and 23 March, 2018. Pursuant to the VSS Scheme, a provision of Rs 2,870.37 lakhs has been recognised as an exceptional item during the previous year. The Company, post expiry of the revised VSS, had reviewed the remaining provision against the expenditure, and has considered the balance amount to be adequate to meet the present obligation and probable outflow to settle the current obligation.

(ii) Write back of liabilities

During the year ended 31 March, 2017, the Company has undertaken negotiations for one time full and final settlement of vendor liabilities. Consequent to such settlement, a write back of excess liabilities over the settled amount aggregates to Rs. 605.02 lakhs for the year ended 31,March, 2018 and Rs 351.48 lakhs for the year ended 31 March, 2017 has been recognised as an exceptional item.

37 Deferred tax assets / liabilities (net)

Rupees in lakhs

		As at 31.03.2018	As at 31.03.2017
Deferred tax assets / liability (net) consists of			
a)	Book/ tax depreciation difference	805.09	1,039.96
b)	Employee benefits	(27.07)	(32.78)
c)	Carry forward of business loss	12,915.05	16,181.85
d)	Others	222.67	354.81
Deferred tax assets / liability		**13,915.74**	17,543.84
Deferred tax assets / liability recognised in books		-	-

Note:

(i) The Company has carried out it's tax computation in accordance with Ind AS 12 'Income Taxes'. In view of low probability that future taxable profit will be available against which temporary difference can be utilised and on account of preparation of Ind AS financial statements on not a going concern basis, no deferred tax assets have been recognised on unused tax losses.

(ii) Detail of temporary differences, unused tax losses and unused tax credits for which no deferred tax asset is recognised in the balance sheet:

Particulars	**As at 31.03.2018**	Rupees in lakhs As at 31.03.2017
Deferred tax assets with no expiry date	805.09	1,039.96
Deferred tax assets with expiry date*	13,110.65	16,503.88
	13,915.74	**17,543.84**

* These would expire between 2020 to 2027

38 Approval of financial statements

The Ind AS financial statements were approved for issue by the Board of Directors on 2 May, 2018.

For and on behalf of the Board of Directors

K SHANKAR MARAR
Director
DIN: 06656658

ANAND SEN
Chairman
DIN: 00237914

SURESH PADMANABHAN
Dy Chief Financial Officer

Place: Kolkata
Date: 2 May, 2018