TML: 4072 : 2017

31 July, 2017

Manager - Listing The National Stock Exchange of India Ltd. 5 Exchange Plaza, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051. **Stock Code – TATAMETALI**	DGM- Listing Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400 001. **Stock Code - 513434**

Dear Sirs/ Madam,

Re : 27th Annual Report 2016-2017

In compliance with the Regulation 34(1) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we are enclosing the copy of the Annual Report for the FY 2016-17 containing the Notice convening the Annual General Meeting of the Company, Annual Accounts together with the Report of the Directors and the Auditors thereon which has been approved and adopted by the Members of the Company at its meeting held on 26 July, 2017.

Kindly acknowledge receipt.

Thanking you,

Yours faithfully,
For **Tata Metaliks Limited**

Sankar Bhattacharya
Chief – Corporate Governance & Company Secretary

Encl : As above

TATA METALIKS LIMITED
Tata Centre 43 Jawaharlal Nehru Road Kolkata 700 071 India
Tel 91 33 66134205 Fax 91 33 2288 4372 e-mail tml@tatametaliks.co.in
CIN L27310WB1990PLC050000

TATA METALIKS

TATA

ANNUAL REPORT 2017

VALUE-LED TRANSFORMATION

Contents

27th ANNUAL GENERAL MEETING

Date : 26 July, 2017

Time : 10.30 a.m.

Venue : **"Kala Mandir"**, Sangit Kalamandir Trust, 48, Shakespeare Sarani, Kolkata - 700 017

Important information : *As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to bring their copies at the meeting.*

CORPORATE INFORMATION

BOARD OF DIRECTORS
(As on 1 June, 2017)

Mr. Koushik Chatterjee	*Chairman*
Mr. Sanjiv Paul	*Managing Director*
Mr. Krishnava Dutt	
Dr. Pingali Venugopal	
Ms. Samita Shah	
Mr. Amit Ghosh	*Appointed as Additional Director w.e.f. 24 January, 2017*
Dr. Rupali Basu	*Appointed as Additional Director w.e.f. 24 January, 2017*
Mr. Sandeep Kumar	*Appointed as Additional Director w.e.f. 20 March, 2017*
	Appointed as Executive Director (from 10 April, 2017 to 30 June, 2017)
	Appointed as Managing Director w.e.f. 1 July, 2017

MANAGEMENT
(As on 1 June, 2017)

Mr. Sanjiv Paul	*Managing Director*
Mr. Sandeep Kumar	*Executive Director*
Mr. Subhra Sengupta	*Chief Financial Officer*
Mr. S. P. Sharma	*Chief Operating Officer*
Mr. Rajesh Mishra	*EVP (Marketing and Sales-PI)*
Mr. Debasish Mishra	*Vice President (Operations)*
Mr. N. V. Ramanathan	*Vice President (Projects)*
Mr. Sharad Sharma	*EVP (Marketing and Sales-DI)*
Dr. Ratna Sinha	*General Manager (CHRM) & Ethics Counsellor*
Mr. Sankar Bhattacharya	*Chief-Corporate Governance & Company Secretary*

CIN	L27310WB1990PLC050000
REGISTERED OFFICE	Tata Centre, 10th Floor 43, J. L. Nehru Road, Kolkata - 700 071 Tel : +91 6613 4200, Fax : +91 2288 4372 Website : www.tatametaliks.com
BANKERS	• State Bank of India • HDFC Bank • DBS Bank • Central Bank • Kotak Mahindra Bank • IDBI Bank • AXIS Bank • IndusInd Bank • ICICI Bank • RBL Bank
AUDITORS	M/s Deloitte Haskins & Sells Chartered Accountants Kolkata
REGISTRAR & SHARE TRANSFER AGENT	M/s R & D Infotech Pvt. Ltd. 7A, Beltala Road, Kolkata - 700 026

COMMITTEES OF BOARD

(As on 1 June, 2017)

Audit Committee

Mr. Krishnava Dutt - Chairman
Dr. Pingali Venugopal - Member
Ms. Samita Shah - Member
Mr. Amit Ghosh - Member

Nomination & Remuneration Committee

Dr. Pingali Venugopal - Chairman
Mr. Koushik Chatterjee - Member
Mr. Krishnava Dutt - Member

Stakeholders' Relationship Committee

Dr. Pingali Venugopal - Chairman
Mr. Sanjiv Paul - Member
Mr. Sandeep Kumar - Member
Dr. Rupali Basu - Member

Corporate Social Responsibility Committee

Dr. Pingali Venugopal - Chairman
Mr. Sanjiv Paul - Member
Ms. Samita Shah - Member
Mr. Sandeep Kumar - Member
Dr. Rupali Basu - Member

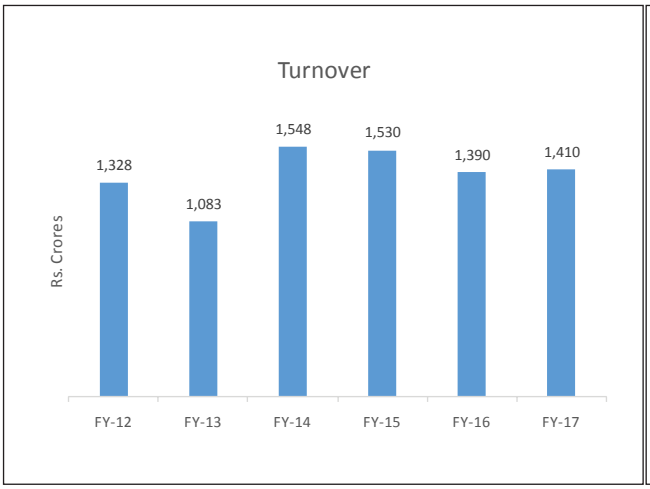
Risk Management Committee

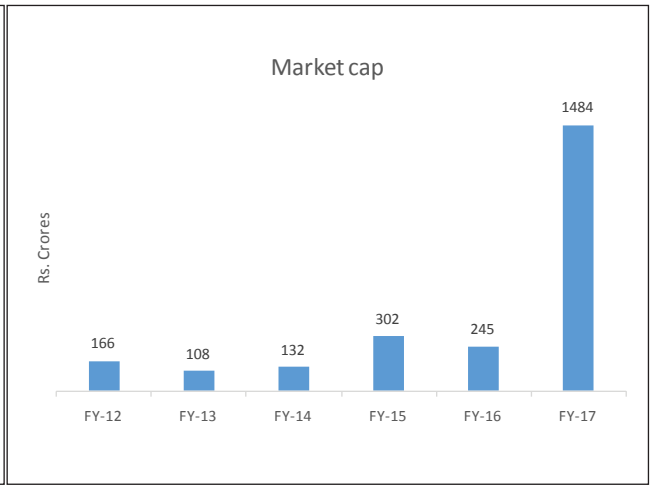
Mr. Sanjiv Paul - Chairman
Ms. Samita Shah - Member
Mr. Sandeep Kumar - Member
Mr. Subhra Sengupta - Member
Mr. Amit Ghosh - Member

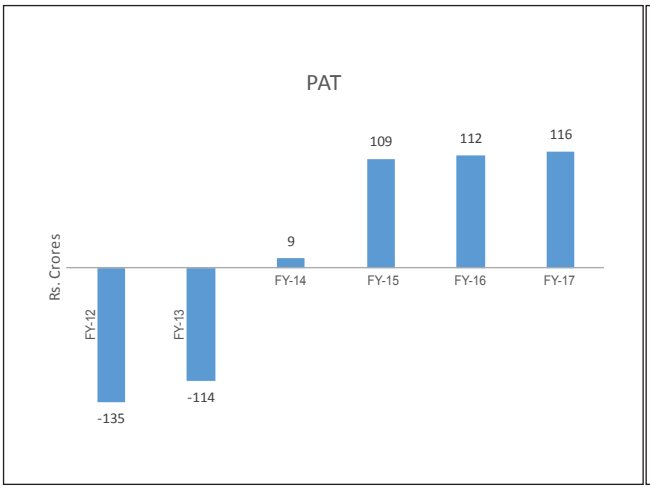
INVESTORS SERVICE CENTRE

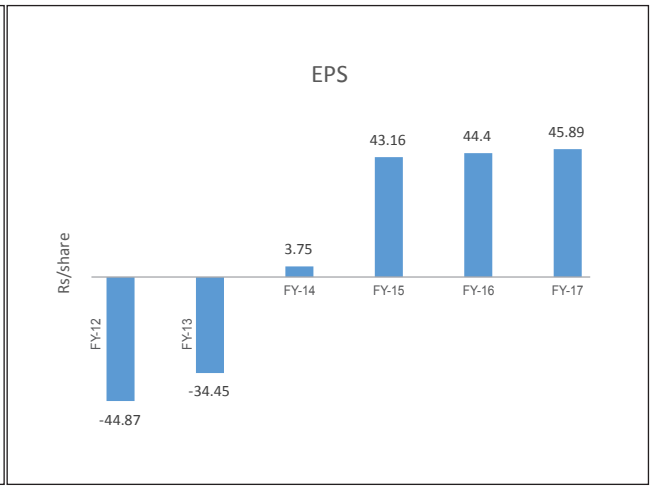
Tata Metaliks Limited Tata Centre, 10th Floor 43, J. L. Nehru Road Kolkata - 700 071 Phone : + 91 33 6613 4200 Fax : +91 33 2288 4372 Email : investors@tatametaliks.co.in	Registrar & Share Transfer Agent M/s R & D Infotech Pvt. Ltd. 7A, Beltala Road Kolkata - 700 026 Phone : +91 33 2419 2642 Fax : +91 33 2476 1657 Email : rd.infotech@vsnl.net

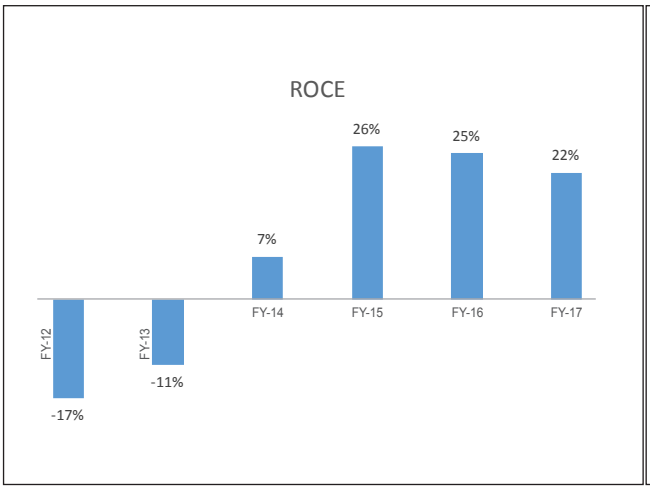
FINANCIAL HIGHLIGHTS

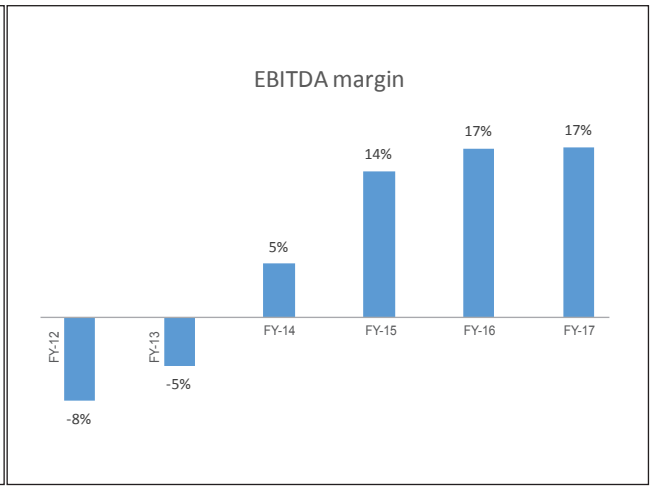












CHAIRMAN'S STATEMENT

Dear Shareholders,

It is my pleasure to present to you the Annual Report for the financial year ended 31 March, 2017. During the last financial year, global recovery remained fragile amidst political uncertainty, especially following the UK referendum on Brexit and the US Presidential elections. Globally, on the back of populist political orientation, there is rising tendency towards protectionism and economic nationalism. However, there are some signs of improvement in the private sector confidence, firmer domestic demand growth in Asia and Europe, rising industrial production and recovering employment and trade flows.

In this context, the economic growth in India, the fastest-growing G20 economy, is projected to remain robust, despite the temporary impact of demonetisation in the third quarter of the last financial year. The acceleration of structural reforms such as Goods and Services Tax (GST), that is due for implementation from July 2017 will be structurally important to bring growth impetus to the economy and should help make India a single market, thereby spurring productivity, investment, competitiveness, job creation and incomes. We must however also be patient and resilient during the implementation phase, as there could be disruption during such large scale and complex regulatory transformation.

The global crude steel production picked up during the second half of 2016 primarily driven by acceleration of Chinese steel production led by government stimulus and improvement in the real estate market, supported by recovery in the developed world and growth in emerging markets. India saw the fastest growth among the top ten producing countries globally with crude steel production rising 7.4% to 96 million tonnes in 2016, as the government stepped in with protectionist measures against cheap imports.

Your Company now operates in two integral business segments, namely, Foundry Pig Iron and Ductile Iron (DI) Pipes, post amalgamation of Tata Metaliks DI Pipes Limited. While Pig Iron production growth was in line with the steel production, Ductile Iron Pipe production showed a robust growth of about 11-12%. The growth in DI Pipes is largely driven by government's focus on infrastructure projects in the country including AMRUT (Atal Mission for Rejuvenation and Urban Transformation) and Smart cities. In the medium to long term, compared to the pig iron market, the DI pipe sector in India is expected to see robust growth on the back of increased urbanisation and increased government spending with thrust on water, sanitation and irrigation infrastructure. Your Company will continue to strive to participate in the growth story of the DI pipe sector in the country.

I am happy to report to you that the year 2016-17 was one of the most eventful years in your Company's history, with the commissioning of major capital projects related to growth and cost efficiency such as coke plant, 10 MW captive power plant, modernisation and expansion of mini-blast furnace no. 1 and capacity expansion of DI pipe plant (to 2 lakhs tonnes per annum). The amalgamation of DI pipe and pig iron businesses was completed during the year resulting in a simplified and cost-effective supply chain structure. Gains out of single value chain of the merged entity along with benefits of utilisation of captive power and coke has improved your Company's cost and market competitiveness. Your Company will strive to leverage the synergies derived out of this merger and continue to focus on operational efficiencies for cost and quality leadership in the market.

Despite a 91 days shutdown of one of the blast furnaces during the year, your Company delivered its best ever financial performance for third year in succession. However, the shutdown resulted in reduction of hot metal production by 12% as compared to the previous year. In line with your Company's strategy of increasing the proportion of value-added products in its portfolio, DI Pipes segment registered its highest ever production and sales registering an increase of 40% over the previous year. The Company's profit before tax during the year increased by 10% to ₹ 152 crores from ₹ 138 crores in the previous year, notwithstanding the cost pressures on account of rising raw material prices of iron ore and metallurgical coke. Your Company's strong performance was also due to its continued focus on improvement of operational parameters, customer centricity and product mix.

The Board of your Company has proposed a dividend of ₹ 2.50 per equity share for the year under review, which is 25% higher than FY 2015-16. During the financial year, your Company has invested significant capital in growth and cost efficiency projects. The focus of your Company is now on enhancing cash flows, structurally improving the robustness of the Balance Sheet and pursuing growth opportunities especially in the DI pipe business.

I would also like to mention that as a good corporate citizen, your Company is continuously striving to improve the quality of life of the community around its plant at Kharagpur through its structured Corporate Social Responsibility (CSR) and Affirmative Action plans in the areas of education, employability, entrepreneurship, employment and essential amenities. As a major initiative in 2016-17, your Company has set up a Skill Development Centre at Industrial Training Institute (ITI) Midnapore, in collaboration with Government of West Bengal for training 1,200 local youths annually in readily employable vocational trades.

Finally, I would like to take this opportunity to thank all our Shareholders for their continued support and confidence in the Company and the management. I also express my sincere gratitude to our customers and suppliers for their trust and support towards the Company. I am also thankful to the unions for maintaining cordial industrial relations, the employees, the management team and my colleagues on the Board of Directors and all other stakeholders for their significant contribution to the Company. Finally, I would like to thank Sanjiv Paul, Managing Director for his leadership and contribution to the Company over the last 4 years as he relinquishes his position to Sandeep Kumar and returns to Tata Steel. Sanjiv Paul joined the Company at a very difficult time but led it admirably to a much stronger position today. I would also take this opportunity to welcome Sandeep Kumar as the new Managing Director from 1 July, 2017 and wish him all the very best.

Koushik Chatterjee
Chairman
DIN:00004989

1 June, 2017

VALUE-LED TRANSFORMATION

If the year 2015-16 was one of 'Consolidation', 2016-17 was a year of 'Value-led transformation' for Tata Metaliks Limited (TML) as it delivered a strong performance with steady transformation from a commodity and intermediate product player of pig iron to a value-added finished product of ductile iron (DI) pipes. The share of revenue from ductile iron pipes business in TML's total revenue has increased three folds over the last 6 (six) years and this was at 60% during 2016-17. TML achieved a number of milestones this fiscal including amalgamation of DI pipes and pig iron businesses leading to simplified and cost-effective supply chain structure. TML's value chain has undergone a transformation over the last few years with addition of sinter plant, coke plant and waste-heat recovery captive power plant upstream for improving cost efficiencies and DI pipes manufacturing facilities downstream for revenue growth. Shareholder value significantly increased in 2016-17 with market capitalisation moving up to ₹ 1484 crores at the close of 2016-17 from ₹ 245 crores a year ago.Therefore, besides the Shareholders, TML has also added value to all other stakeholders during the year: To Customers through high quality finished products and services, to Employees through higher engagement and employment, to Vendors through higher volume of business and to the Community through CSR and Affirmative Action interventions.

Business Scenario:

The global economic environment showed hardly any signs of recovery during 2016-17 and the Indian economy also had to face the headwinds due to demonetisation and slow infrastructure growth. As a result, country's GDP growth fell to 7.1% in 2016-17 from 7.6% in 2015-16.

The global economic slowdown affected pig iron exports from India during first three quarters which led to surplus in the domestic market. Besides this surplus, the domestic demand of pig iron also remained largely subdued owing to several macro-economic factors. However, TML's strategic shift to value-added products made lot of business sense as DI pipes demand continued to show robust growth primarily attributable to the Government's on-going and proposed investments in water, sanitation and irrigation schemes.

Raw Materials:

Coke is the single largest cost component of pig iron and DI pipes. Therefore, a judicious mix of in-house coke production, domestic coke buying and imported coke sourcing is an important factor which impacts the cost efficiencies. TML's raw materials cost were under significant pressure due to steep upward movement of imported coke price from USD 123/t CFR in the beginning of 2016-17 to USD 345/t CFR in November '16 and finally closing the year at a level of USD 284/t CFR. There was also a steep rise in imported coal price from Australia from USD 82/t FOB in April '16 to USD 302/t FOB in November '16 which made domestic coke and in-house converted coke very expensive. Coke cost scenario further aggravated with imposition of anti-dumping duty of USD 25.2/t on Chinese coke by the Government of India (GoI) in November '16. This adverse cost impact was managed at TML by altering the coke-mix and cost-effective strategic buying and also maintaining low levels of inventory throughout the year. Commissioning of 120,000 tonnes per annum coke plant along with 10 MW waste-heat recovery coke plant during 2016-17 has not only helped in reducing operational costs but has also reduced coke consumption, in line with our efforts to reduce overall carbon footprint.

Domestic iron ore availability and price during the year was relatively stable although the international iron ore fines price saw increase of 25% from average of USD 52/t CFR China in 2015-16 to USD 65/t CFR in 2016-17.

Operations:

Value-led transformation in TML's operation was driven primarily through the addition of 5th casting machine and 3rd finishing line in the DI pipes plant which resulted in 40% increase in DI pipes production in 2016-17 over the previous year. Increased DI pipes volume was well supported through industry benchmarks cost-related operational parameters like yield, rejection rates, power consumption etc. to drive all-round growth in the value-added business. On the hot metal front, upgradation and modernisation of blast furnace No. 1 in a record time for achieving enhanced production and improved fuel rates in future was a significant step forward taken by TML in supporting the hot metal requirement for increased DI pipes production. As far as the year 2016-17 is concerned, hot metal production was 12% lower than the previous year due to a 91 days shutdown for blast furnace revamp.

Key Project Milestones:

2016-17 has been a landmark year for TML as it completed the amalgamation with its wholly-owned subsidiary and commissioned four major capital projects which will have significant bearing on value-led growth and operational efficiencies in the years ahead.

Amalgamation of its wholly-owned subsidiary

During the year, the Scheme of Amalgamation between TML and its wholly owned subsidiary i.e. Tata Metaliks DI Pipes Limited (TMDIPL) with Tata Steel Limited (TSL) was withdrawn and a fresh Scheme of Amalgamation was filed with the Hon'ble High Court, Calcutta. The fresh scheme of amalgamation of TMDIPL with TML was aimed to realise greater benefits of financial, managerial, technical and other synergies between the entities to maximise stakeholder value. The Scheme received approval of the Hon'ble High Court, Calcutta and became effective from 22 December, 2016. Upon the effectiveness of this Scheme, TML has two business divisions, i.e. Pig Iron and Ductile Iron Pipes.

Capacity expansion of DI Pipes Plant

During Quarter 2 of 2016-17, DI pipes division commissioned a new casting machine and a finishing line. This expansion project will not only address the higher customer and market requirements of smaller diameter DI pipes but will also have a positive impact on the topline of the Company.

Coke Oven Plant

Two batteries of a coke oven plant of 120,000 tonnes per annum were commissioned on BOOT (Build Own Operate Transfer) basis over the year 2016-17. The coke plant has had a vertical ramp-up and is already operating at excellent productivity and coke quality

parameters. This cost optimisation initiative is a risk mitigation measure and a part of the strategy to reduce dependency on imported coke which is prone to price volatility.

Captive Power Plant

During Quarter 3 of 2016-17, TML commissioned a 10 MW Captive Power Plant (CPP) which utilises the heat from exhaust flue gases from the coke ovens. This CPP helps to meet a significant portion of power requirement of manufacturing operations for both pig iron as well as DI pipes. Besides replacement of expensive grid power which will have a significant positive bearing on profit margins in years to come, the CPP will contribute in Company's endeavour in supporting sustainability initiatives by reducing the overall carbon footprint.

Blast Furnace upgradation

During Quarters 3 and 4 of 2016-17, TML took a 91 days shutdown of blast furnace no.1 for upgradation and modernisation subsequent to which the furnace will (i) meet enhanced hot metal requirement for DI pipes production, (ii) have lower coke rate and (iii) also be capable of accepting coal injection if a pulverized coal injection system is installed in future.

The multiple structural, cost optimisation and growth-related initiatives undertaken during this year will help to increase production volumes and reduce costs. This will support long-term sustainability and help to attain robust top-line and bottom-line results in future, thereby maximising stakeholder value.

Market place and Financial Performance:

TML's efforts in maintaining market leadership in both pig iron and DI pipe continued during 2016-17 through product and service differentiation, customised offerings, consistency in quality and on-time delivery. Despite challenging business environment of pig iron, the above customer-centric efforts resulted in price premium from the customers of eastern India market due to higher value for money. On the DI pipes front, the sales during 2016-17 grew by 40% over the previous year as a result of expansion of production facilities and this helped the Company in improving delivery compliance of smaller diameter pipes to the customers.

The foundation for value-led transformation which has been laid through expansion of DI pipes plant capacity to 200,000 tonnes per annum resulted in increase in turnover in 2016-17 to ₹ 1,410 crores from ₹ 1,390 crores in the previous year despite a 91 days shutdown of one of the blast furnaces and 12% lower production of hot metal. TML recorded an EBITDA for 2016-17 of ₹ 225.59 crores, which was higher by 3.9% over that of 2015-16 (₹ 217.14 crores). TML also delivered its best ever performance for third year in succession with a net profit after tax of ₹ 116.05 crores in 2016-17 as against ₹ 112.27 crores achieved in the previous year. Detailed information is part of the Directors' Report and the Financial Statements which form part of this Annual Report.

Safety, Environment and Sustainability:

TML's integrated policy on Environment, Safety, Health and Quality along with personal commitment demonstrated by senior leaders drives the safety culture in the organisation. Strong focus is given on enhancing the behavioural safety of the entire workforce including employees of service providers. Safe working culture is further strengthened through communication and review at various forums. Loss Time Injury Frequency Rate (LTIFR) in TML has been consistently coming down in the past except in 2016-17 when it increased to 0.57 from 0.27 in the previous year.

TML's vision of sustainability is to become a leader in its industry by providing value to all its stakeholders while ensuring responsible environmental and social stewardship. Sustainability is built in TML's business strategy and targets are taken to continuously reduce energy, water and greenhouse gas emission intensity. Energy consumption intensity over the last 5 (five) years has come down from 23.5 to 20.4 GJ per tonne of hot metal in pig iron business and from 2.4 to 0.9 GJ per tonne of finished pipes in DI pipes business. Due to lower production of hot metal during 2016-17 due to shutdown, greenhouse gas emission intensity and specific water consumption showed marginal increase from 2.06 to 2.13 tCO_2e/thm and from 1.98 to 2.34 m^3/thm respectively. These parameters would improve in future as a result of action plans on coke rate reduction, energy conservation and reduction and recycling of water.

Corporate Social Responsibility and Affirmative Action:

TML has been continuously adding value to the community in which it operates through increased financial resources and specific interventions on 5Es – Education, Employability, Employment, Entrepreneurship and Essential Amenities. The employees of TML also contribute to the development of its community near the plant at Kharagpur through employee volunteerism as a part of Corporate Social Responsibility. During 2016-17, TML launched its flagship skill development programme by setting up a Skill Development Centre at ITI Midnapore for providing vocational training in various employable trades to 1000 – 1200 youths every year from the local community near its plant, primarily from the socially under-privileged sections. TML's CSR & Affirmative Action (AA) initiatives are deployed through Sadbhavna Trust which has representatives from all categories of employees. During 2016-17, TML spent ₹ 2.28 crores on CSR and AA initiatives.

Future Outlook:

The World Bank estimates India's economic growth to remain strong in 2017 at 7.7%. Indian economy is expected to grow in domestic consumption including rural consumption. Recovery is expected in exports and renewed private investments along with revamping of tax legislation would promote inclusive growth. On the market front, TML's ***"Tata eFee"*** pig iron and ***"Tata Ductura"*** DI pipes will continue to serve the customers through the brand promise and differentiated products and services.

DI pipes demand is expected to continue its robust growth. The medium to long term outlook of pig iron and DI pipes is promising with the focus of Government of India (GoI) on "Make in India", infrastructure development and several states planning for execution of mega water supply, sewage and irrigation projects. The endeavour of GoI to clear stalled projects, formalisation of the newly announced scheme "AMRUT" (Atal Mission for Rejuvenation & Urban Transformation) has also given a positive impact on the industry as a whole.

The growth and cost-related projects implemented during 2016-17 in TML would support its strategy of value-led transformation and would create value for all its stakeholders including Shareholders, customers, employees and the community at large.

NOTICE

Notice is hereby given that the 27th Annual General Meeting of the Members of Tata Metaliks Limited (CIN: L27310WB1990PLC050000) will be held on **Wednesday, 26 July, 2017** at "**Kala Mandir**", 48, Shakespeare Sarani, Kolkata - 700 017 at 10.30 a.m. to transact following business :

Ordinary Business :

1. Adoption of Audited Financial Statements

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31 March, 2017 and the Reports of the Board of Directors and the Auditors thereon.

2. Declaration of Dividend

To declare dividend of ₹ 2.50/- per equity share of ₹ 10/- each for financial year 2016-17.

3. Appointment of Director

To appoint a Director in the place of Ms. Samita Shah (DIN: 02350176), who retires by rotation and is eligible for re-appointment.

4. Appointment of Statutory Auditors

To pass the following resolution as an Ordinary Resolution :

"RESOLVED that pursuant to the provisions of Sections 139, 142 and other applicable provisions, *if any*, of the Companies Act, 2013 (Act), read with the Companies (Audit and Auditors) Rules, 2014 (Rules), as amended from time to time, Messrs Price Waterhouse & Co Chartered Accountants LLP (Firm Registration No. 304026E/ E300009) be and are hereby appointed as the Statutory Auditors of the Company (in place of Messrs Deloitte Haskins & Sells, Chartered Accountants) for a term of 5 (five) years commencing from the financial year 2017-18 and to hold office from the conclusion of the 27th Annual General Meeting (AGM) of the Company till conclusion of the 32nd AGM of the Company to be held in the year 2022 (subject to ratification by the Members at every intervening AGM) on such remuneration plus applicable taxes, out-of-pocket expenses etc., as may be mutually agreed upon by the Board of Directors (Board) and the Statutory Auditors.

RESOLVED further that the Board (including its Audit Committee) of the Company be and is hereby authorised to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution."

Special Business:

5. Appointment of Mr. Amit Ghosh as an Independent Director

To pass the following resolution as an Ordinary Resolution :

"RESOLVED that pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, *if any*, of the Companies Act, 2013 (Act), the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended from time to time, Mr. Amit Ghosh (DIN: 00482967), who was appointed as an Additional Director of the Company w.e.f. 24 January, 2017 by the Board of Directors and holds office up to the date of this Annual General Meeting (AGM) under Section 161 of the Act, and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office

NOTICE *(Contd.)*

of Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation for a term of five years commencing 24 January, 2017 through 23 January, 2022."

6. Appointment of Dr. Rupali Basu as an Independent Director

To pass the following resolution as an Ordinary Resolution :

"RESOLVED that pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, *if any,* of the Companies Act, 2013 (Act), the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended from time to time, Dr. Rupali Basu (DIN: 01778854), who was appointed as an Additional Director of the Company w.e.f. 24 January, 2017 by the Board of Directors and holds office up to the date of this Annual General Meeting (AGM) under Section 161 of the Act, and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing her candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation for a term of five years commencing 24 January, 2017 through 23 January, 2022."

7. Appointment of Mr. Sandeep Kumar as a Director

To pass the following resolution as an Ordinary Resolution :

"RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions, *if any*, of the Companies Act, 2013 (Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, Mr. Sandeep Kumar (DIN: 02139274), who was appointed as an Additional Director of the Company w.e.f. 20 March, 2017 by the Board of Directors and holds office up to the date of this Annual General Meeting (AGM) under Section 161 of the Act, and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, whose period of office shall not be determined by retirement of Directors by rotation."

8. Appointment of Mr. Sandeep Kumar as Executive Director and Managing Director respectively

To pass the following resolution as an Ordinary Resolution :

"RESOLVED that pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, *if any*, of the Companies Act, 2013 (Act), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (Rules), as amended from time to time, and subject to such sanctions as may be necessary, approval and sanction of the Company be and is hereby accorded to the appointment of and payment of remuneration to Mr. Sandeep Kumar (DIN: 02139274) as Whole-time Director (designated as Executive Director) of the Company for the period commencing on 10 April, 2017 and ending on 30 June, 2017, upon the terms and conditions including the remuneration and other perquisites / benefits payable to Mr. Kumar during the said period as set out in the statement annexed to the notice convening this meeting.

RESOLVED further that pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, *if any*, of the Act and the Rules, as amended from time to time, and subject to such sanctions as may be necessary, approval and sanction of the Company be and is hereby

NOTICE *(Contd.)*

accorded to the appointment of and payment of remuneration to Mr. Sandeep Kumar (DIN: 02139274) as Managing Director of the Company for a period of 3 (three) years w.e.f. 1 July, 2017 upon the terms and conditions including the remuneration and other perquisites / benefits payable to Mr. Kumar during the said period of 3 (three) years as set out in the statement annexed to the notice convening this meeting.

RESOLVED further that in the event of loss or inadequacy of profit in any financial year during the tenure of his appointments as aforesaid, Mr. Kumar shall be entitled to the minimum remuneration by way of salary, perquisites and allowances, as set out in the statement annexed to the notice convening this meeting, not exceeding the overall ceiling of the total managerial remuneration as specified in Section 197 of the Act or such other limits as may be prescribed from time to time".

9. Approval for Related Party Transaction

To pass the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 188 of the Companies Act, 2013 (Act) and other applicable provisions, *if any,* read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), and the Company's policy on Related Party Transactions, the approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with T S Global Procurement Company Pte. Ltd., a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of ₹ 250 crores for the financial year 2017-18, provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company.

RESOLVED further that the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution."

10. Ratification of Remuneration payable to Cost Auditors

To pass the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 148 and other applicable provisions, *if any*, of the Companies Act, 2013 (Act) read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company does hereby ratify the remuneration of ₹ 2,00,000/- plus applicable taxes and out of pocket expenses payable to Messrs Shome & Banerjee, Cost Accountants (Firm Registration Number 000001), who have been appointed by the Board of Directors as the Cost Auditors of the Company, to conduct audit of the cost records of the Company as prescribed under the Companies (Cost Records and Audit) Rules, 2014 for the year ending 31 March, 2018.

NOTES

a) A Statement under Section 102 of the Companies Act, 2013 (Act) relating to item nos. 4 to 10 as mentioned above is annexed hereto as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

NOTICE *(Contd.)*

b) **Pursuant to Section 105 of the Act, read with Rule 19 of the Companies (Management and Administration) Rules, 2014, a Member entitled to attend and vote at the Annual General Meeting (AGM) is also entitled to appoint a Proxy to attend and vote at the AGM instead of himself/ herself and the Proxy need not be a Member of the Company. As per the said Section of the Act and Secretarial Standard-2 (SS-2) issued by The Institute of Company Secretaries of India, a Proxy can act on behalf of Members not exceeding 50 and holding in aggregate not more than 10% of the total issued share capital of the Company carrying voting rights. However, a Member holding more than 10% of the total issued share capital of the Company carrying Voting Rights may appoint a single person as Proxy and such person shall not act as a Proxy for another person or Shareholder. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company at least 48 hours prior to the commencement of AGM. Proxy form is annexed to this report.**

c) The Register of Members and Share Transfer Books of the Company will remain closed from 15 July, 2017 to 26 July, 2017 (both days inclusive).

d) Shareholders desiring any information, especially with regard to accounts, are requested to write to the Company at an early date so that the same could be arranged and made available at the date of AGM.

e) As per the provisions of Section 72 of the Act, the facility for making nominations is available to the Members in respect of shares held by them. Members who have not yet registered their nomination are requested to submit their nomination in Form No. SH-13. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent by Members holding shares in physical form. Members holding shares in electronic form may obtain nomination forms from their respective Depository Participants (DP).

f) Notice of AGM, Attendance Slip and Annual Report are sent to the Members in electronic mode whose email IDs are registered with the Company/ DP, unless the Members have requested for the hard copy of the same. To support "*Green Initiative*", the Members holding shares in physical form are requested to convert their shares in dematerialised form and the Members who have not yet registered their email IDs are requested hereby to register their respective email IDs with the Registrar and Share Transfer Agent of the Company, R&D Infotech Pvt. Ltd.

Voting through electronic means

a) Pursuant to the provisions of Section 108 of the Companies Act, 2013 (Act), read with Rule 20 of Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and Secretarial Standard on General Meetings (SS-2) issued by The Institute of Company Secretaries of India, the Company is pleased to provide the facility of e-voting to its Members. The Members can avail the said facility from a place other than the venue of the AGM (remote e-voting) which will be provided by National Securities Depository Limited (NSDL).

b) The remote e-voting period will commence on 23 July, 2017 (9.00 a.m.) and will end on 25 July, 2017 (5.00 p.m.) During this period, Members holding shares either in physical form or in dematerialised form, as on the cut-off date i.e. 19 July, 2017, may cast their respective votes by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast, the Member shall not be allowed to change it subsequently.

NOTICE *(Contd.)*

c) The facility of voting at the venue of AGM will be available only to the Members who have not cast their votes through remote e-voting. Members who have cast their votes by remote e-voting prior to AGM may attend the meeting but shall not be entitled to cast their votes again.

d) The Chairman shall, at the end of discussion at the AGM on the resolutions on which voting is to be held, allow voting, with the assistance of Scrutiniser, for all those Members who are present at the AGM but have not cast their votes yet.

e) The Board of Directors has appointed Mr. P V Subramanian, Practicing Company Secretary, (Membership No. ACS 4585 / C.P. No. 2077) as the Scrutiniser to scrutinise the entire e-voting process in a fair and transparent manner.

f) Procedure for Remote E-Voting

A. For Members receiving information electronically

In case a Member receives an email from NSDL [for Members whose email IDs are registered with the Company/DPs]:

a) Please open and read the email received from NSDL and open attached PDF file with your Client ID or Folio No. as default password. The said PDF file contains your "User ID" and "Password" for remote e-voting.

b) Please note that the password is an initial password.

Launch internet browser by typing the following URL: *https://www.evoting.nsdl.com.*

c) Click on Shareholder – Login

d) Put user ID and password as initial password as mentioned in step (a) above. Click Login.

e) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. In case, you have earlier logged in at *www.evoting.nsdl.com* for exercising your vote relating to any other Company and you have already changed your password, please use the changed password.

f) On successful login, Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

g) Select "EVEN" (E Voting Event Number) of Tata Metaliks Limited which is 106228. Now you are ready for e-voting as Cast Vote page opens.

h) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted. Upon confirmation, the message "Vote cast successfully" will be displayed. Once you have voted on the resolution, you will not be allowed to modify your vote.

i) You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding NSDL e-voting system in future.

B. The instructions for e-voting for Members other than in (A) above:

In case a Member receives physical copy of the Notice of AGM (for the Members whose e-mail IDs are not registered with the Company/DPs):

NOTICE *(Contd.)*

i) Initial "User ID" and "Password" are provided with the Notice. Please follow all steps from Sl. No. (b) to (i) above to cast vote.

g) In case of any query, you may refer to the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloading section of *https://www.evoting.nsdl.com* or call on toll free no. : 1800-222-990.

h) Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who is/are authorised to vote, to the e-mail ID - *pvsm17@rediffmail.com* with a copy marked to *evoting@nsdl.co.in*

i) Members who have acquired shares of the Company after dispatch of Annual Reports but before the book closure date may obtain login ID and Password by sending a request at *evoting@nsdl.co.in* or *investors@rdinfotech.in.*

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote.

If you forget your password, you can reset your password by using "Forgot User Details/Password" option available on *https://www.evoting.nsdl.com* or contact NSDL at the following toll free no.: 1800-222-990.

j) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. 19 July, 2017.

k) After conclusion of the voting at the AGM, the Scrutiniser shall count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall prepare a consolidated Scrutiniser's Report of the total votes cast in favour or against, *if any*, not later than 48 hours of conclusion of AGM and submit it to the Chairman or a person authorised by him in writing, who shall counter sign the same and declare the result of the voting forthwith.

l) The Results declared along with the Report of the Scrutiniser shall be placed on the website of the Company *www.tatametaliks.com* and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorised by him in writing.

m) Pursuant to Regulation 44 of the Listing Regulations, the Company shall submit voting result to BSE Limited and National Stock Exchange of India Limited within 48 hours of conclusion of AGM.

By Order of the Board of Directors

Sankar Bhattacharya
Chief - Corporate Governance
& Company Secretary

Registered Office:
Tata Centre, 10th Floor
43, J. L. Nehru Road, Kolkata - 700 071
CIN : L27310WB1990PLC050000
Tel : 91 33 6613 4200
E-mail : investors@tatametaliks.co.in
Website : www.tatametaliks.com

Place : Kolkata
Date : 1 June, 2017

NOTICE *(Contd.)*

Annexure to Notice

Statement pursuant to Section 102 of the Companies Act, 2013 (Act)

Item No. 4

This statement is provided though strictly not required as per Section 102 of the Act.

In terms of Section 139 of the Companies Act, 2013, the term of Messrs Deloitte Haskins & Sells, Chartered Accountants, the current Statutory Auditors of the Company, will end at the conclusion of the 27th Annual General Meeting (AGM) of the Company and the Company is required to appoint new statutory auditors to conduct the statutory audit of the books of accounts of the Company for the FY 2017-18 onwards. The Board of Directors recommend the appointment of Messrs Price Waterhouse & Co Chartered Accountants LLP, Chartered Accountants (Firm Registration No. E304026E/E300009) as the Statutory Auditors of the Company for a period of 5 (five) years commencing from the conclusion of the 27th AGM till the conclusion of the 32nd AGM to be held in the year 2022 (subject to ratification of their appointment at every intervening AGM, if so required under the Act). Messrs Price Waterhouse & Co Chartered Accountants LLP, Chartered Accountants have consented to their appointment as Statutory Auditors and have confirmed that, *if appointed*, their appointment will be in accordance with Section 139 read with Section 141 of the Act.

The Board recommends the resolution set forth in item no. 4 for approval of the Members.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested, financially or otherwise, in the resolution mentioned in item no. 4 of the Notice.

Item No. 5

Mr. Amit Ghosh, a Commerce graduate from St. Xavier's College, Calcutta, holds a PGDBM from XLRI, Jamshedpur, and is a Member of the Institute of Cost Accountants of India.

In his vast experience of 37 years, Mr. Ghosh has served Tata Steel Limited and its multiple group companies. His areas of expertise include corporate financial restructuring, strategic planning exercises including value chain analysis to assist business growth, credit enhanced solutions to address transactional risks in commercial deals, acquisition integration and implementation of turnaround plans among others.

The Board of Directors (Board), upon the recommendation of Nomination & Remuneration Committee (NRC), at its meeting held on 24 January, 2017, appointed Mr. Amit Ghosh as an Additional (Independent) Director of the Company, not liable to retire by rotation, effective 24 January, 2017. Pursuant to the provisions of Section 161 of the Act, Mr. Ghosh will hold office upto the date of the ensuing AGM and is eligible to be appointed as a Director of the Company. The Company has, in terms of Section 160 of the Act, received in writing, a notice from a Member along with a requisite deposit of ₹ 1,00,000/- proposing the candidature of Mr. Ghosh for the office of Director. The Company has received from Mr. Ghosh (i) consent in writing to act as a Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 in terms of the Companies (Appointment and Qualification of Directors), Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act; and (iii) a declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act.

The resolution seeks the approval of the Members in terms of Section 149 and other applicable provisions of the Act, read with Schedule IV of the Act and the Rules framed thereunder, for appointment of Mr. Ghosh as an Independent Director of the Company for a period commencing from 24 January, 2017 through 23 January, 2022. Mr. Ghosh once appointed will not be liable to retire by rotation.

NOTICE *(Contd.)*

In the opinion of the Board, Mr. Ghosh is a person of integrity, fulfils the conditions specified in the Act and the Rules framed thereunder and is independent of the management of the Company.

The requisite details of Mr. Ghosh are provided as annexure to this Notice.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, except Mr. Ghosh to whom the resolution relates, is concerned or interested, financially or otherwise, in the resolution mentioned at item no. 5 of the Notice.

The Board recommends the resolution set forth in Item No. 5 for approval of the Members.

Item No. 6

Dr. Rupali Basu holds a medical degree from R. G. Kar Medical College, Kolkata, and Post-Graduation Diploma/ Certificates in Health & Hospital Management from Delhi University and Harvard Medical International.

She is the Past President of the Association of Hospitals in Eastern India and Past Chairperson of the Health care sub-committee of CII ER and a Member of National Healthcare Committees of CII, BCC&i and FICCI.

The Board, upon the recommendation of NRC, at its meeting held on 24 January, 2017, appointed Dr. Rupali Basu as an Additional (Independent) Director of the Company, not liable to retire by rotation, effective 24 January, 2017. Pursuant to the provisions of Section 161 of the Act, Dr. Basu will hold office upto the date of the ensuing AGM and is eligible to be appointed as a Director of the Company. The Company has, in terms of Section 160 of the Act, received in writing, a notice from a Member along with a requisite deposit of ₹ 1,00,000/- proposing the candidature of Dr. Basu for the office of Director. The Company has received from Dr. Basu (i) consent in writing to act as a Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 in terms of the Companies (Appointment and Qualification of Directors), Rules, 2014, to the effect that she is not disqualified under Section 164(2) of the Act; and (iii) a declaration to the effect that she meets the criteria of independence as provided in Section 149(6) of the Act.

The resolution seeks the approval of the Members in terms of Section 149 and other applicable provisions of the Act, read with Schedule IV of the Act and the Rules framed thereunder, for appointment of Dr. Basu as an Independent Director of the Company for a period commencing from 24 January, 2017 through 23 January, 2022. Dr. Basu once appointed will not be liable to retire by rotation.

In the opinion of the Board, Dr. Basu is a person of integrity, fulfils the conditions specified in the Act and the Rules framed thereunder and is independent of the management of the Company.

The requisite details of Dr. Basu are provided as annexure to this Notice.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, except Dr. Basu to whom the resolution relates, is concerned or interested, financially or otherwise, in the resolution mentioned at item no. 6 of the Notice.

The Board recommends the resolution set forth in Item No. 6 for approval of the Members.

Item Nos. 7 & 8

Mr. Sandeep Kumar is a Mining Engineer from ISM, Dhanbad and a Post Graduate in International Trade from IIFT, New Delhi.

NOTICE *(Contd.)*

Mr. Kumar was formerly the Executive-In-Charge (EIC) of Industrial By-Products Management Division (IBMD), Profit Centre of Tata Steel Limited. He joined Tata Steel in 1991 as a Graduate Trainee. He has handled various assignments relating to exports and trading of minerals, ferro-alloys, non-ferrous metals and steel products at various locations in India and abroad. He was the Managing Director of S & T Mining Pvt. Ltd. from 2008 to 2012.

Additional information on Mr. Kumar, pursuant to the Listing Regulations and the Secretarial Standard on General Meetings (SS-2) forms a part of the Directors' Report.

Pursuant to the provisions of Sections 152, 161(1) and other applicable provisions, *if any*, of the Act, read with applicable Rules framed thereunder and the Articles of Association of the Company, the Board of Directors has, on the recommendation of the Nomination and Remuneration Committee (NRC), appointed Mr. Sandeep Kumar as an Additional Director of the Company w.e.f. 20 March, 2017. As an Additional Director, Mr. Kumar holds office up to the date of the ensuing Annual General Meeting and is eligible for appointment as a Director of the Company. The Company has received the requisite notice under Section 160 of the Act from a Member along with the requisite deposit of Rs. 1,00,000/- proposing his candidature for the office of Director of the Company.

The Board of Directors at its meeting held on 20 March, 2017 had, on the recommendation of the NRC, appointed Mr. Kumar as a Whole-time Director (Designated as an Executive Director) of the Company for a period of 3 (three) years w.e.f. 10 April, 2017 upon the terms and conditions hereinafter indicated.

Subsequently, at its meeting held on 1 June, 2017, the Board of Directors appointed Mr. Kumar as the Managing Director of the Company for a period of 3 (three) years w.e.f. 1 July, 2017, upon the terms and conditions hereinafter indicated. Accordingly, Mr. Kumar will hold office of Executive Director till the closing hours of 30 June, 2017.

Both the above appointments and the respective terms and conditions thereof are subject to Shareholders' approval at the ensuing AGM.

Salary:

As Executive Director w.e.f. 10 April, 2017 till 30 June, 2017.	As Managing Director for a period of 3 (three) years w.e.f. 1 July, 2017
Basic Salary ₹ 2,35,300/- (Rupees two lakhs thirty five thousand three hundred) only per month.	The Basic Salary ₹ 2,45,300/- (Rupees two lakhs forty five thousand three hundred) only per month (in the scale of ₹ 50,000/- to ₹ 5,00,000/- per month) with authority to the Board and NRC thereof to fix his salary within the scale from time to time (with proportionate increase in the value of all benefits linked to salary). The annual increment will be merit based and would take into account the Company's performance.

Other terms and conditions common to both the appointments are as follows :

Commission:

In addition to salary, perquisites and allowances, Mr. Kumar would be paid performance linked remuneration, not exceeding twice the annual salary, as may be determined by the Board, based on the recommendation of the NRC.

NOTICE *(Contd.)*

Perquisites & Allowances:

In addition to the salary, commission and performance linked remuneration payable to him, Mr. Kumar shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance, together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings and repairs, medical reimbursement, leave travel concession for himself and his family, club fees, medical insurance and such other perquisites and allowance in accordance with the rules of the Company or as may be agreed to by the Board and Mr. Kumar. Such perquisites and allowances shall be restricted to an overall limit of 140% of his annual salary.

Provided that –

i) For the purpose of calculating the above ceiling, perquisites shall be evaluated as per the Income-Tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at the actual cost;

ii) Provision for use of Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling; and

iii) Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund, to the extent these either singly or together are not taxable under the Income tax Act 1961, Gratuity payable as per the rules of the Company and encashment of leave at the end of the tenure shall not be included in the computation of the said ceiling.

Overall Remuneration:

The aggregate of salary, allowances, perquisites and performance incentive in any one financial year shall not exceed the limits prescribed under Sections 197, 198 and other applicable provisions of the Act, read with the Rules framed thereunder and Schedule V to the said Act or any modification(s) or re-enactment(s) for the time being in force.

Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, if the Company has no or inadequate profits in any financial year during the tenure of office of the Executive Director/ Managing Director, the Company will pay remuneration to him by way of salary, allowances and perquisites as specified above, subject to requisite regulatory approvals, *if any*, being obtained in that behalf.

The aforesaid appointments and remuneration payable are subject to the approval of the Members in the ensuing Annual General Meeting.

The draft agreement to be entered into between the Company and Mr. Kumar is available for inspection by the Members at the Registered Office of the Company between 10:00 a.m. and 12:00 noon, on any working day.

The statement is and should also be treated as an abstract under Section 102 of the Act.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, except Mr. Kumar and his relatives, is interested or concerned, financially or otherwise, in the Resolutions.

The Board recommends the resolutions set forth in Item Nos. 7 and 8 for approval of the Members.

NOTICE *(Contd.)*

Item No. 9

Coking coal is a critical raw material for your Company's coke oven plant. Market volatility and uncertainties have posed several challenges for raw material procurement. Your Company proposes to enter into a transaction with T S Global Procurement Company Pte. Ltd. (TSGPCPL) to purchase coking coal for self-consumption to optimise inventory management and offset adverse impact of market volatility.

TSGPCPL is a joint venture of Holding Company. Accordingly, transaction(s) entered into with TSGPCPL comes within the meaning of Related Party Transactions in terms of the provisions of the Act and applicable Rules framed thereunder read with the Listing Regulations.

Section 188 of the Act and the applicable Rules framed thereunder provide that any Related Party Transaction will require prior approval of Shareholders through ordinary resolution, if the aggregate value of transaction(s) amounts to 10% or more of the annual turnover of the Company as per last audited financial statements of the Company.

The value of proposed aggregate transactions with TSGPCPL is likely to exceed the said threshold limit and is expected to be around ₹ 250.00 crores during the financial year 2017-18.

Pursuant to clause 3(ii)(a)(iii) of Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, particulars of the transactions with TSGPCPL are as follows :

Sl.	Particulars	Remarks
1	Name of the Related Party	T S Global Procurement Company Pte. Ltd. (TSGPCPL)
2	Name of the Director or KMP who is related	None
3	Nature of Relationship	Joint Venture of Holding Company.
4	Nature, material terms, monetary value and particulars of the contract or arrangement	Contract for purchase of raw material shall be on a continuous basis. Monetary value of proposed aggregate transactions during financial year 2017-18 is expected to be ₹ 250.00 crores.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested, financially or otherwise, in the Resolution.

The Board of Directors recommends passing of the resolution as set out at item no. 9 of this Notice as an Ordinary Resolution.

Item No. 10

Pursuant to Section 148 of the Act, read with Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Company is required to conduct audit of its cost records for products as specified under the Companies (Cost Records and Audit) Rules, 2014 by a Cost Accountant in Practice.

The Board of Directors of the Company has, on recommendation of the Audit Committee, appointed Messrs Shome & Banerjee, Cost Accountants (Firm Registration Number 000001) as the Cost Auditors of the Company for the financial year ending 31 March, 2018 at a remuneration of ₹ 2,00,000/- plus applicable taxes and reimbursement of out-of-pocket expenses.

NOTICE *(Contd.)*

In accordance with the provisions of Section 148 of the Act read with Companies (Cost Records and Audit) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors has to be ratified by the Members of the Company at the Annual General Meeting as set out at item no. 10 of the Notice.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested, financially or otherwise, in the Resolution.

The Board recommends the resolution set forth in item no. 10 for approval of the Members.

By Order of the Board of Directors

Sankar Bhattacharya
Chief-Corporate Governance
& Company Secretary

Registered Office:
Tata Centre, 10th Floor
43, J. L. Nehru Road
Kolkata - 700 071
CIN : L27310WB1990PLC050000
Tel : 91 33 6613 4200
E-mail : investors@tatametaliks.co.in
Website : www.tatametaliks.com

Place : Kolkata
Date : 1 June, 2017

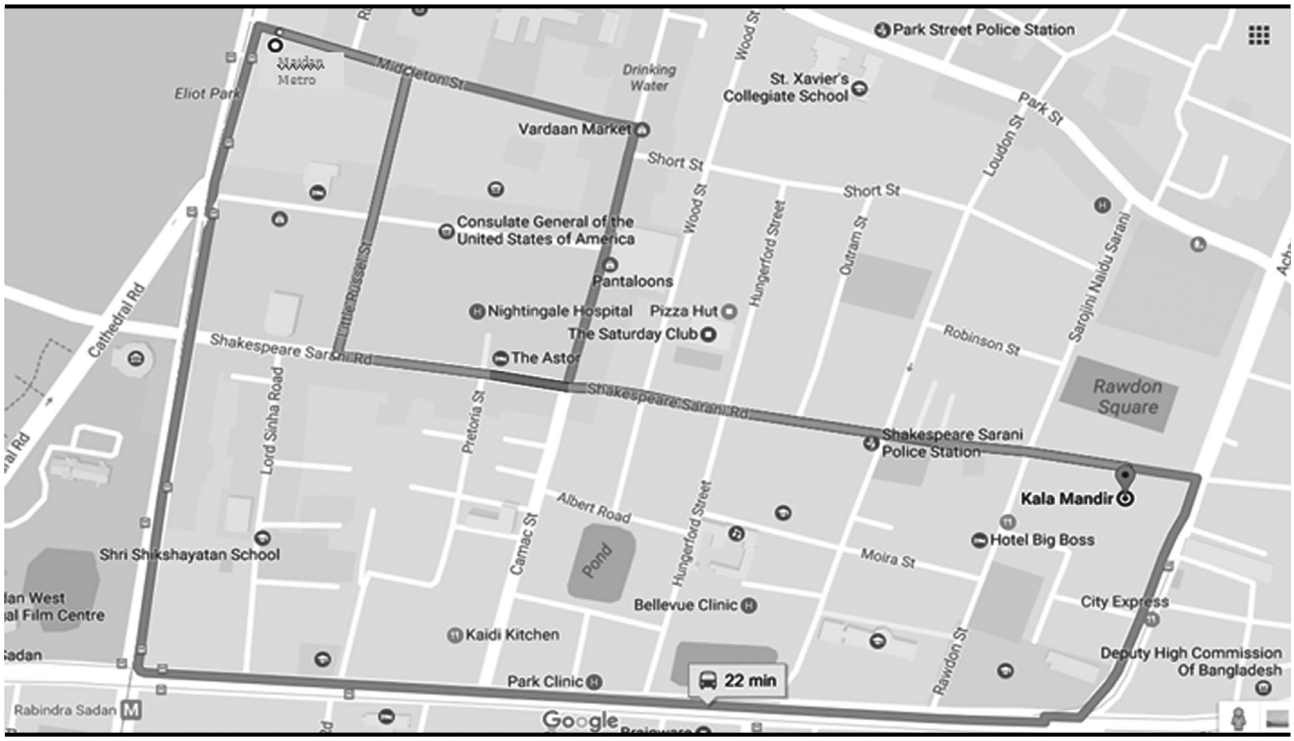
NOTICE *(Contd.)*

Details of Directors seeking re-appointment / appointment at the Annual General Meeting

Pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standard - 2 (SS - 2) on General Meetings

Name of Directors	Ms. Samita Shah	Mr. Amit Ghosh	Dr. Rupali Basu	Mr. Sandeep Kumar
DIN	02350176	00482967	01778854	02139274
Date of Birth	02/02/1971	20/07/1953	23/11/1963	02/12/1968
Date of Appointment	24/03/2015	24/01/2017	24/01/2017	20/03/2017 *(as Additional Director)* 10/04/2017 *(as Executive Director)* 01/07/2017 *(as Managing Director)*
Qualification	• B.A (Economics) • PGDM from IIM, Ahmedabad	• B.Com (Hons.) • AICWA from ICAI • PGDBM from XLRI, Jamshedpur	• Medical degree from R G Kar Medical College, Kolkata • Post-Graduation in Health & Hospital Management from Delhi University and Harvard Medical International	• Mining Engineer from ISM, Dhanbad; • Post-graduate in International Trade from IIFT, New Delhi.
Expertise in specific functional areas	Investment Banking and Risk Management	Corporate Finance	Hospital and Healthcare	Steel Manufacturing
Directorships held in other public companies (excluding foreign companies and Section 8 companies)	1. Jamipol Limited; 2. Tata Steel Special Economic Zone Limited; and 3. Tata Bluescope Steel Limited;	NIL	1. Tata Steel Processing and Distribution Limited; 2. Visa Power Limited; 3. The Bengal Chamber of Commerce and Industry; and 4. Assam Hospitals Limited	NIL
Memberships/ Chairmanships of Committees of other public companies (includes only Audit Committee and Stakeholders Relationship Committee)	1. Tata Bluescope Steel Limited - Chairman, Audit Committee 2. Jamipol Limited - Chairman, Audit Committee 3. Tata Steel Special Economic Zone Limited - Chairman, Audit Committee	NIL	NIL	NIL
Relationship between Directors, Manager and other Key Managerial Personnel inter-se	NIL	NIL	NIL	NIL
Shareholding in the Company	NIL	NIL	NIL	NIL

Route Map to the AGM Venue



Source: Google Maps

Kala Mandir,
48, Shakespeare Sarani, Kolkata - 700 017

Landmark : Next to IDBI Bank, Zonal Office

Nearest Bus-stop : AJC Bose Road Crossing

Nearest Metro Station : Maidan Metro Station

Distance from AJC Bose Road Crossing : 500 M

Distance from Maidan Metro Station : 1.6 Km

Distance from Rabindra Sadan Metro Station : 2.0 Km

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present their 27th Annual Report on the business and operations of your Company, along with the Audited Financial Statements for the Financial Year ended 31 March, 2017.

Financial Results

₹ in Crores

Particulars	Financial Year 2016-17	Financial Year 2015-16
Gross Income from Sales & other operations (including other income)	1,411.56	1,391.76
Profit before interest, depreciation and taxes	225.59	217.14
Less : Interest	37.50	45.88
Profit before depreciation and taxes	188.09	171.26
Less : Depreciation	36.43	32.97
Profit before taxes	151.66	138.29
Less : Provision for taxes including deferred taxes	35.61	26.02
Profit after taxes	**116.05**	**112.27**
Profit / (Loss) and credit balance brought forward	**(97.74)**	**(208.82)**
Depreciation on transition to Schedule II of the Companies Act, 2013 (Net of deferred tax)	-	0.88
Re-measurement Gain/(Loss) on defined benefit plans (Net of tax)	**(1.82)**	**(0.30)**
Amount available for appropriation	16.49	(97.74)
Appropriation:		
Equity Dividend	5.06	-
Tax on Dividend	1.03	-
Transfer to General Reserve	**-**	-
Balance carried forward	10.40	(97.74)

Note:

The Company has adopted Indian Accounting Standard (referred to as 'Ind AS') with effect from 1 April, 2016 and accordingly these financial results along with the comparatives have been prepared in accordance with the recognition and measurement principles stated therein, prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.

Upon amalgamation of Tata Metaliks DI Pipes Limited (erstwhile wholly owned subsidiary) with the Company, the financial results for the year 2016-17 are comparable with the consolidated financial results of 2015-16.

DIRECTORS' REPORT (Contd.)

OPERATION AND PERFORMANCE

Your Company recorded a turnover of ₹ 1,410 crores for FY 2016-17 as compared to ₹ 1,390 crores for FY 2015-16. The EBITDA for FY 2016-17 was ₹ 226 crores, which is higher by 4% than ₹ 217 crores for FY 2015-16.

Your Company recorded its highest ever Profit after Tax of ₹ 116 crores, which is 4% higher than that of FY 2015-16. This was primarily due to significant improvement in overall performance of Ductile Iron (DI) pipes business. DI Pipe business has recorded a 32% growth in turnover compared to the previous year and a 41% increase in production of finished DI Pipes.

During the year under review, your Company has commissioned the following capital projects which would have significant bearing on the operational efficiencies and volume growth in the years to come:

- Capacity expansion of DI pipe plant to 200,000 tonnes by installing a new casting machine and a finishing line during Quarter 2;
- Coke Oven Project on BOOT (Build Own Operate Transfer) basis having a capacity of 10,000 tonnes/ month of BF grade coke during Quarter 3;
- 10 MW Captive Power Plant utilising exhaust flue gases from Coke Ovens during Quarter 3; and
- Modernisation and expansion of Mini-Blast Furnace (MBF) - 1 in Quarter 4.

Several cost optimisation initiatives have immensely helped to reduce costs thereby helping in achieving a robust bottom-line.

Pig Iron

The Pig Iron (PI) division produced 381,968 tonnes of hot metal against last year's production of 433,437 tonnes. Out of the total hot metal produced, 177,545 tonnes were utilised for manufacture of DI pipes and the balance 204,358 tonnes have been utilised for manufacture of Pig Iron. Hot metal production has been lower than previous year on account of a 91 days shutdown of MBF - 1 during last two quarters of FY 2016-17. PI division recorded a total sale of 199,084 tonnes with a turnover of ₹ 560 crores including inter segment transfers.

Ductile Iron pipe

The Ductile Iron (DI) pipe business of your Company has recorded its highest ever production of 187,253 tonnes of finished pipes and highest ever dispatch of 182,480 tonnes, thereby resulting in its highest ever turnover of ₹ 850 crores. The result is attributable to the successful execution of the expansion of DI pipe manufacturing plant and installation of a new casting and finishing line.

DIVIDEND

The Board has recommended a dividend of ₹ 2.50 per Equity Share of ₹ 10/- each for FY 2016-17 (₹ 2.00 per Equity Share of ₹ 10/- each during FY 2015-16).

The dividend on Equity Shares, as recommended by the Board, is subject to the approval of the Shareholders at the ensuing Annual General Meeting (AGM) to be held on 26 July, 2017. The dividend, *if declared,* will be paid to the eligible Shareholders on or before 29 July, 2017. The total equity dividend outgo works out to 6.56% (FY 2015-16: 5.42%) of the net profit after tax. The dividend payout is in accordance with the Company's efforts

DIRECTORS' REPORT (Contd.)

to pay sustainable dividend linked to long-term growth objectives of the Company and enhancing Shareholder value.

The Register of Members and Share Transfer Books will remain closed from 15 July, 2017 to 26 July, 2017 (both days inclusive) for the purpose of payment of the dividend for FY 2016-17 and the AGM.

TRANSFER TO RESERVES

Your Directors do not propose to transfer any amount to the general reserve.

CHANGE IN SHARE CAPITAL

There has been no change in the capital structure of the Company during the year under review.

CAPEX AND LIQUIDITY

During the year under review, your Company has incurred capital expenditure to the tune of ₹ 126 crores, which has been funded through internal accruals.The liquidity position remains stable with undrawn lines of fund-based and non-fund based limits sanctioned by banks.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report, as required under Regulation 34(2)(e) of the Listing Regulations, forms an integral part of this report and is annexed herewith as **Annexure A**.

EXTERNAL ENVIRONMENT

Macro-Economic Environment

Weak international trade, subdued investment, heightened policy uncertainty has slowed global growth to its weakest pace since 2009. Geopolitical uncertainty remains high with concerns about political leanings and increased protectionism.

During FY 2016-17, the macro-economic stability of Indian economy has improved substantially with lower inflation, fiscal prudence and moderate current account deficit coupled with robust foreign exchange reserves. Growth was impacted in the last quarter of FY 2016-17 due to the impact of the demonetisation which has faded quickly. However, in the long run, this reform aims to foster greater transparency in financial transactions and a progress towards a cashless economy.

Despite elevated uncertainties, global steel demand grew by 1% to 1.5 billion tonnes in 2016, due to stronger than expected demand growth in China supported by recovery in the developed world and growth in emerging markets.The price recovery was driven by Chinese government investment stimulus and rising raw materials prices. It was also supported by Chinese steel capacity cuts of 45 million tonnes as well as global steel industry consolidation trends.

The price of coal/ coke plays a pivotal role in the overall production cost of the iron and steel industry. During FY 2016-17, the coal price witnessed periodic surge in prices.The volatility of the coal prices remains a challenge for the industry.

Pig Iron and DI Pipe Industry Outlook

The foundry/ casting Industry is the key component supplier for automotive, tractors, pump valves, compressors, railways, power equipment, industrial machinery, etc. It is expected to grow at CAGR ~8% during financial years FY 2016-17 to FY 2020-21 on account of government's focus on initiatives such as "Make in India".

DIRECTORS' REPORT (Contd.)

At 10.77 million tonnes, India is the second largest manufacturer of castings in the world after China. The Government and the Indian Foundry Association have plans to modernise foundry industry by 2020. As a result, casting production capacity would increase significantly during the next 5 years.

The DI Pipe market is expected to remain positive in the coming year due to increased government spending in water, sanitation and irrigation infrastructure. With a renewed focus of various government agencies on smart cities, sanitation and AMRUT (Atal Mission for Rejuvenation and Urban Transformation) water projects, the outlook of the DI pipe business of your Company is expected to be optimistic. Your Company has recently completed its expansion programme of the DI pipe plant facility. Your Company is also entering into DI fittings business, through franchisee arrangement, to supplement the DI pipe business.

Your Company endeavours to meet the ever increasing customer requirements through product and service differentiation in its businesses i.e. PI and DI pipes.

Strategy

Your Company conducts its strategic planning through a well-defined and structured mechanism. It gathers inputs on contextual changes through an environment scan and develops Long-Term strategies (5 years). This is broken into yearly plans and deployed each year through Short-Term plans (1 year) and Balanced Score Card. Key steps in the planning process consists of scanning of external business environment, internal capabilities (participants – respective functional heads), risk management [by Risk Management group involving Strategic Leadership Team and various functional heads], developing Strategic objectives and Long term/Short term plan and deployment of plan.

Your Company aims to be the most competitive in the market place in terms of cost of production of hot metal and DI pipe and be the customers' choice through its quality products and service differentiation. Cost competitiveness is being achieved through capital investments in coke ovens, captive power plant and blast furnace modernisation. Simultaneously, your Company is also working on increasing its top line and market share through capacity expansion of value added products - DI pipes.

Amalgamation

During the year under review, the Scheme of Amalgamation between your Company and its wholly owned subsidiary i.e. Tata Metaliks DI Pipes Limited (TMDIPL) with Tata Steel Limited was withdrawn due to multiple factors including inordinate delay in obtaining requisite regulatory and statutory approvals along with the significant dilution in the intended synergies that were initially envisaged.

Subsequently, a fresh Scheme of Amalgamation (Scheme) between TMDIPL and the Company was filed with the Hon'ble High Court, Calcutta, aimed to realise greater benefits of financial, managerial, technical, distribution and marketing synergies between the entities to maximise stakeholder value. The said Scheme has received the approval of the Hon'ble High Court, Calcutta and became effective from 22 December, 2016.

Upon the effectiveness of this Scheme, your Company has two integral business segments i.e. Pig Iron and Ductile Iron Pipes – both structured as two separate divisions.

Pursuant to the effectiveness of the Scheme, TMDIPL has ceased to be in existence as the subsidiary of your Company.

Subsidiaries, Joint Ventures and Associates

At the end of the year under review, your Company does not have any subsidiary, associate and joint venture

DIRECTORS' REPORT (Contd.)

Company. Hence, the requisite disclosure as per Section 129(3) of the Companies Act, 2013 (Act) in Form AOC-1 is not applicable.

Credit Ratings

Your Company enjoys a good reputation for its sound financial management and its ability to meet financial obligations. The current rating of the Company is [ICRA] A+ (positive outlook).

Customer Relationship

Customer focus in your Company starts with one central theme – "Customer Centricity" with the objective of becoming "The Supplier of Choice" through a well-defined marketing and sales process. It includes listening and learning from the customer, customer segmentation and feedback through various mechanisms in order to deliver on 3-D customer promise – Develop deep insight, Deliver outstanding products and services and Delight customers at all touch points. For both DI pipes and pig iron, our marketing and sales team work closely with customers to get a deep understanding of their unique needs.Thereafter, the operations and logistics teams serve them with innovative products and services.There is a structured complaint management system which not only captures customer complaints proactively but also resolves them to the satisfaction of the customers. Social media and digital platform is also used for marketing the products and getting across to customers from all key segments.

Health and Safety

In line with our Group vision, Health and Safety remains our top most priority. Our continued efforts, aimed at enhancing safety standards and processes and minimise safety risks and reduce health hazards, are aligned with our focus to be the industry benchmark. TML's slogan on safety is "Your safe return to your family".

Environment

Your Company remains focussed on minimising the environmental impact of its operations and continues to adopt sustainable practices to improve its environmental performance. Aligned with the Group values, compassion for environment under Corporate Citizenship is deeply embedded in your Company's vision. Your Company's ISO 14001, ISO 27001 and OHSAS 18001 certified manufacturing plant at Kharagpur continues to focus on operational excellence aimed at resource and energy efficiency, along with recovery, reuse and recycling of waste to minimise ecological footprint.

Sustainability

Your Company's sustainability initiatives are driven by the Tata Group core values and rests on triple bottom-line approach viz. social, environmental and financial. Your Company continues to strive to have a positive influence on the community and all other stakeholders through its sustainability-related initiatives and action plans. Corporate sustainability function in the Company is responsible for creating awareness on sustainability, sharing best practices and incorporating valuable sustainability initiatives on various materiality issues which are being taken care of after carrying out assessments on material issues related to all stakeholders in the value chain.

Your Company will publish the Sustainability Report for FY 2016-17, based on the Global Reporting Initiative (GRI) G4 guidelines, which will articulate your Company's focus to create long-term sustainability for all its Stakeholders and will be available at *www.tatametaliks.com.*

DIRECTORS' REPORT (Contd.)

HUMAN RESOURCE MANAGEMENT & INDUSTRIAL RELATIONS

Your Company considers its employees as the most valuable resource and ensures the strategic alignment of human resource practices to business priorities and objectives. Your Company strives to provide a conducive and competitive work environment for all its employees to excel and create new benchmarks of work culture, employee engagement, productivity, effectiveness, efficiency and customer delight.

This year has been of significant importance as the Human Resources & Industrial Relations function has seamlessly handled the amalgamation of TMDIPL with your Company. Subsequent to the amalgamation, the focus remains on strengthening and standardising all people related processes and culture of amalgamation of two units.

The year under review also saw the signing of Charter of Demand and wage agreement of PI Division, which was a step further towards sustained harmonious industrial relations for uninterrupted operations.

An employee engagement survey was conducted to assess improvement in the level of engagement and commitment as compared to the previous year. The results show an upward trend. Initiatives like introduction of new employee centric HR policies (Paternity Leave, Additional Privileged Leave for Women Employees, Adoption Leave for Women, Convocation Leave, Wedding Gift etc.), Employees' Cultural Meet, Holiday plan, improved canteen amenities and ambience, Employee connect programme, IT enabled Employee Concern Platform and Sports events were undertaken to meet the changing needs of the workforce, attract and retain talent and enhance workforce engagement.

Diversity is embedded in our people processes – from recruitment to development – and is reflected in all HR-related offerings. Your Company is committed to an inclusive culture that respects and embraces the diversity of employees and communities. The Company aims to attract, develop and retain the most capable employees without regard to culture, ethnicity, race, gender, ability, belief and background.

Your Company seeks to build the capabilities of its employees to help them develop both professionally and personally. Learning and development activities are aligned to three priorities i.e. (1) building leadership capabilities and developing future leaders; (2) fostering an environment that supports sustainable performance; and (3) promoting continual professional and personal development for all employees.

Particulars of Employees

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this Report in **Annexure B**. In terms of the provisions of Section 197(12) of the Act read with sub-rules (2) and (3) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement containing names and other prescribed particulars of Top 10 employees in terms of remuneration drawn and that of every employee, who if employed throughout the year ended 31 March, 2017 was in receipt of remuneration aggregating not less than ₹ 102.00 lakhs, and if employed for part of the same year was in receipt of remuneration of not less than ₹ 8.50 lakhs per month is annexed to and forms part of this report.

CORPORATE SOCIAL RESPONSIBILITY

The objective of our Corporate Social Responsibility (CSR) initiatives is to improve the quality of life of communities through long-term value creation for all our Stakeholders. This objective is in alignment with the Tata Group core purpose.

DIRECTORS' REPORT (Contd.)

We continue to remain focused on improving the quality of life and engaging communities through health, education, sanitation, infrastructure development etc. As per the Act, CSR activities may be undertaken through a registered trust or a registered society. Your Company carries out its CSR activities through *'Sadbhavna Trust'*. Brief details on the various focus areas of interventions are part of the Annual Report on CSR activities annexed to this report.

During the year under review, your Company has spent a sum of ₹ 2.28 crores on CSR and Affirmative Action initiatives. The Annual Report on CSR activities, in terms of Section 135 of the Act, is attached as **Annexure C**.

CORPORATE GOVERNANCE

Your Company strives to ensure that corporate governance guidelines and best practices are followed in letter and spirit and believes in accurate and timely disclosure of information regarding financials, performance as well as the leadership and governance of the Company.

Aligned with the Tata Steel Group Vision, to be the industry benchmark for value creation and corporate citizenship, all initiatives are directed in order to achieve the goals of value creation, safety, environment and people.

Pursuant to Regulation 34(3) of the Listing Regulations, a separate section on Corporate Governance and a Certificate from a Practicing Company Secretary regarding compliance of conditions of Corporate Governance are made part of this report as **Annexure D**.

Board and Committee Meetings

The Board of Directors of the Company met 6 (six) times during FY 2016-17. The details of the composition of the Board and its Committees and of the meetings held and attendance of the Directors at such meetings are provided in the Corporate Governance Report in **Annexure D**. The intervening gap between the meetings was within the period prescribed under the Act and the Listing Regulations.

Policy on appointment and remuneration of Directors, Key Managerial Personnel and other employees

There is a well-defined policy in place for appointment of Directors, Key Managerial Personnel (KMP) and other employees and their remunerations. The Nomination and Remuneration Committee (NRC) functions in consultation with the Board, *if necessary* and follows the guidelines of this policy both in letter and spirit while selecting a candidate for appointment. The NRC recommends to the Board suitable candidates, based on their qualifications, skills and experiences for Board Membership. The Policy on appointment and removal of Directors is available on our website at *www.tatametaliks.com/static-files/pdf/policies/TML-NRC-policy.pdf.*

Familiarisation Programme for Independent Directors

In accordance with the provisions of the Listing Regulations, the Company has put in place various programmes to familiarise Independent Directors with respect to the nature of the industry in which the Company operates, business model, the roles, rights and responsibilities of the Independent Directors etc. Details of the familiarisation programme for Independent Directors are provided in the Corporate Governance Report, annexed herewith and is also available on our website *http://www.tatametaliks.com/static-files/pdf/policies/policy-prog-Director.pdf.*

Board Evaluation

The process and criteria for annual performance evaluation of the Board, its Committees and individual

DIRECTORS' REPORT (Contd.)

Directors had been laid down by the NRC and the Board of Directors of the Company.

In accordance with the provisions of the Listing Regulations, the evaluation process for the performance of the Board, its various Committees and individual Directors was carried out during the year. Each Director filled-up a questionnaire giving feedback on the functioning of the Board and its various Committees on the parameters such as execution of specific duties, timeliness of flow of information including its quality and quantity, independence of judgment etc.

The Chairman of NRC also sought one-on-one feedback from the Managing Director and all other Directors. A one-on-one meeting of the individual Directors with the Chairman of the Board was also conducted.The NRC and subsequently the Board discussed the collated feedback received from the Directors.

The evaluation process found the overall performance of the Board satisfactory in working as a team and guiding the Management. The Board also appreciated the Chairman and the Management in guiding the Company during turbulent times and making it the best performer amongst the Tata Steel group companies.

In addition, the evaluation process compared the evaluation reports of 2015-16 and 2016-17 and reviewed the areas where the Board has improved and the areas where more improvement is desired. The Board would work to improve its performance in general and specifically in areas where additional focus is required.

The Independent Directors met on 23 February, 2017 and reviewed the performance of the Managing Director, the Board and its Chairman. The Independent Directors appreciated the exemplary leadership role of the Board Chairman in upholding the highest standards of corporate governance.

Based on the outcome of the evaluation and feedback, in future the Board would look at guiding the Company to become a top player, both in pig iron and DI pipes businesses.

Remuneration Policy for the Board and other employees

The policy on remuneration of the Directors, KMPs and other employees was approved and adopted by the NRC and the Board on 30 March, 2015. The main objective of the said policy is to ensure that the level and composition of remuneration for Directors, KMPs and other employees is sufficient and reasonable to attract, pool, retain and motivate them. The remuneration involves a balance between fixed and variable pay reflecting short and long-term objectives of the Company.

During the year under review, there has been no change in the Policy. The said policy is available on our website *http://www.tatametaliks.com/static-files/pdf/policies/TML-NRC-policy.pdf.*

Independent Directors' Declaration

Pursuant to the provisions of Section 149(7) of the Act and the provisions of the Listing Regulations, the Company has received requisite declaration from each of the Independent Directors, stating that they meet the criteria of independence as per Section 149(6) of the Act and the Listing Regulations.

Directors

a) Re-appointment

In accordance with the provisions of Section 152 of the Act read with Article 110 of the Articles of Association of the Company, Ms. Samita Shah (DIN: 02350176) will retire by rotation at the ensuing AGM of the Company and is eligible for re-appointment.

DIRECTORS' REPORT (Contd.)

The Board recommends and seeks your support in confirming re-appointment of Ms. Samita Shah. The profile and particulars of experience, attributes and skills that qualify her for the Board Membership is disclosed in the Notice convening the AGM to be held on 26 July, 2017.

b) Inductions

- The Board appointed Mr. Sandeep Kumar (DIN: 02139274) as an Additional Director w.e.f. 20 March, 2017. He holds office up to the date of the ensuing Annual General Meeting.

  Pursuant to Section 160 of the Act, your Company has received requisite notice, proposing the appointment of Mr. Kumar as a Director on the Board. Accordingly, the Board recommends his appointment as Director.

  The Board of Directors at its meeting held on 20 March, 2017, on the recommendation of the NRC, has appointed Mr. Kumar as a Whole-time Director (Designated as an Executive Director) of the Company for a period of 3 (three) years w.e.f. 10 April, 2017.

  The Board of Directors, subsequently, at its meeting held on 1 June, 2017 appointed Mr. Kumar as the Managing Director of the Company, for a period of 3 (three) years w.e.f. 1 July, 2017.

  Accordingly, the Board recommends his appointment as Managing Director. The resolution confirming the above appointment forms part of the Notice convening the ensuing AGM of the Company. We seek your support in confirming the above appointment to the Board.

- Dr. Rupali Basu (DIN: 01778854) and Mr. Amit Ghosh (DIN: 00482967) have been appointed as Additional (Independent) Directors w.e.f. 24 January, 2017. They will hold their respective offices up to the date of the ensuing AGM.

  Pursuant to Section 160 of the Act, your Company has received separate requisite notices, proposing the appointments of Dr. Rupali Basu and Mr. Amit Ghosh as Independent Directors on the Board at the said AGM. Accordingly, the Board recommends their appointments as Independent Directors.The resolutions confirming the above appointments forms part of the Notice convening the ensuing AGM of the Company. We seek your support in confirming the above appointments to the Board.

c) Cessation

- In line with the group policy on retirement of Directors (Independent Directors to retire on attaining 75 years of age), Mr. Ashok Kumar Basu (DIN: 01411191) retired as an Independent Director of the Company w.e.f. 24 March, 2017. Mr. Basu joined the Board on 29 March, 2007. The Directors place on record their sincere appreciation of Mr. Basu's valuable contributions during his long tenure of association as a Director in the Company.

- Mr. Sanjiv Paul (DIN: 00086974) will hold office as Managing Director of the Company till the close of business hours on 30 June, 2017. He will, however, continue as a Non-Executive Director on the Board w.e.f. 1 July, 2017.

  The Directors would like to place on record their deep sense of appreciation towards the valuable contribution made by Mr. Paul, particularly in turning around the Company during his tenure as Managing Director.

DIRECTORS' REPORT (Contd.)

Key Managerial Personnel

During the year under review, there has been no change in the offices of the KMPs.

However, after the close of the financial year under review, following changes have taken place in the offices of KMPs:

- Mr. Sandeep Kumar has become a Key Managerial Personnel w.e.f. 10 April, 2017 and has been appointed as the Managing Director of the Company w.e.f 1 July, 2017; and
- Mr. Sanjiv Paul will continue to hold the position as the Key Managerial Personnel till the closing hours of 30 June, 2017.

The remuneration and other details of the Key Managerial Personnel for FY 2016-17 are provided in Extract of the Annual Return which forms part of this Directors' Report.

Audit Committee

Our Audit Committee was constituted in the year 1995. The Committee has adopted a charter for its functioning. The primary objective of the Committee is to monitor and provide effective supervision of the Management's financial reporting process to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. During the financial year, there has been no instance where the Board has not accepted any recommendation of the Committee.

During the year, the Audit Committee comprised of Mr. Krishnava Dutt, Chairman (Independent Director), Mr. Ashok Kumar Basu (Independent Director), Dr. Pingali Venugopal (Independent Director) and Ms. Samita Shah (Non-executive Director) as Members. Mr. Ashok Kumar Basu ceased to be a Member with effect from 24 March, 2017 consequent upon completion of his tenure as a Director in the Company and Mr. Amit Ghosh (Independent Director) was appointed as a Member of the Audit Committee with effect from 21 April, 2017.

The Committee met 6 (six) times during the year, the details of terms of reference of the Committee, number and dates of meetings held and attendance of Directors during the year are given in the Corporate Governance Report forming part of this Annual Report.

Internal Control Systems

The Board of Directors of the Company is responsible for ensuring that Internal Financial Controls have been laid down in the Company and that such controls are adequate and operating effectively. The Company has adequate and effective Internal Financial Controls (IFC) framework, commensurate with its size, scale and complexity of operations. The framework has been designed to provide reasonable assurance with respect to recording and providing reliable financial and operational information, complying with applicable laws, safeguarding assets from unauthorised use, executing transactions with proper authorisation and ensuring compliance with corporate policies. The controls, based on the prevailing business conditions and processes have been tested during the year and no reportable material weakness in the design or effectiveness was observed. The framework on Internal Financial Controls over Financial Reporting has been reviewed by the internal and external auditors.

The Audit Committee reviews the reports submitted by the Internal Auditors in each of its meeting. Also, the Audit Committee at frequent intervals has independent sessions with the external auditor and the Management to discuss the adequacy and effectiveness of internal financial controls. The details of the internal financial control system and their adequacy are included in the Management Discussion and Analysis as **Annexure A**, which forms a part of this Annual Report.

DIRECTORS' REPORT (Contd.)

Risk Management

Your Company has a robust risk management framework in line with its holding Company's risk management process for identifying, prioritizing and mitigating risks which may impact attainment of short and long term business goals of the Company.The risk management framework is aligned with strategic planning, deployment and capital project evaluation process of the Company. The process aims to analyse internal and external environment and manage economic, financial, market, operational, compliance and sustainability risks and capitalises opportunities for business success.

The Company has identified key risk areas which may affect the business and operational goals of the Company. These identified risks are periodically revisited against their respective mitigation plans. The Board has constituted a separate Risk Management Committee consisting of Directors and a management representative. The Committee meets at periodic intervals and monitors, evaluates and strengthens the effectiveness of risk management framework of the Company.

Vigil Mechanism / Whistle Blower Policy

Your Company has adopted a Vigil Mechanism policy that provides a formal mechanism for all Directors, Employees and Vendors of the Company to approach the Ethics Counsellor/Chairman of the Audit Committee to make protective disclosures about any unethical behaviour, actual or suspected fraud or violation of the Tata Code of Conduct (TCoC).

The Whistle Blower Policy is an extension of the TCoC which requires every Director/ employee/ vendor to promptly report to the Management any actual or possible violation of the TCoC or any event which he or she becomes aware of, that could affect the business or reputation of the Company.

During the year under review, none of the Directors/ employees/ vendors was denied access to the Ethics Counsellor/ Chairman of the Audit Committee.

The said policy is available on the Company's website at *http://www.tatametaliks.com/static-files/pdf/whistleblower-policy.pdf*

Related Party Transactions

During the year under review, all Related Party Transactions (RPTs) were on Arm's Length basis and in the ordinary course of business and hence do not fall under the ambit of Section 188(1) of the Act. There was no material RPT entered into by the Company with Promoters, Directors, KMPs or other designated persons during FY 2016-17, except those reported in the financial statements.

In compliance with the provisions of the Act and the SEBI Regulation 2015, each RPT is placed before the Audit Committee for prior approval. A prior omnibus approval of the Audit Committee is obtained on a yearly basis for the transactions which are foreseen and repetitive in nature. The transactions, pursuant to the omnibus approval so granted, is audited and a detailed quarterly statement of all RPTs is placed before the Audit Committee for its review. The quarterly statement is supported by a Certificate duly signed by the Managing Director and the Chief Financial Officer. The policy on RPTs, as approved by the Board, is available on the Company's website at *http://www.tatametaliks.com/static-files/pdf/policies/rpt-policy.pdf*

In view of the above, the disclosure required under the Act in Form AOC-2 is not applicable for FY 2016-17.

None of the Directors or KMPs has any pecuniary relationships or transactions with the Company during FY 2016-17.

DIRECTORS' REPORT (Contd.)

Disclosure as per Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013

Your Company has zero tolerance towards sexual harassment at workplace. It has in place a Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. An Internal Complaints Committee (ICC) is in place to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees, etc.) are covered under this Policy.

The Company has not received any complaint of sexual harassment during the financial year 2016-17.

Directors' Responsibility Statement

Based on the framework of IFC established and maintained, work performed by the internal, statutory, cost and secretarial auditors and the external agencies including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by Management and the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2016-17.

Accordingly, pursuant to the provisions of Section 134(3)(c) read with Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that:

a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the Directors have prepared the annual accounts on a going concern basis;

e) the Directors have laid down internal financial controls in the Company and that such internal financial controls are adequate and were operating effectively; and

f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Auditors

Statutory Auditors

Pursuant to Section 139 of the Act, read with the Companies (Audit and Auditors) Rules, 2014, the current term of Messrs Deloitte Haskins & Sells (Firm Registration No. 302009E), Chartered Accountants, as the Statutory Auditors of the Company expires at the conclusion of the ensuing AGM of the Company.

Your Board at its meeting held on 1 June, 2017, upon the recommendation of the Audit Committee, has recommended the appointment of Messrs Price Waterhouse & Co Chartered Accountants LLP, Chartered Accountants (ICAI Registration No.304026E/E300009), as the Statutory Auditors of the Company at the 27th AGM of the Company for an initial term of 5 (five) years. Accordingly, a resolution proposing appointment of

DIRECTORS' REPORT (Contd.)

Messrs Price Waterhouse & Co Chartered Accountants LLP, Chartered Accountants as the Statutory Auditors of the Company for a term of 5 (five) consecutive years i.e. from the conclusion of 27th AGM till the conclusion of 32nd AGM of the Company pursuant to Section 139 of the Act, forms part of the Notice of the 27th AGM of the Company. The Company has received their written consent and a certificate that they satisfy the criteria provided under Section 141 of the Act and that their appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder.

Messrs Deloitte Haskins & Sells had been appointed as the Statutory Auditors of the Company in FY 2006-07 and will hold office until the conclusion of the ensuing AGM. On your behalf and on our own behalf we place on record our sincere appreciation for the services rendered by Deloitte during its long association with the Company.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors, upon the recommendation of the Audit Committee, has approved the appointment of Mr. P V Subramanian, Company Secretary in Whole-time-Practice [CP. No. 2077 (ACS-4585)], as the Secretarial Auditor of the Company for the Financial Year ending 31 March, 2018. The Secretarial Audit Report for the financial year ended 31 March, 2017, in Form MR-3, forms an integral part of the report and is annexed herewith as **Annexure E**.

Cost Auditors

Pursuant to the provisions of Section 148 of the Act and the Companies (Cost Records and Audit) Rules, 2014, your Company is required to have its cost records audited by a Cost Accountant in practice. The Board of Directors, upon the recommendation of the Audit Committee, has approved the appointment of Messrs Shome & Banerjee, Cost Accountants (Firm Registration No: 000001) as the Cost Auditors of the Company for the Financial Year ending 31 March, 2018. Pursuant to Section 148 of the Act read with Rule 14 of Companies (Audit and Auditors) Rules, 2014, ratification of the remuneration of Cost Auditors is being sought from the Members of the Company at the ensuing AGM. The details of the same is provided in the Notice convening the AGM.

The due date for filing the Cost Audit Report of the Company for the Financial Year ended 31 March, 2016 was 30 September, 2016 and the same was filed in XBRL mode by the Cost Auditor on 17 August, 2016.

Auditors' qualification

There are no qualifications in the respective reports of the Statutory Auditors, Secretarial Auditor and Cost Auditors.

Reporting of Fraud

The Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Act.

Extract of the Annual Return

In compliance with Section 134(3)(a) of the Act, the extract of the Annual Return in Form MGT 9, as per Section 92 of the Act and the Rules framed thereunder, forms an integral part of this report and is annexed herewith as **Annexure F**.

DIRECTORS' REPORT (Contd.)

Significant and Material Orders passed by the Regulators or Courts

There has been no significant and material order(s), passed by any Regulator(s) or Court(s) or Tribunal(s), impacting the going concern status of the Company's operations. However, Members' attention is drawn to the statement on contingent liabilities and commitments in the notes forming part of the Financial Statements.

No material changes and commitments have occurred after the close of the financial year till the date of this Report which affect the financial position of the Company for the reporting period.

Particulars of Loans, Guarantees or Investments

Your Company did not give any loans, directly or indirectly to any person or to other body corporate, nor did it give any guarantee or provide any security in connection with a loan to any other body corporate or person during the financial year under review. The Company has certain long term non-current investments, as detailed under note 6 to the 'Notes to the Financial Statements'; such investments are in compliance with Section 186 of the Act.

Deposits

Your Company has not accepted any fixed deposits nor does the Company has any outstanding deposits under Section 73 of the Act, read with the Companies (Acceptance of Deposit) Rules, 2014 as on the Balance Sheet date.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings & Outgo

Details of energy conservation, technology absorption and foreign exchange earnings and outgo is an integral part of this report and is annexed herewith as **Annexure G**.

Awards and Accolades

During the year under review, your Company received multiple awards and appreciations. Noteworthy among them was the IIM National Sustainability Award in Iron and Steel sector for 2015-16 under the category of DR plants/Pig Iron Plants/Major Re-Rolling Units.

Your Company was also the proud recipient of the Tata Engage Responsible Leader Award for Employee Volunteering – a Tata Group level appreciation for significant contribution towards CSR initiatives.

Other disclosures

No disclosure or reporting is made in respect of the following items as there were no transactions during the year under review:

- Details relating to deposits covered under Chapter V of the Act;
- Issue of equity shares with differential rights as to dividend, voting or otherwise;
- Issue of shares to the employees of the Company under any scheme (sweat equity or stock options)
- The Company does not have any scheme or provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees;
- Managing Director has not received any remuneration or commission from its erstwhile subsidiaries during the year;

DIRECTORS' REPORT (Contd.)

- There was no revision in the financial statements other than as required to be done as per Ind AS ; and
- There was no change in the nature of business.

ACKNOWLEDGEMENTS

Your Directors take this opportunity to thank all its Stakeholders, i.e. shareholders, customers, vendors, dealers, investors, business associates and bankers, for their continued support during the year. They place on record their deep sense of appreciation for the contribution made by Senior Leadership team and employees at all levels across the organisation. The resilience to meet and successfully overcome several challenges was possible due to their hard work, solidarity, co-operation and support.

Your Directors also express their deep sense of gratitude towards various Governments and regulatory authorities for their continued support and look forward to their guidance in the future.

On behalf of the Board of Directors

Koushik Chatterjee
Chairman
DIN: 00004989

Place: Kolkata
Date : 1 June, 2017

Cautionary Statement: Statement in the Directors' Report and Management Discussion & Analysis Report describing the Company's expectations may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may vary materially from those expressed in the statement. Important factors that could influence the Company's operation include global and domestic demand and supply conditions affecting selling prices, new capacity additions, availability of critical materials and their costs, changes in government policies and tax laws, economic development of the country and such other factors which are material to the business of the Company.

The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments, information or events.

Annexure A

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. Industry Structure and Development

Despite the slowdown in the global economy, the Indian economy registered a reasonable growth in the first two quarters of FY 2016-17 benefiting from a good monsoon after successive rain-deficient years. Economic growth however, slowed down to 7% in Q3 FY 2016-17 as compared to 7.4% in Q2 FY 2016-17 due to the impact of demonetisation. GDP growth of 7.1% in financial year 2016-17 as against 7.6% in FY'16 was primarily due to industrial slowdown and the possible impact of demonetisation. Despite this, India will remain one of the fastest growing major economies globally in 2017.

During the year under review, the global steel industry gained positive momentum with an upturn in steel prices driven by developments in China and periodic surge in raw material prices. According to provisional data by Joint Plant Committee, Govt. of India, Indian crude steel production has recorded a growth of 9% year-on-year in FY 2016-17 as compared to previous year. In FY 2016-17, India's crude steel production was 97.39 million tonnes against 89.79 million tonnes in the previous fiscal. On the consumption front, India's finished steel consumption increased by 3% year-on-year to 83.93 million tonnes during FY 2016-17 against 81.52 million tonnes in last fiscal. The threat from cheap imports from China was mitigated to a large extent by imposition of protectionist measures by the Government of India (GoI).

Export of pig iron from India remained subdued for first three quarters of FY 2016-17 due to global slowdown. It finally picked up in the last quarter and overall for the year the volume of pig iron exported ended at the same level as the last year. On the domestic front, pig iron demand continued to remain depressed due to low overall industrial activity in the country and impact of demonetisation. Demand, however, is expected to improve with government's focus on reforms and increased investments in infrastructure and construction sectors including "Make in India" initiatives. Ductile Iron (DI) pipe demand continued to show a robust growth with the Government's on-going and proposed investments in water, sanitation and irrigation schemes, especially in new states like Telangana and for development of smart cities. The medium to long term outlook of DI pipe is encouraging with several States planning for execution of mega water supply and sewage projects. The Telangana Water Grid Project, Lift Irrigation Project of

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

Orissa are some of the big projects, where work has started. The endeavor of GoI in clearing the stalled projects, formalisation of the newly announced scheme "AMRUT" (Atal Mission for Rejuvenation & Urban Transformation) coupled with signs of lowering the interest rates by RBI will have a positive impact on the temporary slowdown being experienced by the industry in the recent past.

An important component of cost of production of pig iron and DI pipes is the cost of coke. International price of coke continued its upward trend from USD 123/t CFR in the beginning of FY 2016-17 to USD 345/t CFR in Nov'16 and then closing the year at a level of USD 284/t CFR. Price of coking coal from Australia showed a similar trend of increase from USD 82/t FOB in the beginning of FY 2016-17 to USD 302/t FOB in Nov'16 and then ending the year at a level of USD 160/t FOB. Steep rise in coal price resulted in high price of the domestic coke and the same got further aggravated with the imposition of anti-dumping duty of USD 25.2/t on Chinese coke by the GoI. However, with commissioning of coke plant during FY 2016-17, a judicious mix of converted coke, imported and domestic coke was used to optimise its overall cost base.

International iron ore fines price also saw increase from average of USD 52/t CFR China in FY 2015-16 to USD 65/t CFR in FY 2016-17.

Pig iron prices also moved up by approx. 20% during the year 2016-17 although not to the extent of increase in coal/coke price. During the first two quarters, as there were no export of pig iron, there was pressure on pig iron prices in the domestic market as a result of oversupply. Since one of the Company's blast furnaces was down for a 91 days for modernisation, sale of pig iron was rationalised in various markets to maximise the price realisation despite adverse market conditions.

Volatility in price of value-added products like DI pipe is generally much lower compared to pig iron which is an intermediate product and of commodity nature. Therefore, DI pipe price trend showed far more stability over the year.

B. Opportunities and Threats

Pig iron as a product is used by the foundry industry for manufacturing castings for the automotive industry, agriculture sector, pump and valve industry, compressor industry, railways, defense and industrial machinery and in the secondary steel making sector. Each of these industries is expected to grow positively in the coming years in India on account of, among other things, the initiatives and changes made to the policies by the GoI.

The foundry grade pig iron market is diversified in nature with strict technical specifications offered by reputed manufacturers customised for different applications. Therefore, the foundry grade pig iron market provides an opportunity to offer a wide variety of customised grade options like standard foundry grade, high silicon grade, high phosphorous grade, low phosphorous grade and ductile iron grade. With initiatives such as "Make in India" and significant growth of automobile and auto components sectors, foundry industry is poised to grow in the near future.

During the year 2016-17, due to lower production of pig iron, the markets and customer segments were judiciously chosen to optimise overall price realisation. During 2017-18, with increased production, efforts would be to focus on increasing sales to direct customers, especially in freight friendly and credit-free market of eastern India.

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

The World Bank estimates that India's economic growth will remain strong in 2017 at 7.7%. While global growth lags at less than 3%, India's economy had witnessed growth in 2016 at 7.6% despite hurdles in its growth engines, with increase in domestic consumption, recovery in exports, renewed private investments, improving rural consumption and spending, new tax legislation and promoting inclusive growth. These factors provide ample reasons for increase in demand for DI pipes.

Rapid urbanisation and development of smart cities across the country, over and above the already committed large investments in water and sanitation infrastructure schemes would lead to robust demand for DI pipes in the country. The expansion of DI pipe plant capacity to 200,000 tonnes per annum in 2016-17 will give opportunity for increase in market share as well as higher share of value-added finished product in its portfolio resulting in higher topline and bottom-line growth.

However, a slowdown in economic growth in India could adversely impact the pig iron and DI pipe businesses which could be a potential threat. In the past, the Indian economy has been affected by global economic uncertainties, liquidity crisis, domestic policies, global political environment, volatility in interest rates, currency exchange rates, commodity and electricity prices, rising inflation rates and various other factors. Global slowdown of the steel industry may lead to lower export of pig iron resulting in surplus availability in the domestic market. With expansion of large integrated steel plants, there could be mismatch between iron making and steel making capacities especially during commissioning and ramp-up period. During this phase of transition, there could be surplus availability of pig iron from these steel makers. Global coal/coke prices have increased more than 100% during beginning of Apr'17 on account of disruption by cyclone Debbie in Australia. Further, imposition of anti-dumping duty on imported coke from China could pose a challenge to plants who do not have their own coke plant. However, this threat of high cost of imported coke, has been partly mitigated upon commissioning of coke plant in FY 2016-17 at Kharagpur.

DI pipes business is substantially dependent on development projects undertaken by government entities or agencies. Delays in announcement, implementation or funding of such projects due to changes in policies, insufficiency of funds or lack of political will may adversely impact Company's ability to successfully bid for and obtain contracts for DI pipes, which in turn may have a material adverse impact on future prospects, businesses, profitability and results of operations. Further, imposition of anti-dumping duty on Indian DI pipes in the European Union (EU), significant increase in import duty in Turkey and presence of cheap Chinese DI pipes in several markets may impact the potential of DI pipe export business.

C. Operational and Financial Performance

Production of hot metal was 381,968 tonnes in 2016-17 against 433,437 tonnes in the previous year, a drop of 12% due to 91 days shutdown of MBF No. 1 for modernisation and expansion. Finished DI pipe production was 187,253 tonnes in 2016-17 as against 133,211 tonnes in 2015-16, a significant increase of 41% as a result of capacity expansion and improved operating efficiencies. Despite 91 days shutdown of one of the blast furnaces, there was an increase in turnover in 2016-17 to ₹ 1,410 crores as compared to ₹ 1,390 crores in 2015-16 due to higher sale of value added product, DI pipes. Company delivered its best ever performance for third year in succession with a net profit after tax of ₹ 116.05 crores in 2016-17 as against ₹ 112.27 crores achieved a year ago.

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

D. Outlook

Production of hot metal in 2017-18 is expected to increase significantly as compared to previous year, with the newly rebuilt furnace with modern features (MBF - 1) and availability of two furnaces for production for the full year unlike 2016-17. Molten metal for production of DI pipes is also projected to increase in view of increased capacity of DI pipe plant which would be available for the entire year as against for three quarters in the previous year. Sale of pig iron and DI pipes is also expected to increase in 2017-18 as a result of higher production and robust demand. There would be significant gain in cost efficiency due to merger of pig iron and DI pipes businesses into one entity and also due to availability of 10 MW captive power from the newly commissioned power plant, as grid power is relatively more expensive in West Bengal. There are proposals under consideration for further reduction in production cost of hot metal. All these would create significant value for the Shareholders.

E. Risk and Concerns

The Company has an Enterprise Risk Management (ERM) process which has matured over the last few years. ERM process involves periodic identification of risks likely to affect the business adversely, rating the risks on their impact and likelihood, preparation of risk heat map, estimation of risk velocity, implementation of risk mitigation plans by the risk owners and continuous monitoring of the mitigation plans by the Risk Management Committee of the Board and the senior leadership team. Risks have been identified in the areas of sales, supply chain, finance, regulatory, operations, projects and industrial relations for both the businesses of pig iron and DI pipes and mitigation strategies and plans have been accordingly developed to reduce or eliminate the likelihood and impact of such risks.

Slowdown in the global market for steel grade pig iron may lead to increased flow of pig iron in the domestic market which may impact the domestic foundry grade pig iron industry. Higher quantity of pig iron will need to be sold in 2017-18 as compared to previous year. Further, the immediate increase in demand for iron castings may be visible only in automobile sector which is having a robust growth. For other sectors, it depends on the economic environment of the country as well as developments on investments proposed by the government in terms of projects on ground. Rising coal & coke prices and anti-dumping duty on Chinese coke may put pressure on the pig iron manufacturers for passing on the cost to consumers. Marketing and sales strategy is continuously evaluated and alterations are made in sales plan in terms of products to be manufactured and markets to be served in order to keep current with the changing environment. Coke sourcing strategy is regularly evaluated and reviewed to keep it flexible in terms of switching from domestic coke to imported coke or vice versa as the situation may demand. With commissioning of coke plant in FY 2016-17, the Company's ability to manage coke cost has improved.

The DI Pipes Division may face stiff competition from suppliers if the water, sanitation and irrigation infrastructure projects proposed by the government do not materialise on time.

For foreign currency exposure on account of import of coke/ coking coal/ capital equipment, appropriate forward cover is taken to mitigate the risks as per foreign exchange policy of the Company.

F. Internal Control Systems and their Adequacy

The Company's internal control policies are in line with its size and nature of operations and they provide

assurance that all assets are safeguarded, transactions are authorised, recorded and reported properly following all applicable statutes, General Accepted Accounting Principles, Tata Code of Conduct and corporate policies.

The Audit Committee of the Board comprises Members, majority of whom, including the Chairman are Independent Directors. Audit charter is the guiding document in this connection. Systems Assurance Department conducts audit in various functional areas as per audit plan approved by the Audit Committee. Audit planning and executions are oriented towards assessing the state of internal controls, making them stronger and addressing the risks in the functional areas. Systems Assurance Department reports to the Audit Committee its findings, observations and rating of internal controls status for each area reviewed. Audit Committee meets at regular intervals to review audit issues and follow up on implementation of corrective actions. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

Besides the above, Internal Financial Control requirements as have been recently implemented as per Companies Act, 2013 where policies and procedures have been adopted for ensuring the orderly and efficient conduct of its business, including adherence to policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

Audit Committee also seeks views of the statutory auditors on the adequacy of internal control systems. In compliance with Section 143(3)(i) of the Act, the Statutory Auditors have issued an unmodified report on the Internal Financial Controls over Financial Reporting which forms a part of the Independent Auditors' Report also forming part of this Annual Report.

G. Human Resources and Industrial Relations

Capable, competent and engaged human resources for its current and future business with cordial industrial relations is vital for business success and the Company continuously endeavors towards achieving the same. Its employee strength as on 31 March, 2017 was 1,166. Human Resource and Industrial Relations departments have matured systems and policies in place on recruitment, performance management, learning and development and employee engagement.

The Workers Union has maintained healthy and cordial industrial relations and has been an equal partner in implementing policies and achieving stretched operational targets, year on year.

H. Corporate Social Responsibility, Affirmative Action and Tata Code of Conduct

The Company works for sustainable development by achieving excellence in its key functional areas including safety, business operations, process management, business results, climate change, carbon footprint reduction, energy and water management, community development, customer promise and engagement, governance and compliance, human capital, and innovation. The Company contributes to the development of its community near the plant at Kharagpur directly as well as through employee volunteerism as a part of its Corporate Social Responsibility in the areas of education, training, health care, essential amenities and self-employment. Support is provided to the under-privileged through structured Affirmative Action programme covering employees and vendors in the areas of five E's – Education,

Employability, Employment, Entrepreneurship and Essential Amenities. A Skill Development Centre has been started at ITI Midnapore for providing vocational training to 1,000 – 1,200 youth every year from the local community near its plant, primarily from the socially under-privileged sections, in the trades like electrician, plumbing, beautician, housekeeping, security guard and mobile repair for gainful employment. The Company and its employees adhere to the Tata Code of Conduct in all their transactions.

I. Statutory Compliance

The Managing Director makes periodic declarations regarding the compliance with provisions of various statutes after obtaining confirmation from respective process owners.

The Company Secretary, being the Compliance Officer, ensures compliance with the relevant provisions of the Companies Act and SEBI regulations.

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

Annexure B

Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1) Ratio of the remuneration of each Director/ KMP to the median remuneration of all employees of the Company for the financial year:

Median remuneration of all employees of the Company for financial year 2016-17.	₹ 363,415
The percentage increase in median remuneration of employees in the financial year	7%
The number of permanent employees on rolls of Company as on 31 March, 2017	1166

Note: The ratio of remuneration to median remuneration is based on remuneration paid during the period from 1 April, 2016 to 31 March, 2017.

Name of Directors	Ratio of remuneration to median remuneration of all employees	% increase in remuneration in the Financial Year 2016-17
Non-Executive Directors		
Mr. Koushik Chatterjee	-	-
Ms. Samita Shah	0.28	N.A.
Independent Directors		
Mr. Krishnava Dutt	4.84	N.A.
Mr. Ashok Kumar Basu	2.95	N.A.
Dr. Pingali Venugopal	6.38	N.A.
Mr. Amit Ghosh	0.21	N.A.
Dr. Rupali Basu	0.21	N.A.
Executive Directors		
Mr. Sanjiv Paul	55.08	N.A.
Mr. Sandeep Kumar	-	-

Notes :

a) Upon amalgamation of TMDIPL with the Company during the year, the median remuneration has been arrived at after clubbing of employees of both PI and DI pipes divisions. Hence, % increase in remuneration with FY 2015-16 is not comparable;

b) Mr. Amit Ghosh & Dr. Rupali Basu joined the Board w.e.f. 24 January, 2017. Mr. Sandeep Kumar joined the Board w.e.f. 20 March, 2017. Hence, corresponding figures of previous year are not available. Mr. Ashok Basu retired from the Board w.e.f. 24 March, 2017.

c) Commission to Non-Executive Directors was recommended by the Nomination and Remuneration Committee on 21 April, 2017, pending approval of the Shareholders at the ensuing AGM to be held on 26 July, 2017. Hence, not considered for computation of above ratios.

2) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

Average percentile increase in Salary of the Company's employees was 7%. The total managerial remuneration for the financial year 2016-17 was ₹ 2,42,20,137/- as against ₹ 2,15,87,058/- during the previous year. The average percentile increase in remuneration to Mr. Sanjiv Paul, Managing Director during financial year 2016-17 was 13.81% as compared to the previous financial year.

3) Remuneration is as per the remuneration policy of the Company.

Information as per Rule 5(2) of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Top 10 employees in terms of remuneration drawn during the year.

Sl. No.	Name	Designation	Remuneration (in ₹ crores)	Nature of employment	Qualification and Experience	Date of commencement of employment	Previous employment and designation	Percentage of equity shares held by the employee
1	Sanjiv Paul	Managing Director	2.00	Contractual	BE (Metallurgy); 30 years	01-Apr-13	Tata Steel Ltd; VP-Corporate Services	0.00%
2	Rajesh Mishra	EVP (M&S-PI)	0.85	Permanent	B. Tech, MBA; 32 years	01-Nov-12	Tata Metaliks DI Pipes Ltd, Managing Director	0.00%
3	S. P. Sharma	Chief Operating Officer	0.72	Permanent	BE (Metallurgy); 29 years	09-Jun-14	Rashmi Metaliks Limited; Chief Operating Officer	0.00%
4	Debasish Mishra	VP (Operations)	0.57	Permanent	BE (Mechanical); 32 years	11-Nov-99	DLF Power Limited; Manager - Plant	0.00%
5	Subhra Sengupta	Chief Financial Officer	0.56	Permanent	CA, Exec. Diploma in Mgmt; 22 years	06-Jun-08	Tata Technologies Limited; Manager - Enterprise solution	0.00%
6	Ratna Sinha	CHRM	0.48	Permanent	MBA, PhD (FPM); 27 years	01-Jul-13	Tata Steel Limited; Head-Management Development	0.00%
7	N. V. Ramanathan	VP (Projects)	0.45	Permanent	B.Tech (Electrical), MBA; 30 years	02-Feb-06	Lanco Industries Limited; AGM - Projects	0.00%
8	Daniel Kumar	GM (Iron Making)	0.42	Permanent	B. Tech (Metallurgy); 32 years	02-May-15	Sona Alloys Limited; Executive Director (Works)	0.00%
9	Saradindu De	Chief - RM procurement and logistics	0.41	Permanent	BE (Mechanical); 39 years	01-Apr-06	Nicco Corporation Limited; Divisional Manager	0.00%
10	Sanjay Gupta	Chief of Sales - PI	0.39	Permanent	BE (Mechanical); 29 years	01-Jul-93	McNally Bharat Engg Co. Ltd.; Dy. Manager (Sales and Marketing)	0.00%

Note: None of the above employees is a relative of any Director or Manager of the Company

ANNEXURE C

REPORT ON CSR ACTIVITIES DURING FY 2016-17

[Pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate SocialResponsibility) Rules, 2014]

1 **A brief outline of the Company's CSR policy including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes**

Our philosophy does not rest on philanthropy alone but it also dovetails the community needs with the organisational involvement with the ultimate objective of improving the quality of life of the people in the surrounding community.

Social Context

Your Company has been fulfilling its vision of **"Reaching Tomorrow First**" by committing itself even before the statute made CSR a mandatory requirement in 2014 by implementing various CSR initiatives in 36 villages located within a radius of 5 km of plant. Nearly 10,000 inhabitants of these villages with 54% SC / ST population form the "Core Beneficiaries" of the various CSR & Affirmative Action (AA) interventions.

Based on the prevailing social and business challenges, the Company has focused its CSR & AA interventions in the areas of (a) **E**ducation, (b) **E**mployability, (c) **E**mployment, (d) **E**ntrepreneurship and (e) **E**ssential Amenities.

Education

We believe in the truism that education is the ultimate leveler to change people's life. Our interventions cover primary to graduate level education and include Learning Enhancement through School Library, Under 10 Football Coaching, Abhigyan – School Enrichment Programme, Pre-matric coaching, Sadbhavna scholarship, Apparatus for Science Laboratory, Infrastructure Development in Schools, Career Counseling and Teachers' Training.

Employability

To develop a pedigree of skilled manpower for the nation, marketable skills / training to local youth there has been a basket of interventions, thereby enabling a sustainable livelihood for them and includes the following initiatives:-

Skill Development Centre: Tata Metaliks Skill Development Centre has been set up in collaboration with Paschim Banga Society of Skill Development (PBSSD) at ITI, Medinipur for imparting short-term (3 months) courses to local youths, primarily from SC / ST community in trades of Electrician, Plumbing, Mobile Repairing, Beauty & Wellness, Hospitality - Housekeeping and Security- Unarmed security guard. It is planned to train 1000 – 1200 youths every year in the above trades;

- Sponsoring candidates for 2-Years ITI Course;
- General Nursing and Midwifery course;
- SABLA – Training of young girls in employability and life skills;
- Training and empowerment of villagers.

Entrepreneurship

The following initiatives have been undertaken:-

AA Vendor Development: The spirit of positive discrimination towards developing entrepreneurs from AA community in Company's value chain, both upstream as well as downstream is adopted.

Tissue Culture Banana Cultivation: With the help of Scientists and Technologists Entrepreneurs Park (STEP), IIT (KGP), Tissue culture banana cultivation has been introduced with group of farmers.

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

TML - NABARD Livestock based livelihood project: The project aims at enhancing the income of 200 ST/SC households of five villages i.e. Mudipara, Raipara, Kunjuchak, Amba and Ashapur.

Training of Self Help Groups: Self Help Groups on two themes including SHG formation & functioning and Livestock management (Duck rearing and poultry farming).

Essential Amenities

In FY 2016-17, drinking water projects have been implemented at Mudipara and Ashapur villages on "Community – Corporate" partnership model wherein one time infrastructure including a deep boring along with a network of water pipeline with overhead tanks is being provided by the Company. In addition, toilet blocks have been provided for three nearby villages.

Health

During FY 2016-17, two blood donation camps have been organised. Three health camps were organised for school children and five general health camps were organised in the villages that benefitted 864 villagers.

Employee Volunteerism:

Employees are encouraged to volunteer for CSR. In FY 2016-17, 1718 employees participated in various volunteering activities and reached a total of 5742 volunteering hours. Moreover, for our contribution in employee volunteerism, COO was awarded as 'Responsible Leader' for EV6.

Other Intervention:

Participation in "Samvaad" – A Tribal Conclave: 11 Members team of "Kora" Tribe from TML CSR operational villages along with CSR team attended "Samvaad" – A national level tribal conclave, organised by Tata Steel at Jamshedpur. Three tribal healers also participated and shared their knowledge on traditional medicines.

The details of the CSR Policy enumerating the activities / programmes proposed to be undertaken by the Company can be viewed at *http://www.tatametaliks.com*

2	The composition of the CSR Committee	Composition of CSR Committee is as follows: 1) Dr. Pingali Venugopal - Chairman 2) Mr. Sanjiv Paul - Member 3) Ms. Samita Shah - Member 4) Mr. Sandeep Kumar - Member *w.e.f. 21 April, 2017* 5) Dr. Rupali Basu - Member *w.e.f. 21 April, 2017*
3	Average net profit of the Company for last three financial years	The average net profits during the preceding 3 (three) financial years of the Company are as follows:-

(₹ lakhs)

Particulars	2013-14	2014-15	2015-16
Net Profit u/s 198	2363.45	13408.54	14932.19

Average Net Profit for last 3 (three) years - ₹ 10234.67 lakhs

Note: The figures have been consolidated, consequent to the amalgamation of Tata Metaliks DI Pipes Limited (erstwhile wholly-owned subsidiary) with the Company.

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	2% of average Net Profit - ₹ 204.69 lakhs
5	Details of CSR spent during the financial year :	
	i. Total amount to be spent for the financial year	₹ 204.69 lakhs
	ii. Amount unspent, if any;	Nil
	iii. Manner in which the amount spent during the financial year is detailed below	As per Annexure attached
6.	In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide thereasons for not spending the amountin its Board report	N.A.
7.	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.	Given below

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	**CSR project or activity identified**	**Sector in which the project is covered#**	**Projects or programs (1) Local area or other (2) Specify the State and District where projects or programs was undertaken**	**Amount outlay (budget) project or programs (Rs. Lakhs)**	**Amount spent on the projects or programs Sub-heads: (1)Direct Expenditure on projects or programs; (2) Overheads: Rs. Lakhs)**	**Cumulative expenditure up to the reporting period (last 3 FYs)**	**Amount spent: Director through implementing agency ***
1	Providing Pre-matric coaching to children and youth	(ii)	Local area – Kharagpur District – Paschim Medinipur State – West Bengal	3.30	3.30	4.86	Through Implementing Agency – Shiksha Diksha
2	Providing scholarship to meritorious students	(ii)	-Do-	4.50	4.50	6.81	Direct – Sadbhavna Trust
3	Infrastructure development of Primary school located in nearby villages	(ii)	-Do-	30.00	40.10	88.91	Direct – Sadbhavna Trust
4	Providing football coaching to under-10 years boys	(vii)	-Do-	5.20	4.42	4.42	Direct – Sadbhavna Trust
5	Ensuring learning enhancement through setting up of School Library	(ii)	-Do-	7.00	5.12	5.12	Through Implementing Agency - New Alipore Prajaak Development Society

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	**CSR project or activity identified**	**Sector in which the project is covered#**	**Projects or programs (1) Local area or other (2) Specify the State and District where projects or programs was undertaken**	**Amount outlay (budget) project or programs (Rs. Lakhs)**	**Amount spent on the projects or programs Sub-heads: (1)Direct Expenditure on projects or programs; (2) Overheads: Rs. Lakhs)**	**Cumulative expenditure up to the reporting period (last 3 FYs)**	**Amount spent: Director through implementing agency ***
6	Project Abhigyan – a School Intervention Program aimed at life skill development for rural school students	(ii)	-Do-	13.00	13.19	31.19	Through Implementing Agency – Guardian Education Service Pvt. Ltd.
7	Providing apparatus for Science laboratory at High School	(ii)	-Do-	1.00	1.01	1.01	Direct – Sadbhavna Trust
8	Sponsoring matriculate youth from AA/ BPL category for ITI course	(ii)	-Do-	7.00	5.86	13.91	Through Implementing Agency – Pratap Chandra ITC run by Pratap Chandra Sau Welfare Trust
9	Providing general nursing and midwifery course for matriculate girls	(ii) & (iii)	-Do-	2.00	1.76	2.75	Through Implementing Agency Chitranjan Institute of Health, Midnapore
10	Project "SABLA" for empowering women	(ii) & (iii)	-Do-	3.00	3.00	5.00	Through Implementing Agency – Confederation of Indian Industry
11	Providing heavy earth moving equipment operator training	(ii)	-Do-	2.50	0.00	1.17	*The initiative was dropped as we did not receive sufficient applications. Amount used for construction of toilet at Kunjuchak Primary School. Bill covered under Infrastructure development of Primary schools.
12	Training and Empowering villagers in various vocations	(ii)	-Do-	2.00	1.67	1.67	Through Implementing Agency - Tata Steel Rural Development Society
13	Setting up of Skill Development Centre	(ii) & (iii)	-Do-	100.00	94.84	94.84	Through Implementing Agency –Salt Lake Institute of Engineering and Management

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	**CSR project or activity identified**	**Sector in which the project is covered#**	**Projects or programs (1) Local area or other (2) Specify the State and District where projects or programs was undertaken**	**Amount outlay (budget) project or programs (Rs. Lakhs)**	**Amount spent on the projects or programs Sub-heads: (1)Direct Expenditure on projects or programs; (2) Overheads: Rs. Lakhs)**	**Cumulative expenditure up to the reporting period (last 3 FYs)**	**Amount spent: Director through implementing agency ***
14	Providing potable drinking water through deep bore well	(i)	-Do-	25.00	17.27	60.01	Direct – Sadbhavna Trust
15	Construction of toilet blocks	(i)	-Do-	24.00	22.65	29.69	Direct – Sadbhavna Trust
16	Promote commercial farming of seasonal / cash crop, SRI Paddy cultivation & Poultry farming & entrepreneurship training progamme	(ii), (iii) & (x)	-Do-	6.50	4.85	5.48	Through Implementing Agency – Saunta Gaunta Foundation Block Livestock Development Officer, KGP 1 Block
17	Organise Health Camps, and Blood Donation camps	(i)	-Do-	2.00	2.10	5.02	Direct – Sadbhavna Trust
18	Cleanliness drives/ visit to destitute homes/ Health camps/ Village Rallies	(iii)	-Do-	2.00	1.94	3.61	Direct – Sadbhavna Trust
	Total CSR expenditure			**240.00**	**227.58**	347.47	

The sectors are as per Section 135 of the Act read with the revised Schedule VII thereunder.

Note :

1. *The Company has contributed ₹ 204.69 lakhs to corpus of SADBHAVNA Trust for CSR activities as per General circular No. 21/2014 of MCA dated 18 June, 2014, to comply with the provisions of Companies Act, 2013.*
2. *The above activities, as mentioned in above table, are undertaken by the Company through Registered Trust SADBHAVNA from Balance available as on 1 April 2016 and out of contribution, as mentioned in point 1, towards corpus during current financial year 2016-17.*

Affirmation: We, the undersigned, hereby affirm that the implementation and monitoring of various CSR projects and activities, are in compliance with the CSR Policy and objectives of the Company, as approved by the Board of Directors of the Company.

Place: Kolkata
Date: 1 June, 2017

Mr. Sanjiv Paul
Managing Director
DIN: 00086974

Dr. Pingali Venugopal
Chairman, CSR Committee
DIN: 05166520

Annexure D

REPORT ON CORPORATE GOVERNANCE

[Pursuant to Part C of Schedule V to the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]

Philosophy

Governance has been an integral part of the way the business of your Company is carried on since inception. Your Company firmly believes that good governance emerges from application of sound and effective management practices coupled with adherence to the highest standards of transparency and business ethics. We consider it our inherent responsibility to disclose timely, accurate and adequate information regarding our financial and operational performance, as well as the leadership and governance of the Company.

Your Board has adopted the Tata Group Guidelines on Board effectiveness to fulfill its Corporate Governance responsibility towards all its stakeholders. These guidelines ensure that the Board has necessary authority and processes in place to review and evaluate the Company's operations.

Board of Directors

Your Board is vested with the ultimate responsibility of the management, strategic direction and performance of your Company. The Board stands in a fiduciary position and provides leadership, strategic guidance, objective and independent view to the management while discharging its responsibilities.

Board Composition and Diversity

Your Board has an appropriate composition of Independent and Non-Independent Directors to maintain the Board's independence, diversity and effectiveness. Independent Directors (ID) have diverse backgrounds and guide holistic decision making process in the Board. IDs take an active part in the Board and Committee Meetings by providing expert advice and appropriate guidance on various aspects of business operations, strategic direction, governance, compliance etc., which adds immense value to the overall decision-making process of the Board. Brief profiles of Directors are available on the website of the Company at *www.tatametaliks.com.*

In line with the Companies Act, 2013 (Act), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and the Board Diversity Policy, your Board comprises of 8 (Eight) Directors, including 4 (Four) Independent and 4 (Four) Non-Independent Directors, as detailed below.

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

Composition, Category and other details

The Board Composition, category and other prescribed details are as below:

Name of Directors	Category	No. of Directorship (s) held in other Public Companies	No. of Committee positions held in other Public Companies as on 31 March, 2017*	
			Chairman	Member
Mr. Koushik Chatterjee DIN: 00004989	Non- Executive / Non – Independent Chairman	4	Nil	1
Mr. Krishnava Dutt DIN: 02792753	Non - Executive/ Independent Director	7	3	3
Dr. Pingali Venugopal DIN: 05166520	Non - Executive/ Independent Director	Nil	Nil	Nil
Mr. Amit Ghosh** DIN: 00482967	Non-Executive / Additional (Independent) Director	Nil	Nil	Nil
Dr. Rupali Basu** DIN: 01778854	Non-Executive / Additional (Independent) Woman Director	3	Nil	Nil
Ms. Samita Shah DIN: 02350176	Non – Executive/ Non - Independent Woman Director	3	3	Nil
Mr. Sandeep Kumar*** DIN: 02139274	Executive / Non – Independent Director	Nil	Nil	Nil
Mr. Sanjiv Paul**** DIN: 00086974	Managing Director / Non – Independent Director	Nil	Nil	Nil
Mr. Ashok Kr. Basu***** DIN: 01411191	Non - Executive/ Independent Director	N.A.	N.A.	N.A.

* *Includes only Chairmanship/ Membership of Audit Committee and Stakeholders' Relationship Committee as per Regulation 26(1)(b) of the Listing Regulations;*

** *Dr. Rupali Basu and Mr. Amit Ghosh were appointed as Additional (Independent) Directors w.e.f. 24 January, 2017;*

*** *Mr. Sandeep Kumar was appointed as an Additional Director of the Company w.e.f. 20 March, 2017 and as an Executive Director of the Company w.e.f. 10 April, 2017. Mr. Sandeep Kumar has been subsequently appointed as the Managing Director of the Company w.e.f. 1 July, 2017;*

**** *Mr. Sanjiv Paul, will relinquish office as the Managing Director of the Company on the close of business hours of 30 June, 2017;*

***** *Mr. Ashok Kumar Basu, Independent Director, retired from the Board w.e.f. 24 March, 2017.*

Notes :

1. No Director has any inter-se relationship among themselves or with any employee of the Company;
2. None of the Non-Executive Directors holds any shares and/ or convertible instruments in the Company;

Selection of New Directors and Board Membership Criteria

The Nomination and Remuneration Committee (NRC) has a Policy in place, which acts as a guideline for determining qualifications, positive attributes, independence of a Director and matters relating to appointment and removal of Directors. The Policy on appointment and removal of Directors is available on our website at www.tatametaliks.com. The NRC recommends suitable candidates to the Board, based on their qualifications, skills and experiences for Board Membership. The Board considers the recommendation of the NRC and, *if thought fit*, appoints the candidate(s) as a Director on the Board of your Company.

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

Board Meetings

Your Board has complete access to all information within the Company. The information as required under Regulation 17(7) read with Schedule II, Part A of the Listing Regulations is made available to the Board.

Frequency, proceedings and post-meeting mechanism

Your Board meets at least once every quarter, *inter-alia*, to review the quarterly financial results. The Company complies with the Secretarial Standards (SS-I) on Board and Committee Meetings as prescribed by The Institute of Company Secretaries of India. Dates of Meetings of the Board are decided well in advance. Additional meetings are held whenever necessary. Directors are given an option to attend the meetings through audio-visual mode with due compliances under the Act and the Rules framed therein.

Your Board monitors the overall operating performance, Safety and Health performance, Compliance reports of applicable laws and reviews such other items which require the Board's attention. Board directs and guides the activities of the Management towards achieving the set goals and seeks accountability therein.

In addition to the Directors, the Company Secretary, the Chief Financial Officer and the Divisional Heads are invited to attend all Board Meetings to foster quality decision-making. Other Members of the Senior Management Team are also invited as and when necessary to provide additional inputs to the Board. The Chairmen of various Board Committees also brief the Board on all important matters discussed and decided at their respective meetings, which are usually held prior to the Board meetings.

All important decisions taken at the meetings are communicated to concerned officials and departments. An Action Taken Report is prepared and the Board is updated at subsequent meetings.

During the year under review, there were 6 (six) Board Meetings held on 28 April, 2016, 22 July, 2016, 3 October, 2016, 24 October, 2016, 24 January, 2017 and 20 March, 2017. The interval between any two consecutive meetings was within the maximum prescribed limit of 120 days.

Attendance of Directors at Board Meetings and at last AGM :

Name of Directors	Attendance at Board Meetings held on						Attendance at last AGM
	28 April 2016	22 July 2016	3 October 2016	24 October 2016	24 January 2017	20 March 2017	
Mr. Koushik Chatterjee *Chairman*	Present	Present	Present	Present	Present	Present	Present
Mr. Sanjiv Paul *	Present	Present	Present	Present	Present	Present	Present
Mr. Krishnava Dutt	Present	Present	Leave of Absence	Present	Present	Present	Present
Dr. Pingali Venugopal	Present	Present	Present	Present	Present	Present	Present
Ms. Samita Shah	Present	Present	Present	Present	Leave of Absence	Present	Present
Mr. Amit Ghosh**	n/a	n/a	n/a	n/a	n/a	Present	n/a
Dr. Rupali Basu**	n/a	n/a	n/a	n/a	n/a	Present	n/a
Mr. Sandeep Kumar***	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Mr. Ashok Kumar Basu *Retired w.e.f. 24 March '17*	Leave of Absence	Present	Present	Present	Present	Present	Present

* *Mr. Sanjiv Paul will relinquish office as the Managing Director of the Company on the close of business hours of 30 June, 2017.*

** *Mr. Amit Ghosh and Dr. Rupali Basu were appointed as Additional (Independent) Directors w.e.f. 24 January, 2017.*

*** *Mr. Sandeep Kumar was appointed as an Additional Director of the Company w.e.f. 20 March, 2017 and as an Executive Director of the Company w.e.f. 10 April, 2017. Mr. Sandeep Kumar has been subsequently appointed as the Managing Director of the Company w.e.f. 1 July, 2017.*

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

Familiarisation programme for Independent Directors

The newly inducted IDs are familiar with their roles and responsibilities, nature of the industry in which the Company operates and the business model of the Company. In addition, your Company provides induction and familiarisation programme in the form of interactive sessions with the Managing Director and other Functional Heads of the Company's manufacturing, marketing, finance and other functions. The Company Secretary briefs the Director(s) about their legal and regulatory responsibilities. The programme also includes a visit to the manufacturing plant to familiarise them with various aspects of the business operations of your Company. The Policy on familiarisation programme for Directors is available on our website at *www.tatametaliks.com.*

Formal letter of appointment to the Independent Directors

Your Company issues a formal letter of appointment to the IDs after their appointment is approved by the Shareholders at the Annual General Meeting (AGM). All IDs have confirmed that they have met the criteria of independence as mentioned under Section 149(6) of the Act. As required under Regulation 46 of the Listing Regulations, the terms and conditions of appointment of IDs are available at *www.tatametaliks.com/static-files/pdf/stock-exchange-releases/tandc-appointment-independent-directors.pdf*

Independent Directors' Meeting and Performance Evaluation

In accordance with the provisions of the Listing Regulations, the evaluation process for the performance of the Board, its various committees and individual Directors was carried out during the year.

The IDs met separately on 23 February, 2017 and reviewed the performance of the Non-Independent Directors and the Board of Directors as a whole and also reviewed the performance of the Board Chairman.

Chairman of the NRC also sought one-on-one feedback from the Managing Director and all other Directors. A one-on-one meeting of the individual Directors with the Chairman of the Board was also conducted.

The NRC and subsequently the Board discussed and collated feedback received from the Directors.

Based on the outcome of the evaluation cum feedback, the Board and the Management have drawn up an improvement plan to be taken up during FY-18.

The IDs appreciated the exemplary leadership role of the Chairman of the Board in upholding the highest standards of corporate governance.

Code of Conduct

All Directors have adopted Tata Code of Conduct (TCoC / Code) for Executive Directors, Non-Executive Directors, Independent Directors, senior management personnel and all employees of the Company. In compliance with Regulation 26 (3) of the Listing Regulations, all Board Members and senior management personnel have affirmed compliance with the Code for the year ended 31 March, 2017. The Code is available on our website at *www.tatametaliks.com/corporate/pdf/tatacodeofconduct-2015.pdf.* A declaration to this effect, duly signed by the Managing Director is annexed hereto.

Prevention of Insider Trading

In line with the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading. All Directors, employees and other designated persons, who could have access to the unpublished price sensitive information of the Company are governed by this code.

The trading window in dealing with the equity shares of the Company is closed during declaration of financial results and occurrence of any material events as per the code. There are awareness sessions conducted within the organisation to create a sense of awareness among employees about their rights and responsibilities under this code. During the year under review there has been due compliance with the said code.

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

Board Committees

Your Board has multiple Committees, mandatory and non-mandatory, each being duly constituted with suitable combination of Independent and Non-Independent Directors as stipulated under the Act and the Listing Regulations. Each Committee has been entrusted with specific terms of reference to focus effectively on pre-defined matters to ensure specific resolution on diverse matters. The Board reviews the functioning of these committees from time to time. The Company Secretary acts as Secretary to all Committees. Minutes of all Committee Meetings are placed before the Board for their review and noting. The recommendations of the Committees are also placed before the Board, by their respective Chairmen. The constitution, terms of reference and other relevant details on functioning of the various Board Committees are explained herein.

The Board has constituted the following committees:

- Audit Committee;
- Nomination & Remuneration Committee;
- Stakeholders' Relationship Committee;
- Corporate Social Responsibility Committee; and
- Risk Management Committee

Audit Committee

The Board has constituted an Audit Committee in line with the provisions of Section 177 of the Act and Regulation 18 of the Listing Regulations.

The primary objective of the Audit Committee is to monitor and oversee the Management's financial reporting process, to ensure accurate and timely disclosures with highest levels of transparency, integrity and quality of financial reporting. All Committee Members are financially literate and have due exposure in areas of finance, taxation and audit. The Committee invites and takes due clarifications from Statutory Auditors, as and when required. The Managing Director and other senior functional executives, including the Internal Auditor, are also invited to provide necessary inputs to the Committee's decision-making process.

The Terms of Reference (ToR) of the Committee are governed by the regulatory requirements mandated by the Act and Listing Regulations. The broad functions of the Committee, as per the ToR, are as under:

1) Review and recommend quarterly and annual financial statements of the Company;
2) Review quarterly reports of the Internal Auditor;
3) Review weaknesses in internal controls reported by Internal and Statutory Auditors; and
4) To consider, review and approve the transactions entered into with Related Parties.

During the year under review, there were 6 (six) meetings of the Audit Committee held on 22 April, 2016, 17 May, 2016, 21 July, 2016, 19 October, 2016, 18 January, 2017 and 30 March, 2017.

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

Composition and Attendance of Members are given below:

Name of Directors	Attendance at Meetings of Audit Committee held on					
	22 April 2016	17 May 2016	21 July 2016	19 October 2016	18 January 2017	30 March 2017
Mr. Krishnava Dutt *Chairman*	Present	Present	Present	Present	Present	Present
Dr. Pingali Venugopal	Present	Present	Present	Present	Present	Present
Ms. Samita Shah	Leave of Absence	Present	Present	Present	Leave of Absence	Present
Mr. Amit Ghosh *inducted w.e.f. 21 April '17*	n/a	n/a	n/a	n/a	n/a	n/a
Mr. Ashok Kumar Basu *retired w.e.f. 24 March '17*	Leave of Absence	Leave of Absence	Leave of Absence	Present	Present	n/a

Mr. Krishnava Dutt, Chairman of the Audit Committee was present at last AGM.

Nomination and Remuneration Committee

The Board has constituted a Nomination and Remuneration Committee in line with the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations.

The Committee, inter-alia, co-ordinates and oversees the annual performance evaluation of the Board, Committees and individual Directors.

The Committee has formulated a Remuneration Policy for Directors, Key Managerial Personnel (KMP) and other employees of the Company, which is available at *www.tatametaliks.com*.

The ToR of this Committee is governed by the regulatory requirements mandated by the Act and Listing Regulations. The broad functions of the Committee, as per the ToR, are as under:

1) Identify persons qualified to become Directors and recommending the same to the Board of Directors;
2) Oversight of the Company's nomination process for the senior management;
3) Formulate criteria for evaluation of performance of the Board as a whole, Committees and individual Directors;
4) Recommend annual increment, performance linked bonus payable, etc., payable to the Managing Director within the salary scale, approved by Shareholders; and
5) Recommend annual increment(s) etc., payable to the Key Managerial Personnel of the Company.

During the year under review, there were 4 (Four) Meetings of NRC held on 28 April, 2016, 29 June, 2016, 24 January, 2017 and 14 March, 2017.

The Composition and attendance of Members are given below:

Name of Directors	Attendance at Meetings of NRC held on			
	28 April 2016	29 June 2016	24 January 2017	14 March 2017
Dr. Pingali Venugopal *Chairman*	Present	Present	Present	Present
Mr. Koushik Chatterjee	Present	Present	Present	Present
Mr. Krishnava Dutt	Present	Present	Present	Present

Remuneration policy for Board and Senior Management

The Board has approved the Remuneration Policy for Directors, KMPs and all other employees of the Company which is not annexed herewith to maintain brevity of this report, but is available at *www.tatametaliks.com/static-files/pdf/policies/TML-NRC-policy.pdf.*

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

Details of Sitting Fees, Commission and other emoluments paid/ payable to Directors during FY-17 are as follows:

Non-Executive Directors ₹

Name of Directors	Category	Sitting Fees	Commission	Total
Mr. Koushik Chatterjee	Non-Executive	NIL	NIL	NIL
Mr. Krishnava Dutt	Independent	3,40,000	14,20,455	17,60,455
Dr. Pingali Venugopal	Independent	5,00,000	18,18,182	23,18,182
Mr. Amit Ghosh	Additional Independent	20,000	56,818	76,818
Dr. Rupali Basu	Additional Independent	20,000	56,818	76,818
Ms. Samita Shah*	Non-Executive	1,00,000	7,95,455	8,95,455
Mr. Ashok Kumar Basu *retired w.e.f. 24 March '17*	Independent	2,20,000	8,52,272	10,72,272
Total		**12,00,000**	**50,00,000**	**62,00,000**

**Ms. Samita Shah being Tata Steel's nominee has waived off her share of commission amounting to ₹ 7,95,455/- as per Policy. Hence, the total amount of commission payout is ₹ 42,04,545/- i.e. lower by ₹ 7,95,455/- (to the extent of the share of Ms. Shah).*

Executive Directors

Name of Directors	Salary	Perquisites and Allowances	Contribution to Provident, Superannuation and Gratuity Fund	Performance Linked Bonus for FY 2016-17	Total
Mr. Sanjiv Paul, MD	48,85,200	48,55,188	13,19,004	89,56,200	2,00,15,592
Mr. Sandeep Kumar, ED	N/A	N/A	N/A	N/A	N/A

Note: Performance linked bonus payable to Managing Director and Commission to Non-Executive Directors have been recommended by the NRC on 21 April, 2017, pending approval of the Shareholders in the AGM to be held on 26 July, 2017.

The appointments of Executive Director(s) is governed by the resolutions passed by the Board and the Shareholders of the Company, which covers all broad terms and conditions of such appointment(s). No separate Service Contract is entered into by your Company with those elevated to the Board from the management or other group/ associate companies. Appointment letters are issued to IDs, incorporating their roles, duties, responsibilities, etc. There is no additional provision for payment of severance fee for the appointment of Executive Directors, all of whom have been appointed within the group/ associate companies. However, all applicable statutory provisions with respect to severance and notice period will apply.

Stakeholders' Relationship Committee

The Board has constituted a Stakeholders' Relationship Committee (SRC) in line with Section 178(5) of the Act and Regulation 20 of the Listing Regulations.

The ToR of the Committee are governed by the regulatory requirements mandated by the Act and Listing Regulations. The broad functions of the Committee, as per the ToR, are as under:

1) To review the redressal mechanism of grievances of security holders; and
2) To consider and resolve the investor complaints relating to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

During the year under review, there were 4 (four) meetings of SRC held on 15 April, 2016, 24 June, 2016, 31 August, 2016 and 23 February, 2017.

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

Composition and Attendance details are given below:

Name of Directors	Attendance at Meetings of SRC held on			
	15 April 2016	24 June 2016	31 August 2016	23 February 2017
Dr. Pingali Venugopal *Chairman*	Present	Present	Present	Present
Mr. Sanjiv Paul	Present	Present	Present	Present
Mr. Sandeep Kumar *inducted w.e.f. 21 April '17*	n/a	n/a	n/a	n/a
Dr. Rupali Basu *inducted w.e.f. 21 April '17*	n/a	n/a	n/a	n/a
Mr. Ashok Kumar Basu *Retired w.e.f. 24 March '17*	Present	Present	Present	Present

Details of Shareholders' Complaints received, resolved & pending during FY-17

Particulars	Nos.
Complaints pending as on 1 April, 2016	NIL
Complaints received during the year ended 31 March, 2017	52
Complaints resolved during the year ended 31 March, 2017	51
Complaints pending as on 31 March, 2017	1

Name, designation and address of Compliance Officer:

Mr. Sankar Bhattacharya
Chief - Corporate Governance and Company Secretary
Tata Centre, 10th Floor, 43, J.L. Nehru Road, Kolkata - 700071
Phone - 033 66134200; Fax- 033 22884372
Email - investors@tatametaliks.co.in

Corporate Social Responsibility Committee

As prescribed under the Act, a Corporate Social Responsibility (CSR) Committee of the Board oversees and provides direction to the Company's various CSR activities. The Board has constituted a CSR Committee under Section 135 (1) of the Act.

The ToR of the Committee is governed by the regulatory requirements mandated by the Act and Listing Regulations. The broad functions of the Committee, as per the ToR, are as under:

1) Formulate and recommend to the Board, a Corporate Social Responsibility Policy;
2) Recommend the amount of expenditure to be incurred on CSR activities;
3) Review performance of the Company in the areas of CSR; and
4) Monitor CSR Policy from time to time.

The CSR policy is available at : *www.tatametaliks.com.*

During the year under review, there were 3 (three) meetings of CSR Committee held on 28 April, 2016, 27 September, 2016 and 23 February, 2017.

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

Composition and Attendance details of the Members are given below:

Name of Directors	Attendance at Meetings of CSR Committee held on		
	28 April 2016	27 September 2016	23 February 2017
Dr. Pingali Venugopal *Chairman*	Present	Present	Present
Mr. Sanjiv Paul	Present	Present	Present
Ms. Samita Shah	Present	Present	Leave of absence
Mr. Sandeep Kumar *inducted w.e.f. 21 April '17*	n/a	n/a	n/a
Dr. Rupali Basu *inducted w.e.f. 21 April '17*	n/a	n/a	n/a

Risk Management Committee

Your Company has a robust risk management framework to monitor, identify, evaluate and manage enterprise risks. The Board has constituted a Risk Management Committee for monitoring the risk management framework of the Company.

The terms of reference of Risk Management Committee are as follows:

1) To frame and recommend to the Board a Risk Management Policy;

2) To monitor and evaluate the effectiveness of risk management framework of the Company; and

3) To oversee implementation of risk mitigation plans.

During the year under review, there was 1 (one) meeting of the Risk Management Committee held on 3 October, 2016.

Composition and Attendance details of the Members are given below:

Name of Members	Attendance at Meeting of Risk Management Committee held on 3 October 2016
Mr. Sanjiv Paul, Managing Director - *Chairman*	Present
Ms. Samita Shah, Director - *Member*	Present
Mr. Subhra Sengupta, CFO - *Management representative*	Present
Mr. Sandeep Kumar, Executive Director - *Member*	n/a
Mr. Amit Ghosh, Independent Director - *Member*	n/a

General Body Meetings

i. Location and Time where Annual General Meetings of last three years were held:

Financial Year	Details of Location	Date & Time
2013-14	Rotary Sadan, Rotary Children Welfare Trust, Kolkata-700020	10 September, 2014 at 3.00 p.m.
2014-15	Kala Mandir, 48 Shakespeare Sarani, Kolkata-700017	24 September, 2015 at 2.00 p.m.
2015-16	Kala Mandir, 48 Shakespeare Sarani, Kolkata-700017	29 June, 2016 at 3.00 p.m.

No Extra-Ordinary General Meeting of Shareholders was held during the year.

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

ii. Special Resolutions passed in previous three Annual General Meetings:

Shareholders' Meeting	Special Business requiring Special Resolution
24th AGM 10 September, 2014	1. Increase in borrowing limits; 2. Creation of Charges on movable and immovable properties of the Company, both present and future, in respect of borrowings
25th AGM 24 September, 2015	NIL
26th AGM 29 June, 2016	Commission to Non-Executive Directors of the Company

No resolution was passed by the Company last year through Postal Ballot. None of the businesses proposed to be passed at the ensuing AGM require passing a resolution through Postal Ballot.

The Company had appointed Mr. P. V. Subramanian, Practicing Company Secretary, to conduct and scrutinise the e-voting process.

Communication to the Shareholders

In accordance with Regulation 47 of the Listing Regulations, quarterly, half-yearly and annual financial results of your Company are published in Business Standard (English - all editions) and Aajkaal (Bengali). As required under Regulation 46 of the Listing Regulations, the results are also displayed on the Company's website at *www.tatametaliks.com* after its dissemination to the Stock Exchanges.

All price-sensitive information and requisite material disclosures are also displayed on the website of the Company after its dissemination to the Stock Exchanges. The Company's website is a comprehensive reference for all stakeholders as prescribed under the Listing Regulations.

Disclosures to Shareholders

Disclosure regarding Appointment / Re-appointment of Directors

In terms of Section 152 of the Act, Ms. Samita Shah will retire at the ensuing AGM and is eligible for re-appointment.

In terms of Section 161 of the Act, Mr. Amit Ghosh and Dr. Rupali Basu were appointed as Additional (Independent) Directors w.e.f. 24 January, 2017 and they hold office up to the date of the ensuing AGM.

Mr. Sandeep Kumar was appointed as an Additional Director w.e.f. 20 March, 2017 and was also appointed as an Executive Director of the Company w.e.f. 10 April, 2017. Mr. Sandeep Kumar has been subequently appointed as Managing Director of the Company w.e.f. 1 July, 2017.

The Company has received requisite notices under Section 160 of the Act proposing candidature of Mr. Amit Ghosh, Dr. Rupali Basu and Mr. Sandeep Kumar as Directors of the Company at the ensuing AGM.

The detailed profiles of Ms. Samita Shah, Mr. Amit Ghosh, Dr. Rupali Basu and Mr. Sandeep Kumar are provided in the Annexure to the Notice of AGM, as required under Regulation 36 (3) of the Listing Regulations.

General Shareholder Information

AGM Details:

Day	Wednesday
Date and Time	26 July, 2017 at 10.30 a.m.
Venue	Kala Mandir, 48 Shakespeare Sarani, Kolkata-700017

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

Date of Book Closure:

Book Closure Date	15 July, 2017 to 26 July, 2017 (both days inclusive)	For the purpose of AGM and payment of dividend

Tentative Financial Calendar:

Financial Year 2017-18	
1st quarter result	July, 2017
2nd quarter & half-yearly result	October, 2017
3rd quarter result	January, 2018
4th quarter & annual result	April, 2018

Dividend Payment Date:

Dividend Payment Date	29 July, 2017

Names and Addresses of the Stock Exchanges and Stock Codes

Name of the Stock Exchange	ISIN	Stock Code
National Stock Exchange of India Ltd. ("NSE") 5, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	INE056C01010	TATAMETALI
BSE Limited ("BSE") Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	INE056C01010	513434

Listing Fees as applicable have been paid on 17 April, 2017 to NSE and BSE.

Market Price Data

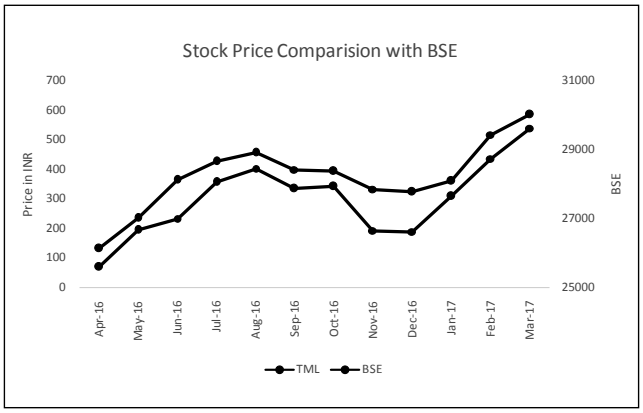
The monthly high and low prices and trading volume of shares of your Company at BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) for the year ended 31 March, 2017 are as under:

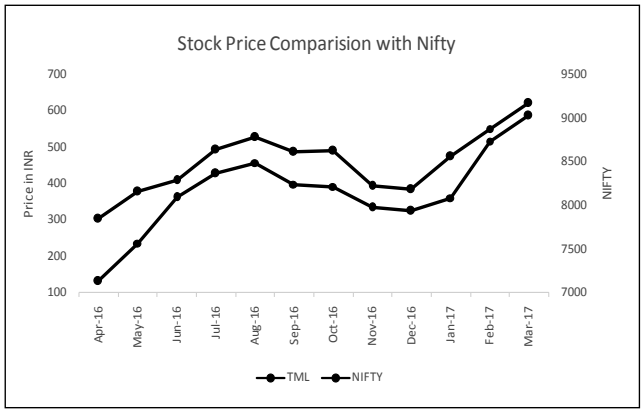
Month	BSE			NSE		
	High (in ₹)	Low (in ₹)	Volume (No. of shares)	High (in ₹)	Low (in ₹)	Volume (No. of shares)
April-16	132.60	96.30	20,71,808	132.90	96.05	1,01,14,792
May-16	272.30	115.50	37,00,607	272.00	115.65	1,26,31,811
June-16	409.70	235.00	49,26,357	410.00	231.20	1,68,86,313
July-16	512.90	335.75	92,09,856	512.70	335.00	3,88,99,609
August-16	475.00	401.00	50,24,746	474.50	400.00	1,70,14,262
September-16	461.35	338.55	18,39,131	461.50	341.00	69,60,769
October-16	449.00	358.00	18,77,845	447.75	358.55	79,36,749
November-16	395.90	280.00	15,90,109	396.45	280.00	51,07,992
December-16	381.40	310.45	35,13,197	381.40	309.60	1,21,23,600
January-17	369.00	323.65	17,99,064	368.90	323.30	73,46,275
February-17	526.75	363.00	36,10,933	526.40	362.90	1,53,43,955
March-17	590.00	478.80	30,73,584	589.70	478.10	1,30,28,296

*source: BSE and NSE

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

Stock price performance as compared to BSE and NSE(Sensex & NIFTY)for year ended 31 March, 2017





Registrar and Transfer Agent and Share Transfer Process

Shareholders holding shares in physical form are requested to correspond with the Company's Registrar and Transfer Agent (RTA) - R & D Infotech Pvt. Ltd. quoting their Folio No. / DP ID & Client ID at the following address:-

R & D Infotech Pvt. Ltd.
1st Floor, 7A, Beltala Road
Kolkata - 700 026.
Phone : +91-33-24192642
Telefax : +91-33-24761657
E-mail : *rd.infotech@vsnl.net; tml@rdinfotech.in; rdinfotech@yahoo.com*

Shareholders holding shares in electronic form should address their correspondence, except those relating to dividend, to their respective Depository Participants (DPs).

Your Company has a Stakeholders' Relationship Committee to examine and redress investors' complaints. The status of complaints and share transfers are reported periodically to the Board at its Meetings. Share transfer in physical form can be lodged with the Company's RTA. The transfers are normally processed within 10 working days from the date of receipt, provided the documents are complete in all respects.

In terms of Regulation 40(9) of the Listing Regulations, certificates on half-yearly basis, have been issued by a Practicing Company Secretary with respect to due compliances of share transfer formalities etc., by the Company.

Nomination Facility

If any Shareholder holding shares in physical form wishes to appoint or change nominee for their shareholding(s) in the Company, he / she may submit Form SH-13/ SH-14 as the case may be to the Company's RTA as required under Section 72 of the Act.

Shareholders holding shares in electronic form should contact their respective DPs to avail this facility.

Shares Held in Electronic Form

Shareholders holding shares in electronic form may please note that instructions regarding change of address, bank details, email ids, nomination and power of attorney should be given directly to their concerned DPs.

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

Shares Held in Physical Form

Shareholders holding shares in physical form may please note that instructions regarding change of address, bank details, email ids, nomination and power of attorney should be given directly to the Company's RTA i.e. R & D Infotech Pvt. Ltd.

Dematerialisation of Shares and Liquidity

The Company's shares are traded compulsorily in electronic form. We have established connectivity with both the depositories in India – National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The International Securities Identification Number (ISIN) allotted to the Company's shares under the Depository System is INE056C01010.

As on 31 March, 2017, a total of 2,37,08,358 shares of the Company, representing 93.75% of the total shares are in dematerialised form.

Designated E-mail Address for Investor Services

As required under Regulation 46 of the Listing Regulations, the designated e-mail address for investor services, i.e. *investors@tatametaliks.co.in* is provided on the website of the Company to serve you better.

Updation of Bank Details for Remittance of Dividend / Cash Benefits in Electronic Form

Securities and Exchange Board of India ("SEBI") vide its Circular No. CIR/MRD/DP/10/2013 dated 21 March, 2013 ("Circular") had ordered the listed companies, RTAs, Depositories and Stock Exchanges to use various electronic payment modes such as ECS [LECS (Local ECS) / RECS (Regional ECS) / NECS (National ECS)] and NEFT, among others, which were approved by the Reserve Bank of India ("RBI"), for distributing dividends and other cash benefits to Shareholders.

The Circular further states that if the bank details such as MICR (Magnetic Ink Character Recognition), IFSC (Indian Financial System Code), etc. that are required for making electronic payment are not available or the electronic payment instructions have failed or have been rejected by the bank, companies or their RTA may use physical payment instruments for making cash payments to the investors.

As per Regulation 12 of the Listing Regulations, where it is not possible to use electronic mode of payment, 'payable-at-par' warrants or cheques may be issued for payment of dividend.

Shareholders should also note that payment of dividend and other cash benefits through electronic mode has many advantages like prompt credit, elimination of fraudulent encashment/ delay in transit and more. They are requested to opt for any of the above mentioned electronic modes of payment of dividend and other cash benefits and update their bank details:

- In case of holdings in dematerialised form, by contacting their DP and giving suitable instructions to update the bank details in their demat account.
- In case of holdings in physical form, by informing the Company's RTA, through a signed request letter with details such as folio No(s), Name and Branch of the Bank in which they wish to receive the dividend, the Bank Account No. allotted by their respective banks after implementation of Core Banking Solutions ("CBS"), the 9 digit MICR Code No. and the 11 digit IFSC Code. This request letter should be supported by a cancelled cheque bearing the name of the first holder.

Investor Awareness

We have provided subscription facilities to our investors for investors' alerts regarding, annual results, press release and quarterly results. We also encourage our investors to visit the Company's website regularly for recent updates and to write to us regarding their rights and shareholdings.

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

Distribution of Equity Shareholding as on 31 March, 2017

No. of Ordinary Shares held	No. of Shareholders	%age of total Shareholders	No. of Shares	Percentage of total number of Shares
1 – 500	50,828	95.58%	51,18,244	20.24%
501 – 1000	1,330	2.50%	10,57,312	4.18%
1001 – 10000	938	1.76%	24,62,541	9.74%
10001 – 50000	67	0.13%	13,96,538	5.52%
50001 and above	18	0.03%	1,52,53,365	60.32%
Total	**53,181**	**100.00%**	**2,52,88,000**	**100.00%**

Categories of Shareholders as on 31 March, 2017

Shareholders	No of Shareholders	% of total Shareholders	No of Shares	Shareholding %age
Promoter	1	0.00%	1,26,67,590	50.09%
UTI/ Mutual Fund/ Banks	15	0.03%	7,98,198	3.16%
Insurance Companies	2	0.00%	5,15,000	2.04%
FIs (Trust)	12	0.02%	27,426	0.11%
Corporate Bodies	932	1.75%	16,82,904	6.65%
Resident Individuals	51687	97.19%	90,43,635	35.76%
State Government - WBIDC	1	0.00%	2,50,000	0.99%
FIIs/ NRIs/ OCBs	531	1.00%	3,03,247	1.20%
Total:	**53181**	**100.00%**	**2,52,88,000**	**100.00%**

Top 10 Shareholders as on 31 March, 2017

Name of Shareholders	No. of Shares held	% of Share Capital
Tata Steel Limited	1,26,67,590	50.09%
Dolly Khanna	2,67,108	1.06%
The Oriental Insurance Company Limited	2,65,000	1.05%
General Insurance Corporation of India	2,50,000	0.99%
West Bengal Industrial Development Corporation Ltd	2,50,000	0.99%
Nirmal Bang Financial Services Pvt. Ltd.	2,00,168	0.79%
Birla Sun Life Trustee Company Private Limited A/C Birla Sun Life Small and Midcap Fund	1,93,000	0.76%
Birla Sun Life Trustee Company Private Limited A/C Birla Sun Life Balanced Advantage Fund	1,66,700	0.66%
Bhavesh Dhireshbhai Shah	1,62,516	0.64%
DSP Blackrock Micro Cap Fund	1,62,370	0.64%

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

Outstanding Global Depository Receipts (GDRs) / American Depository Receipts (ADRs) / Warrants/ any convertible instruments, conversion date and likely impact on equity

Your Company has not issued any GDRs/ ADRs/ Warrants or any convertible instruments and hence as on 31 March, 2017 your Company does not have any outstanding GDRs/ ADRs/ Warrants or any convertible instruments.

Commodity Price Risk or foreign exchange risk and hedging activities

With respect to the commodity price, currency risk etc. please refer Management Discussion & Analysis Report.

Location of the Plant :

Village Maheshpur, P.O. Samraipur
Kharagpur, Dist. West Midnapur, West Bengal - 721301
Phone : +91-3222-233325, 233877, 233290
Telefax : +91-3222-233316
Email : tml@tatametaliks.co.in

Address for correspondence

Tata Metaliks Limited
Tata Centre, 10th Floor
43, J L Nehru Road
Kolkata – 700 071
Phone: +91-33-66134200,
Fax : +91-33-2288 4372
Email: investors@tatametaliks.co.in

Other disclosures:

Related Party Transactions

All transactions entered into with related parties, as defined under Section 2 (76) of the Companies Act, 2013 and Regulation 23 of the Listing Regulations, during the year under review were on an arm's length basis and in the ordinary course of business. These have been duly approved by the Audit Committee.Transactions with related parties, as per requirements of Accounting Standard 18, are disclosed in notes to accounts annexed to the financial statements, forming part of the Annual Report.

There are no materially significant transactions with related parties' viz. Promoters, Directors or the Management, or their relatives or subsidiaries that had potential conflict of interest with the Company. There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which has potential conflict with the interests of the Company at large.

Suitable disclosure as required by the IND AS - 24 has been made in the Annual Report. The Company has followed all relevant Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015 while preparing Financial Statements.The duly adopted Policy on Related Party Transactions is available on the Company's website at http://www.tatametaliks.com/static-files/pdf/policies/rpt-policy.pdf

Policy for determining Material Subsidiaries

The Company has formulated a Policy for Determining Material Subsidiaries and the same is available on the Company's website at http://www.tatametaliks.com/static-files/pdf/policies/policy-on-material-subsidiary.pdf

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

Details of Compliance

The Company has complied and disclosed all mandatory corporate governance requirements as stipulated in Regulations 17 to 27 and sub-regulation (2) of Regulation 46 of Listing Regulations (relating to disclosure on the website of the Company).

The Company has complied with all applicable rules and regulations as prescribed by the Stock Exchanges, SEBI or any statutory authority relating to capital markets during the last 3 (three) years.

There has been no instance of any non-compliance with any legal requirement. No penalties or strictures have been imposed on the Company.

Vigil Mechanism / Whistle Blower Policy

In accordance with Regulation 22 of the Listing Regulations, the Company has formulated a Whistle Blower Policy which is also available at *http://www.tatametaliks.com/static-files/pdf/whistleblower-policy.pdf.* Under the Policy, no personnel has been denied access to the Ethics Counsellor / Chairman of the Audit Committee.

Non-mandatory disclosures

The Company has fulfilled the following non-mandatory requirements as prescribed in Part E of Schedule II of the Listing Regulations:-

a) The Auditors have provided an unmodified audit opinion on the financial statements of the Company.

b) Mr. Koushik Chatterjee is the Chairman and Mr. Sanjiv Paul is the Managing Director of the Company. The Company has complied with the requirements of having separate persons to the positions of Chairman and Managing Director respectively.

c) The Internal Auditor reports directy to the Audit Committee.

Reconciliation of share capital audit

A qualified Practicing Company Secretary had carried out the share capital audit to reconcile the total admitted equity share capital with "NSDL" and "CDSL" and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

CEO and CFO Certification

In line with Regulation 17(8) read with Schedule II Part B of the Listing Regulations, the Managing Director and Chief Financial Officer have given appropriate certification to the Board of Directors.

Certificate on Corporate Governance

As required by Regulation 34(3) and Schedule V (E) of the Listing Regulations, the requisite certificate is annexed to this report.

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE CODE OF CONDUCT

This is to confirm that the Company has adopted the Tata Code of Conduct for its employees including the Managing Director and the Whole-time Directors. In addition, the Company has adopted the Tata Code of Conduct for the Non-Executive Directors. Both these Codes are available on the Company's website at *www.tatametaliks.com*

I confirm that the Company has in respect of the Financial Year ended 31 March, 2017, received from the Senior Management Team of the Company and the Members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Members of the Management one level below the Managing Director as on 31 March, 2017.

sd/-
Sanjiv Paul
Managing Director
DIN: 00086974

Kolkata, June 1, 2017

CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members
Tata Metaliks Limited.

I have examined the compliance of conditions of Corporate Governance by Tata Metaliks Limited ("the Company") for the year ended on 31 March 2017, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [collectively referred to as "SEBI Listing Regulations, 2015"].

The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company. My examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI Listing Regulations, 2015, to the extent applicable to the Company during the year under report.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Kolkata
Date : 1 June, 2017

P V SUBRAMANIAN
Company Secretary in Whole-time Practice
ACS No.: 4585
C.P. No.: 2077

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

ANNEXURE - E

Form No. MR - 3

SECRETARIAL AUDIT REPORT

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

For the financial year ended 31 March, 2017

To,
The Members,
Tata Metaliks Limited.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Tata Metaliks Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis of evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that, in my opinion, the Company has, during the audit period covering the financial year ended on 31 March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:-

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2017 according to the provisions of:
   - (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
   - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
   - (iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed thereunder;
   - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; and
   - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
     - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
     - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
     - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
     - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; and
     - (e) The Securities and Exchange of India (Depositories and Participants) Regulations, 1996.

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were ***not applicable*** to the Company during the financial year under report:-

   (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

   (b) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

   (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

   (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

3. As per information provided by the management, there is no law applicable specifically to the Company vis-à-vis the industry to which the Company belongs.

4. I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other laws applicable to the Company. The list of major head/groups of Acts, Laws and Regulations as applicable to the Company is given in **Appendix-I**.

5. I have also examined compliance with the applicable clauses of the following:-

   (i) Secretarial Standards with respect to board and general meetings issued by the Institute of Company Secretaries of India; &

   (ii) The Listing Agreements entered into by the Company with the Stock Exchanges.

6. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

7. I further report that:

   (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act;

   (ii) Adequate notice is given to all Directors to schedule the Board Meetings; agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting; and

   (iii) Decisions at the Board Meetings, as represented by the management, were taken unanimously.

8. I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

9. I further report that during the year under report, the Company has undertaken the following event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above, viz:-

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

Amalgamation of Tata Metaliks DI Pipes Ltd. ("transferor Company") (a WoS) with the Company.

10. This report is to be read with my letter of even date which is annexed as **Appendix-II** and forms an integral part of this report.

P V Subramanian
Company Secretary in Whole-time Practice
ACS No.: 4585
C.P. No. : 2077

Place : Kolkata
Date : 1 June, 2017

Appendix - I

(To the Secretarial Audit Report to the Members of Tata Metaliks Limited for the financial year ended 31 March, 2017)

List of laws applicable to the Company and its manufacturing plant:

Registered Office:

Situated at:-'Tata Centre", 10th Floor, 43, J L Nehru Road, Kolkata-700071.

Manufacturing Plant:

Located at:- Kharagpur, West Bengal.

Under the Major Group and Head:

a. Labour Laws:-

Factories Act, 1948.
Industrial Disputes Act, 1947
The Payment of Wages Act, 1936
The Minimum Wages Act, 1948
Employees' State Insurance Act, 1948
The Employees Provident Funds and Miscellaneous Provisions Act, 1952
The Payment of Bonus Act, 1965
The Payment of Gratuity Act, 1972
The Contract Labour (Regulation & Abolition) Act, 1970
The Maternity Benefit Act, 1961
The Child Labour (Prohibition & Regulation) Act, 1986
The Industrial Employment (Standing Order) Act, 1946
The Employees' Compensation Act, 1923
The Apprentices Act, 1961;
Equal Remuneration Act, 1976;
The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959; &
The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

b. Environmental Laws:-

Water (Prevention and Control of Pollution) Act, 1974.
Water (Prevention and Control of Pollution) Cess Act, 1977.
Air (Prevention and Control of Pollution) Act, 1981.
Environment (Protection) Act, 1986
The Public Liability Insurance Act, 1991.
Hazardous wastes (Management, Handling and Trans boundary Movement) Rules, 2008.

P V SUBRAMANIAN
Company Secretary in Whole-time Practice
ACS No. : 4585
C.P. No. : 2077

Place : Kolkata
Date : 1 June, 2017

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

Appendix - II

(To the Secretarial Audit Report to the Members of Tata Metaliks Limited for the financial year ended 31 March, 2017)

To,
The Members,
Tata Metaliks Limited

My Secretarial Audit Report for the financial year ended 31 March, 2017 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts reflected on secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

P V SUBRAMANIAN
Company Secretary in Whole-time Practice
ACS No. : 4585
C.P. No. : 2077

Place : Kolkata
Date : 1 June, 2017

ANNEXURE - F

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31 March, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

(i)	**CIN**	L27310WB1990PLC050000
(ii)	**Registration Date**	10-10-1990
(iii)	**Name of the Company**	Tata Metaliks Limited
(iv)	**Category/Sub-Category of the Company**	Public Limited Company
(v)	**Address of the Registered Office and contact details**	Tata Centre, 10th Floor 43, J. L. Nehru Road, Kolkata - 700 071 Phone : +91-033-66134200
(vi)	**Whether listed Company**	Listed
(vii)	**Name, Address and Contact details of Registrars and Transfer Agent, if any**	M/s R & D Infotech Pvt. Ltd. 7A, Beltala Road Kolkata - 700026. Phone : +91-033-24192642

II. PRINCIPAL BUSINESS ACTIVITIES OF THE Company

All the business activities contributing 10% or more of the total turnover of the Company shall be stated

Sl. No.	Name and Description of main Product/ Services	NIC Code of the Product/Service	% to Total Turnover of the Company
1.	Manufacturing and selling of Pig Iron	24101	40
2.	Manufacturing and selling of Ductile Iron Pipe	24311	60

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SL. No.	Name and Address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	Tata Steel Limited Bombay House, 24, Homi Mody Street Fort, Mumbai - 400 001	L27100MH1907PLC000260	Holding Company	50.09%	2 (46)

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A) Category-wise Share Holding

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year [As on 1 April, 2016]				No. of Shares held at the end of the year [As on 31 March, 2017]				% Change during the Year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**Promoters**									
1.	**Indian**									
	a) Individual/ HUF									
	b) Central Govt									
	c) State Govt(s)									
	d) Bodies Corp.	12667590	0	12667590	50.09%	12667590	0	12667590	50.09%	0.00%
	e) Banks/FI									
	f) Any other									
	Total shareholding of Promoter (A)	**12667590**	**0**	**12667590**	**50.09%**	**12667590**	**0**	**12667590**	**50.09%**	**0.00%**
B.	**Public Shareholding**									
1.	**Institutions**									
	a) Mutual Funds	0	500	500	0.00%	797698	500	798198	3.16%	3.15%
	b) Banks/FI	20035	100	20135	0.08%	25126	100	25226	0.10%	0.02%
	c) Central Govt	0	0	0	0.00%	0	0	0	0.00%	0.00%
	d) State Govt(s)	250000	0	250000	0.99%	250000	0	250000	0.99%	0.00%
	e) Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
	f) Insurance Companies	591451	0	591451	2.34%	515000	0	515000	2.04%	-0.30%
	g) FIIs	0	500	500	0.00%	109181	500	109681	0.43%	0.43%
	h) Foreign Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
	i) Others (specify)	0	0	0	0.00%	0	0	0	0.00%	0.00%
	Sub-total (B)(1)	**861486**	**1100**	**862586**	**3.41%**	**1697005**	**1100**	**1698105**	**6.72%**	**3.30%**
2.	**Non-Institutions**									
	a) Bodies Corp.									
	i) Indian	993246	8900	1002146	3.96%	904170	8700	912870	3.61%	-0.35%
	ii) Overseas	0	0	0	0.00%	0	0	0	0.00%	0.00%
	b) Individuals									
	i) Individual Shareholders holding nominal share capital upto Rs. 1 lakh	7000081	1636962	8637043	34.15%	6224939	1569742	7794681	30.82%	-3.33%
	ii) Individual share-holders holding nominal share capital in excess of Rs. 1 lakh	1694809	0	1694809	6.70%	1248954	0	1248954	4.94%	-1.76%

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year [As on 1 April, 2016]				No. of Shares held at the end of the year [As on 31 March, 2017]				% Change during the Year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	c) Others (Specify)									
	i) Non Resident Indians	171098	100	171198	0.68%	193466	100	193566	0.77%	0.09%
	ii) Overseas Cor porate Bodies	0	0	0	0.00%	0	0	0	0.00%	0.00%
	iii) Foreign Nationals	0	0	0	0.00%	0	0	0	0.00%	0.00%
	iv) Clearing Members	251128	0	251128	0.99%	770034	0	770034	3.05%	2.05%
	v) Trusts	1500	0	1500	0.01%	2200	0	2200	0.01%	0.00%
	vi) Foreign Bodies – D R	0	0	0	0.00%	0	0	0	0.00%	0.00%
Sub Total (B)(2)		**10111862**	**1645962**	**11757824**	**46.50%**	**9343763**	**1578542**	**10922305**	**43.19%**	**-3.30%**
Total Public Shareholding (B)=(B)(1)+(B)(2)		**10973348**	**1647062**	**12620410**	**49.91%**	**11040768**	**1579642**	**12620410**	**49.91%**	**0.00%**
C. Shares held by Custodian for GDRs & ADRs		0	0	0	0.00%	0	0	0	0.00%	0.00%
Grand Total (A+B+C)		**23640938**	**1647062**	**25288000**	**100.00%**	**23708358**	**1579642**	**25288000**	**100.00%**	**0.00%**

B) Shareholding of Promoter-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the Year (as on 1 April, 2016)			Shareholding at the end of the Year (as on 31 March, 2017)			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of shares pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total shares	
1	Tata Steel Limited	12667590	50.09	0.00	12667590	50.09	0.00	Nil

C) Change in Promoters' Shareholding
Name of the Promoter- Tata Steel Limited

Sl. No.	Particulars	Shareholding		Cumulative Shareholding during the Year (1 April, 2016-31 March, 2017)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	**At the beginning of the year (1 April, 2016)**	**12667590**	**50.09**		
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc)	–	–	–	–
	At the end of the year (31 March, 2017)			**12667590**	**50.09%**

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

D) Shareholding Pattern of Top 10 Shareholders
(Other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	For Each of the Top 10 Shareholders	Particulars	Shareholding at the beginning of the year i.e. 1 April, 2016		Cumulative Shareholding during the Year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	**Dolly Khanna**					
	At the beginning of the year (1 April, 2016)		**0**	**0.00%**		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	22.04.2016- Buy	6300	0.02%	6300	0.02%
		27.05.2016- Buy	4117	0.02%	10417	0.04%
		03.06.2016- Buy	4949	0.02%	15366	0.06%
		10.06.2016- Buy	107916	0.43%	123282	0.49%
		17.06.2016- Buy	46232	0.18%	169514	0.67%
		24.06.2016- Buy	16761	0.07%	186275	0.74%
		30.06.2016- Buy	1000	0.00%	187275	0.74%
		08.07.2016- Buy	12607	0.05%	199882	0.79%
		29.07.2016- Buy	1351	0.01%	201233	0.80%
		26.08.2016- Buy	1550	0.01%	202783	0.80%
		30.09.2016- Buy	1870	0.01%	204653	0.81%
		13.01.2017- Sell	(2030)	(0.01%)	202623	0.80%
		03.02.2017- Buy	4330	0.02%	206953	0.82%
		10.02.2017- Buy	36843	0.15%	243796	0.96%
		17.02.2017- Buy	16032	0.06%	259828	1.03%
		24.02.2017- Buy	3550	0.01%	263378	1.04%
		03.03.2017- Buy	2535	0.01%	265913	1.05%
		17.03.2017- Buy	1195	0.00%	267108	1.06%
	At the end of the year (31 March, 2017)				**267108**	**1.06%**
2.	**The Oriental Insurance Company Limited**					
	At the beginning of the year (1 April, 2016)		**265000**	**1.05%**		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):		–	–	–	–
	At the end of the year (31 March, 2017)				**265000**	**1.05%**

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

3.	**General Insurance Corporation of India**					
	At the beginning of the year (1 April, 2016)		**326451**	**1.29%**		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	03.02.2017- Sell	(26451)	(0.10%)	300000	1.19%
		10.02.2017- Sell	(25000)	(0.10%)	275000	1.09%
		03.03.2017- Sell	(25000)	(0.10%)	250000	0.99%
	At the end of the year (31 March, 2017)				**250000**	**0.99%**
4.	**West Bengal Industrial Development Corporation Ltd.**					
	At the beginning of the year (1 April, 2016)		**250000**	**0.99%**		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc)		–	–	–	–
	At the end of the year (31 March, 2017)				**250000**	**0.99%**
5	**Nirmal Bang Financial Services Pvt. Ltd.**					
	At the beginning of the year (1 April, 2016)		**0**	**0.00%**		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	03.03.2017- Buy	200168	0.79%	200168	0.79%
	At the end of the year (31 March, 2017)				**200168**	**0.79%**
6.	**Birla Sun Life Trustee Company Private Limited A/C Birla Sun Life Small And Midcap Fund**					
	At the beginning of the year (1 April, 2016)		**0**	**0.00%**		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	03.03.2017- Buy	99800	0.39%	99800	0.39%
		10.03.2017- Buy	13500	0.05%	113300	0.45%
		17.03.2017- Buy	66700	0.26%	180000	0.71%
		24.03.2017- Buy	13000	0.05%	193000	0.76%
	At the end of the year (31 March, 2017)				**193000**	**0.76%**

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

7.	**Birla Sun Life Trustee Company Private Limited A/C Birla Sun Life Balanced Advantage Fund**					
	At the beginning of the year (1 April, 2016)		**0**	**0.00%**		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	03.03.2017- Buy	116700	0.46%	116700	0.46%
		10.03.2017- Buy	50000	0.20%	166700	0.66%
	At the end of the year (31 March, 2017)				**166700**	**0.66%**
8.	**Bhavesh Dhireshbhai Shah**					
	At the beginning of the year (1 April, 2016)		**116139**	**0.46%**		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	27.05.2016- Buy	30000	0.12%	146139	0.58%
		10.06.2016- Buy	10000	0.04%	156139	0.62%
		19.08.2016- Buy	3000	0.01%	159139	0.63%
		26.08.2016- Buy	1300	0.01%	160439	0.63%
		14.10.2016- Buy	2077	0.01%	162516	0.64%
	At the end of the year (31 March, 2017)				**162516**	**0.64%**
9.	**DSP Blackrock Micro Cap Fund**					
	At the beginning of the year (1 April, 2016)		**0**	**0.00%**		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	03.03.2017- Buy	161876	0.64%	161876	0.64%
		10.03.2017- Buy	494	0.00%	162370	0.64%
	At the end of the year (31 March, 2017)				**162370**	**0.64%**
10.	**Premier Investment Fund Limited**					
	At the beginning of the year (1 April, 2016)		**0**	**0.00%**		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	15.07.2016- Buy	4100	0.02%	4100	0.02%
		29.07.2016- Sell	(4100)	(0.02%)	0	0.00%
		19.08.2016- Buy	25000	0.10%	25000	0.10%
		04.11.2016- Sell	(15000)	(0.06%)	10000	0.04%
		10.02.2017-Buy	40000	0.16%	50000	0.20%
		24.02.2017- Buy	10000	0.04%	60000	0.24%
		03.03.2017- Buy	5000	0.02%	65000	0.26%
		10.03.2017- Buy	49000	0.19%	114000	0.45%
		17.03.2017- Buy	9448	0.04%	123448	0.49%
		24.03.2017- Buy	8305	0.03%	131753	0.52%
	At the end of the year (31 March, 2017)				**131753**	**0.52%**

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

E) Shareholding of Directors and Key Managerial Personnel (KMPs)

Sl. No.	Particulars	Shareholding		Cumulative Shareholding during the Year (1 April, 2016-31 March, 2017)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	**Nil**	**Nil**		
	Date wise Increase /Decreasein Shareholding during the year specifying the reasons for increase /decrease(e.g. allotment / transfer / bonus/ sweat equity etc.)	Nil	Nil	Nil	Nil
	At the end of the year			**Nil**	**Nil**

Note : None of the Directors or KMPs holds any share in the Company.

V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding / accrued but not due for payment

(₹ in Crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	106.67	281.39	22.00	410.07
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.63	0.33	3.18	4.13
Total (i+ii+iii)	**107.30**	**281.72**	**25.18**	**414.20**
Change in Indebtedness during the financial year				
• Addition	4.38	244.46	-	248.84
• Reduction	(44.13)	(53.13)	(22.00)	(119.27)
Net Change	(39.75)	191.33	(22.00)	129.58
Indebtedness at the end of the financial year				
i) Principal Amount	66.92	472.73	-	539.65
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.32	1.47	3.18	4.97
Total (i+ii+iii)	**67.24**	**474.20**	**3.18**	**544.62**

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in Crores)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. Sanjiv Paul	WTD	Manager	
1	Gross salary	–	–	–	–
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.49	–	–	0.49
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.49	–	–	0.49
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	–	–	–	–
2	Stock Option	–	–	–	–
3	Sweat Equity	–	–	–	–
4	Commission	–	–	–	–
	- as % of profit	–	–	–	–
	- others, specify…	–	–	–	–
5	Others, please specify – Performance Bonus*	0.89	–	–	0.89
	Retirement Benefit	0.13	–	–	0.13
	Total (A)	2.00	–	–	2.00
	Ceiling as per the Act	8.29	–	–	8.29

**The bonus has been recommended by the NRC on 21 April, 2017, pending approval of the Shareholders at the ensuing Annual General Meeting to be held on 26 July 2017.*

B. Remuneration to other Directors

₹ in Crores

Sl. No.	Name of Directors	Sitting Fees	Commission	Others, if any	Total
I	**Non-Executive Directors**				
1.	Ms. Samita Shah	0.010	0.080	–	0.090
	Total (I)	0.010	0.080	–	
II	Independent Directors			–	
1.	**Mr. Krishnava Dutt**	0.034	0.142	–	0.176
2.	**Mr. Ashok Kumar Basu**	0.022	0.085		0.107
3.	Dr. Pingali Venugopal	0.050	0.181	–	0.231
4.	Mr. Amit Ghosh	0.002	0.006	–	0.008
5.	Dr. Rupali Basu	0.002	0.006	–	0.008
	Total (II)	0.110	0.420	–	
	Grand Total (I+II)	0.120	0.500	–	0.620
	Overall ceiling as per the Companies Act, 2013	-	-	–	-

**Ms. Samita Shah being Tata Steel's nominee has waived off her share of commission amounting to ₹ 7,95,455/- as per Policy. Hence, the total amount of commission payout is ₹ 42,04,545/- i.e. lower by ₹ 7,95,455/- (to the extent of the share of Ms. Shah).*

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/WTD/MANAGER **₹ in Crores**

Sl. No.	Particulars of Remuneration	Name of KMPs		
		CS	CFO	Total
	Gross salary	Mr. Sankar Bhattacharya	Mr. Subhra Sengupta	
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.08	0.17	0.25
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.08	0.14	0.22
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–	–	–
2	Stock Option	–	–	–
3	Sweat Equity	–	–	–
4	Commission			
	- as % of profit	–	–	–
	others, specify…	–	–	–
5	Others, please specify - Performance Bonus	0.06	0.20	0.26
	- Retirement Benefits	0.02	0.05	0.07
	Total	**0.24**	**0.56**	**0.80**
	Overall Ceiling as per the Act	–	–	–

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. Company					
Penalty					
Punishment					
Compounding					
B. DirectorS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

NIL

Place: Kolkata
Date : 1 June 2017

sd/-
Mr. Sanjiv Paul
Managing Director
(DIN: 00086974)

sd/-
Mr. Sankar Bhattacharya
Chief-Corporate Governance
& Company Secretary
(ACS: 11438)

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

ANNEXURE - G

Conservation of Energy, Technology Absorption and Foreign Exchange, Earnings and Outgo

Pursuant to Section 134(3)(m) of the Companies Act, 2013 and Rules framed thereunder

(A) Conservation of energy

Conservation of Energy		
Category	**Action Taken**	**Impact / Result**
1. Reduction in Coke consumption	Reduction of coke rate by increasing HBT from 980°C to 1030°C by installing waste heat recovery system from MBF 2 stove (BFG & combustion air preheater).	1. Increase of HBT by 50°C & reduction of coke rate by 6kg/THM. Monetary saving of Rs. 1.51 crore/year (appx.)
2. Reduction in electrical energy	1. Installation of LED lights across 56 locations in plant to optimise Illumination level in TML.	1. Achieved desired Lux level as per statutory requirement. Reduction of energy consumption by 69532 KWH/ yr. Monetary saving (due to reduction in energy consumption & spare parts replacement) of ₹ 7.17 Lakhs/yr. (approx)
	2. Installation of VVFD in 14 no fan.	2. Power saving of 1218000 KWH/yr. Monetary saving of ₹ 91.35 Lakhs/yr (approx)
3. Use of alternate source of energy	Planned for 150 kW solar power plant in FY-18.	Proposed saving of ₹ 150 Lakhs/yr
4. Investment on energy conservation	Installation of air pre-heater, VVF drives and LED lights	₹ 2.8 crores (Approx)

(B) Technology Absorption

1. Efforts made towards technology absorption	Nil
2. The benefits derived like product improvement, cost reduction, product development or import substitution	Nil
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished : a) Technology imported b) Year of import c) Has technology been fully absorbed?	Nil
4. The expenditure incurred on research and development	1. Nitrogen injection in Sinter cooler to improve the quality of sinter 2. Slag fluidizer trial in Blast Furnace to use high Alumina raw material.

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

(C) Foreign exchange earnings and Outgo-

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows are mentioned below :

Particulars	₹ in Crore
Expenditure	
Interest	12,97
Foreign travel	1.60
Others	6.90
Total expenditure	21.47
Total earnings	328.84

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
TATA METALIKS LIMITED

Report on the Ind AS Financial Statements

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

Management's Responsibility for the Ind AS Financial Statements

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

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

Auditor's Responsibility

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

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

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

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

INDEPENDENT AUDITOR'S REPORT (Contd.)

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

Opinion

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

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

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements;

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

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

INDEPENDENT AUDITOR'S REPORT (Contd.)

iv. The Company has provided requisite disclosures in the Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the November 08, 2016 of the Ministry of Finance, during the period from November 08 2016 to December 30 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

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

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

Abhijit Bandyopadhyay
Partner
(Membership No. 054785)

Kolkata, 21 April, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of **TATA METALIKS LIMITED** ("the Company") as of March 31, 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

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

Abhijit Bandyopadhyay
Partner
(Membership No. 054785)

Kolkata, 21 April, 2017

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

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

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / lease deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for loans are held in the name of the Company based on the confirmations directly received by us from lenders. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

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

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

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

(v) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.

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

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

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

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

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

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2017 on account of disputes are given below:

Name of statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (₹ in lakhs)	Amount unpaid (₹ in lakhs)
The Income Tax Act, 1961	Income Tax	High Court – Calcutta	1993-94, 1999-00, 2001-02 & 2009-10	328.15	328.15
		Tribunal	2008-09, 2009-10 & 2010-11	307.33	307.33
		Commissioner (Appeal)	2011-12 & 2012-13	846.99	846.99
Central Excise and Service Tax Act	Excise/ Service Tax	Tribunal	2002-03 to 2011-12	9,028.21	9,017.96
		Commissioner (Appeal)	2000-01 to 2009-10	108.53	108.53
		Commissioner	2005-06 to 2011-12	718.94	718.94
		Additional Commissioner	2003-04 to 2010-11 & 2012-13 to 2015-16	217.18	217.18
		Joint Commissioner	2010-11	43.76	43.76
		Assistant Commissioner	2010-11 to 2014-15	88.56	88.56
Central Sales Tax Act, 1956	Sales Tax	WB Commercial Tax Appellate & Revision Board	2006-07	94.49	94.49
		Sr. Joint Commissioner (Appeal)	2011-12	43.24	43.24
Entry Tax	Entry Tax	High Court – Calcutta	2012-13	322.77	322.77

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

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

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and money raised by way of term loans have been applied by the Company during the year for the purposes for which they were raised.

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

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

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

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

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

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

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

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

Abhijit Bandyopadhyay
Partner
(Membership No. 054785)

Kolkata, 21 April, 2017

BALANCE SHEET as at 31 March 2017

(₹ in Lakhs)

	Notes	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
I. ASSETS				
(1) Non-Current Assets				
(a) Property, Plant and Equipment	4	**58,951.88**	35,217.20	36,076.17
(b) Capital work-in-progress		**3,354.48**	8,768.97	1,718.75
(c) Other Intangible Assets	5	**21.31**	41.48	48.83
(d) Financial Assets				
(i) Investments	6	**1.52**	1.52	1.52
(ii) Other Financial Assets	7	**154.07**	69.12	315.21
(e) Other Non Current Assets	8	**1,809.19**	5,386.74	6,266.09
Total non-current assets		**64,292.45**	49,485.03	44,426.57
(2) Current assets				
(a) Inventories	9	**16,019.06**	12,005.12	10,327.35
(b) Financial Assets				
(i) Trade receivables	10	**18,792.04**	17,065.53	12,470.81
(ii) Cash and bank balances	11	**216.12**	150.10	349.12
(iii) Other Financial Assets	7	**1,952.36**	1,289.43	1,085.29
(c) Other Current Assets	8	**5,297.95**	5,927.16	4,080.70
Total Current Assets		**42,277.53**	36,437.34	28,313.27
TOTAL ASSETS		**1,06,569.98**	85,922.37	72,739.84
II. EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity Share capital	12	**2,528.80**	2,528.80	2,528.80
(b) Other Equity	13	**18,189.13**	7,375.26	(3,733.37)
Total equity		**20,717.93**	9,904.06	(1,204.57)
(2) Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	14	**15,750.63**	17,259.50	22,161.90
(b) Provisions	16	**1,053.11**	798.04	648.40
(c) Retirement benefit obligations	15	**731.29**	381.84	359.85
(d) Deferred tax liabilities (net)	36	**-**	-	-
Total non-current liabilities		**17,535.03**	18,439.38	23,170.15
(3) Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	14	**17,329.70**	13,411.30	5,182.05
(ii) Trade payables	17	**17,065.73**	24,872.97	28,847.83
(iii) Other Financial Liabilities	19	**27,668.36**	15,262.29	13,631.48
(b) Provisions	16	**3,037.45**	2,291.63	1,277.53
(c) Retirement benefit obligations	15	**-**	21.00	22.07
(d) Current Tax Liabilities (Net)		**781.76**	278.16	60.19
(e) Other current liabilities	20	**2,434.02**	1,441.58	1,753.11
Total current liabilities		**68,317.02**	57,578.93	50,774.26
TOTAL EQUITY AND LIABILITIES		**1,06,569.98**	85,922.37	72,739.84

See accompanying notes forming part of the financial statements

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

For and on behalf of the Board of Directors

Abhijit Bandyopadhyay
Partner
Kolkata, 21 April, 2017

Sankar Bhattacharya
Company Secretary

Subhra Sengupta
Chief Financial Officer

Koushik Chatterjee
Chairman

Sanjiv Paul
Managing Director

Mumbai, 21 April, 2017

STATEMENT OF PROFIT AND LOSS for the year ended 31 March 2017

(₹ in Lakhs)

		Notes	For the year ended 31.03.2017	For the year ended 31.03.2016
A	**CONTINUING OPERATIONS**			
I	Revenue from operations	21	**1,41,009.58**	1,39,017.86
II	Other Income	22	**145.51**	158.11
III	**Total Income (I + II)**		**1,41,155.09**	1,39,175.97
IV	**EXPENSES**			
(a)	Cost of materials consumed	23	**65,948.73**	65,632.85
(b)	Changes in stock of finished goods and work-in-progress	24	**(602.56)**	(1,519.22)
(c)	Employee benefits expense	25	**8,488.27**	7,198.65
(d)	Finance costs	26	**3,750.43**	4,588.13
(e)	Depreciation and amortisation expense	27	**3,642.69**	3,296.36
(f)	Other expenses	28	**44,681.68**	46,094.55
	Total Expenses (IV)		**1,25,909.24**	1,25,291.32
V	**Profit before exceptional items and tax (III - IV)**		**15,245.85**	13,884.65
VI	Exceptional Items		**-**	-
VII	**Profit before tax (V-VI)**		**15,245.85**	13,884.65
VIII	Tax Expense			
	(1) Current tax		**3,561.00**	2,555.56
	(2) Deferred tax	36	**-**	46.70
	Total tax expense (VIII)		**3,561.00**	2,602.26
IX	**Profit from continuing operations (VII - VIII)**		**11,684.85**	11,282.39
B	**DISCONTINUING OPERATIONS**			
X	Loss from discontinued operations before tax	38	**(79.72)**	(55.03)
XI	Tax Expense		**-**	-
XII	Loss from discontinued operations after tax		**(79.72)**	(55.03)
C	**TOTAL OPERATIONS**			
XIII	**Profit for the year (IX + XII)**		**11,605.13**	11,227.36
XIV	**Other comprehensive income net of tax**			
	Items that will not be recycled to profit or loss			
	(1) Remeasurements of the defined benefit plan		**(182.54)**	(30.49)
	Total other comprehensive income, net of taxes (XII)		**(182.54)**	(30.49)
XV	**Total Comprehensive income for the year**		**11,422.59**	11,196.87
XVI	**Earnings per equity share:**	31		
	(1) Basic [Face value ₹ 10 each]			
	(a) Continuing operation		**46.21**	44.62
	(b) Total operations		**45.89**	44.40
	(2) Diluted [Face value ₹ 10 each]			
	(a) Continuing operation		**46.21**	44.62
	(b) Total operations		**45.89**	44.40

See accompanying notes forming part of the financial statements

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

For and on behalf of the Board of Directors

Abhijit Bandyopadhyay
Partner

Sankar Bhattacharya
Company Secretary

Subhra Sengupta
Chief Financial Officer

Koushik Chatterjee
Chairman

Sanjiv Paul
Managing Director

Kolkata, 21 April, 2017

Mumbai, 21 April, 2017

STATEMENT OF CHANGES IN EQUITY for the year ended 31 March 2017

₹ in Lakhs

				As at 31.03.2017 Audited	As at 31.03.2016 Audited
(A) Equity share capital					
Balance at the beginning of the year				2,529	2,529
Changes in equity share capital during the year				-	-
Balance at the end of the year				2,529	2,529

As at 31.03.2017	Capital reserve	General reserve	Retained earnings	Ind AS Transition Reserve	Total
(B) Other Equity					
Reserves and Surplus					
Balance at the beginning of the year	8,885.13	8,211.99	(9,773.80)	51.94	7,375.26
Profit for the year	-	-	11,605.13	-	11,605.13
Dividend on Equity Shares	-	-	(505.76)	-	(505.76)
Tax on Dividend	-	-	(102.96)	-	(102.96)
Other comprehensive income for the year, net of income tax	-	-	(182.54)	-	(182.54)
Balance at the end of the year	8,885.13	8,211.99	1,040.07	51.94	18,189.13

As at 31.03.2016	Capital reserve	General reserve	Retained earnings	Ind AS Transition Reserve	Total
Balance at the beginning of the year	8,885.13	8,211.99	(20,882.43)	51.94	(3,733.37)
Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax)	-	-	(88.24)	-	(88.24)
Profit for the year	-	-	11,227.36	-	11,227.36
Other comprehensive income for the year, net of income tax	-	-	(30.49)	-	(30.49)
Balance at the end of the year	8,885.13	8,211.99	(9,773.80)	51.94	7,375.26

CASH FLOW STATEMENT for the year ended 31 March 2017

(₹ in Lakhs)

	For the year ended 31.03.2017	For the year ended 31.03.2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year	**11,422.59**	11,196.87
Adjustments for:		
Income tax expense recognised in profit or loss	**3,561.00**	2,602.26
Finance Costs recognised in profit or loss	**3,750.43**	4,588.13
Investment income recognised in profit or loss	**(3.99)**	(0.82)
Incentive income	**(318.76)**	(1,247.14)
Impairment charge/ (reversal) of tangible assets	**-**	(31.31)
Provision/ (reversal) of doubtful debts	**391.38**	75.61
Provision no longer required written back	**(45.90)**	(12.92)
Depreciation and amortisation of non-current assets	**3,642.69**	3,296.36
Interest Income recognised in profit or loss	**(80.97)**	(94.62)
(Gain)/Loss on cancellation of forward contracts	**771.52**	(31.32)
(Gain)/ Loss on sale of fixed assets (net of asset discarded/written off)	**-**	(7.44)
Net foreign exchange (gain)/loss	**(237.53)**	713.05
Operating profit before working capital changes	**22,852.46**	21,046.71
Adjustment for working capital		
Inventories	**(3,815.94)**	(1,677.77)
Non-Current/Current financial and non-financial Assets	**(1,866.33)**	(5,283.82)
Non-Current/Current financial and non-financial liabilities/provisions	**(6,145.06)**	(2,565.85)
Cash generated from operations	**11,025.13**	11,519.27
Income Taxes paid	**(3,321.13)**	(2,435.99)
Net cash generated from operating activities	**7,704.00**	9,083.28
B. CASH FLOW FROM INVESTING ACTIVITIES		
Interest income received	**43.90**	56.30
Capital Expenditure on fixed assets, including capital advances	**(12,589.49)**	(7,987.24)
Proceeds from sale of fixed assets	**11.38**	12.35
Net Proceeds from sale of current investments	**3.99**	0.82
Net Cash used in investing activities	**(12,530.22)**	(7,917.77)

CASH FLOW STATEMENT for the year ended 31 March 2017 *(Contd.)*

(₹ in Lakhs)

	For the year ended 31.03.2017	For the year ended 31.03.2016
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from working capital loans	**1,462.50**	1,831.55
Proceeds from Non-current borrowings	**15,000.00**	4,500.00
Repayment of Non-current borrowings	**(8,969.00)**	(10,014.12)
Proceed from bills discounting	**-**	1,151.61
Proceeds from Buyer's credit	**14,888.15**	9,488.27
Repayment of buyer's credit	**(12,307.87)**	(5,561.68)
Acceptance of Bill	**-**	1,023.82
Interest and other borrowing costs paid	**(3,828.69)**	(3,760.72)
Dividend paid on equity share holders	**(505.76)**	-
Tax on equity dividend paid	**(102.96)**	-
Loss on cancellation of forward contracts	**(771.52)**	31.32
Net cash from/(used) in financing activities	**4,864.85**	(1,309.95)
Net decrease in cash and cash equivalents	**38.63**	(144.44)
Cash and cash equivalents as at 1 April	**149.10**	293.54
Cash and cash equivalents as at 31 March	**187.73**	149.10

See accompanying notes forming part of the financial statements

Notes:

1. The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations. Refer Note No. 38 for discontinuing operations cash flows.
2. Figures in brackets represent outflows.

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

For and on behalf of the Board of Directors

Abhijit Bandyopadhyay
Partner
Kolkata, 21 April, 2017

Sankar Bhattacharya
Company Secretary

Subhra Sengupta
Chief Financial Officer

Koushik Chatterjee
Chairman

Sanjiv Paul
Managing Director

Mumbai, 21 April, 2017

NOTES TO THE FINANCIAL STATEMENTS

1. General Corporate Information

Tata Metaliks Limited ("the Company") is a subsidiary of Tata Steel Limited. The Company is engaged in the manufacture and sale of pig iron and ductile iron pipes. The Company is having its manufacturing plant at Kharagpur in the state of West Bengal.

2.1 Statement of compliance

The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015.

Upto the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standard) Rules, 2006. The date of transition to Ind AS is April 1, 2015. Refer 3.17 for the details of first-time adoption exemptions availed by the Company.

2.2 Basis for preparation

The financial statements of the Company have been prepared in accordance with the relevant provisions of the Companies Act, 2013, Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per Company's operating cycle and other criteria set out in Schedule-III of the Companies Act 2013. Based on the nature of business, the Company has ascertained its operating cycle as 12 months for the purpose of Current or non-current classification of assets and liabilities.

The effect on reported financial position and financial performance of the Company on transition to Ind AS has been provided in Note 36, which also includes reconciliations of total equity and total comprehensive income for comparative years under Indian GAAP to those reported for respective years under Ind AS.

The financial statements have been prepared on historical cost basis, except for 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 disclosures in these financial statements is determined on such a basis, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets.

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 Company 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.

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

3. Use of estimates and critical accounting judgments

3.1 The preparation of accounts in accordance with Ind AS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the accounts and reported amounts of income and expenses during the period.

Actual results could differ from those estimates. The most significant techniques for estimation are described in the accounting policies below. Critical accounting judgments and the key sources of estimation or uncertainty in applying the Company's accounting policies arise in relation to goodwill, intangibles, property, plant and equipment, current asset provisions, deferred tax, retirement benefits, provisions created for redundancy, rationalization and related costs, and financial derivatives. The detailed accounting policies, including underlying judgments and methods of estimations for each of these items are discussed below. All of these key factors are reviewed on a continuous basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and any future periods affected.

3.2 Intangible Assets

Software 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 software are expensed in the statement of profit and loss as incurred.

3.3 Property, plant and equipment

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred. When a replacement occurs, the carrying amount of the replaced part is derecognised.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use.

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.

3.4 Depreciation and amortization of property, plant and equipment and intangible assets

Depreciation or amortization is provided so as to write off, on a straight-line basis, the cost of property, plant and equipment and other intangible assets. These charges are commenced from the dates the assets are available for their intended use and are spread over their estimated useful economic lives. The estimated useful lives of assets and residual values are reviewed regularly and, when necessary, revised.

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

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

The estimated useful lives for the main categories of property, plant and equipment and other intangible assets are:

a)	Factory Building	30 years.
b)	Building (Others)	60 years.
c)	Plant and Machinery	20 to 35 years.
d)	Moulds	2 years.
e)	Furniture and Fixtures	5 years.
f)	Office Equipment	5 to 15 years.
g)	Desktops and Laptops[1]	4 years.
h)	Vehicles[1]	5 years.
i)	Computer Software	5 years.
j)	Electrical fittings	10 years.
k)	Temporary Structure	3 years.

(1) Useful life of these class of assets has been determined based on independent technical valuation carried out by external valuers which management believes best represent the period over which the assets are expected to be used. The useful lives for these assets considered for depreciation is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

3.5 Impairment

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

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

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

3.6 Relining expenses

Expenses incurred on relining of Blast Furnace is capitalised and depreciated over a period of five years of average expected life. The written down value consisting of relining expenditure embedded in the cost of Blast Furnace is written off in the year of fresh lining. All other relining expenses are charged as expense in the year they are incurred.

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

3.7 Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and 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 measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

a) Financial assets

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows 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.

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these 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.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through profit or loss.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits and trade receivables
- Financial assets that are debt instruments and are measured as at FVTOCI
- 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 18

The Company follows ‘simplified approach’ for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL 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 entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. 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 assets 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 of the proceeds received.

b) Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

of the contractual arrangements entered into 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 the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities

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

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

Derecognition of financial liabilities

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

Derivative financial instruments

In the ordinary course of business, the Company uses certain derivative financial instruments to reduce business risks which arise from its exposure to foreign exchange and interest rate fluctuations. The instruments are confined principally to forward foreign exchange contracts and interest rate swaps. These derivatives contracts do not generally extend beyond 6 months, except for interest rate swaps.

Derivatives are accounted for and measured at fair value from the date the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The fair values for forward currency contracts and interest rate swaps are marked to market at the end of each reporting period.

3.8 Retirement benefit costs

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

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

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

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

Other long-term employee benefits

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit retirement plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the statement of profit and loss in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

3.9 Taxation

Tax expense for the year comprises current and deferred tax

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

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

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

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

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

3.10 Inventories

Inventories are stated at the lower of cost and net realizable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realizable 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. Provisions are made to cover slow moving and obsolete items based on historical experience of utilization on a product category basis, which involves individual businesses considering their local product lines and market conditions.

3.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short term deposits with an original maturity of three months or less.

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

For the purposes of the Cash Flow Statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

3.12 Provisions

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

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

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

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

3.13 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable. Revenues are reduced for estimated rebates and other similar allowances.

Sale of goods

The Company recognises revenue when all the following criteria are satisfied:

(i) significant risks and rewards of ownership has been transferred to the customer;

(ii) there is no continuing management involvement with the goods usually associated with ownership, nor effective control over the goods sold has been retained;

(iii) the amount of revenue can be measured reliably;

(iv) It is probable that the economic benefits associated with the transaction will flow to the group;

(v) recovery of the consideration is probable;

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be 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.

3.14 Foreign currency transactions and translation

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian Rupees, which is the Company's presentation currency.

In preparing the financial statements 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 translated at the rates prevailing at that date. Non-monetary items are measured at historical cost.

Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which they arise.

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 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 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.

3.15 Borrowing Costs

Borrowings costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for the intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Discounts or premiums and expenses on the issue of debt securities are amortised over the term of the related security and included within finance charges. Premiums payable on early redemptions of debt securities, in lieu of future finance costs, are written off as finance charges when paid.

3.16 Government grants

Government grants are recognized when there is reasonable assurance that the entity will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognized in the balance sheet by setting up the grant as deferred income.

Other government grants (grants related to income) are recognized as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of providing immediate financial support with no future related costs are recognized in the statement of profit and loss in the period in which they become receivable.

Grants related to income are presented under other income in the statement of profit and loss except for grants received in the form of rebate or exemption which are deducted in reporting the related expense.

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

3.17 First-time adoption - mandatory exceptions, optional exemptions

3.17.1 Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of April 01, 2015 ("the transition date") by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exceptions and certain optional exemptions availed by the Company as detailed below.

3.17.2 Derecognition of Financial Assets and Financial Liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transaction occurring on or after April 1, 2015 ('the transition date').

3.17.3 Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the Fair value through other comprehensive income (FVTOCI) criteria based on the fact and circumstances that existed as of the transition date.

3.17.4 Deemed cost for Property, Plant and Equipment and Intangible assets

The Company has elected to continue with the carrying value of all its plant and equipment and intangible assets recognised as of April 1, 2015 ("transition date") measured as per the previous GAAP and used that carrying value as its deemed cost as of the transition date.

3.17.5 Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 *Determining whether an arrangement contains a Lease* to determine whether an arrangement existing at the transition date contain a lease on the basis of facts and circumstances existing at the date.

3.17.6 Long Term Foreign Currency Monetary Items

The Company elected to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP.

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in Lakhs)

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
4. Property, Plant and Equipment			
Carrying Amounts of :			
Freehold Land	**1,589.79**	1,440.25	1,440.25
Freehold Buildings	**9,915.09**	8,397.11	8,381.59
Plant and Machinery	**47,070.87**	24,966.99	25,905.90
Furniture and fixtures	**96.59**	79.11	14.07
Office Equipments	**80.98**	92.03	72.38
Vehicles	**79.15**	110.46	109.79
Data Processing Equipments	**103.47**	80.86	67.35
Railway Sidings	**15.94**	50.39	84.84
	58,951.88	35,217.20	36,076.17
Capital work-in-progress	**3,354.48**	8,768.97	1,718.75
	62,306.36	43,986.17	37,794.92

	Freehold Land	Freehold Buildings	Plant and Machinery	Furniture and Fixtures	Office Equipments	Vehicles	Data Processing Equipments	Railway Sidings	Total Tangible Assets
As at 31.03.2017									
Cost at beginning of the year	1,440.25	8,752.86	27,656.17	94.78	119.50	136.74	104.22	84.84	38,389.36
Additions	149.54	1,950.42	25,324.26	41.61	18.55	15.78	63.16	-	27,563.32
Disposals	-	162.84	2,224.61	-	-	21.85	-	-	2,409.30
Effect of Foreign currency exchange differences		0.63	2.63						3.26
Cost at end of the year	1,589.79	10,541.07	50,758.45	136.39	138.05	130.67	167.38	84.84	63,546.64
Depreciation at beginning of the year	-	355.75	2,689.18	15.67	27.47	26.28	23.36	34.45	3,172.16
Depreciation expense	-	394.17	3,063.91	24.13	29.60	35.71	40.55	34.45	3,622.52
Transition adjustment recorded against			-						-
Disposals	-	123.94	2,065.51	-	-	10.47	-	-	2,199.92
Depreciation at end of the year	-	625.98	3,687.58	39.80	57.07	51.52	63.91	68.90	4,594.76
Net book value at beginning of the year	1,440.25	8,397.11	24,966.99	79.11	92.03	110.46	80.86	50.39	35,217.20
Net book value at end of the year	1,589.79	9,915.09	47,070.87	96.59	80.98	79.15	103.47	15.94	58,951.88

	Freehold Land	Freehold Buildings	Plant and Machinery	Furniture and Fixtures	Office Equipments	Vehicles	Data Processing Equipments	Railway Sidings	Total Tangible Assets
As at 31.03.2016									
Cost at beginning of year	1,440.25	8,381.59	25,905.90	14.07	72.38	109.79	67.35	84.84	36,076.17
Additions		352.35	1,881.97	80.71	47.12	41.72	45.36		2,449.23
Exchange differences capitalised		18.92	91.27						110.19
Disposals			222.97			14.77	8.49		246.23
Cost at end of year	1,440.25	8,752.86	27,656.17	94.78	119.50	136.74	104.22	84.84	38,389.36
Depreciation expense	-	355.75	2,777.21	15.67	27.47	36.15	31.85	34.45	3,278.55
Transition adjustment recorded against Surplus balance in Statement of Profit and Loss			134.94						134.94
Disposals			222.97			9.87	8.49		241.33
Depreciation at end of year	-	355.75	2,689.18	15.67	27.47	26.28	23.36	34.45	3,172.16
Net book value at beginning of year	1,440.25	8,381.59	25,905.90	14.07	72.38	109.79	67.35	84.84	36,076.17
Net book value at end of year	1,440.25	8,397.11	24,966.99	79.11	92.03	110.46	80.86	50.39	35,217.20

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in Lakhs)

	Freehold Land	Freehold Buildings	Plant and Machinery	Furniture and fixtures	Office Equipments	Vehicles	Data Processing Equipments	Railway Sidings	Total Tangible Assets
As at 01.04.2015									
Previous GAAP carrying value as deemed cost	1,440.25	4,641.90	13,539.71	0.05	64.81	88.20	32.49	84.84	19,892.25
Add: Net carrying value on Merger of TMDIPL	-	3,739.69	12,366.19	14.02	7.57	21.59	34.86	-	16,183.92
Net book value at end of year	1,440.25	8,381.59	25,905.90	14.07	72.38	109.79	67.35	84.84	36,076.17

1. Depreciation for the period on building includes adjustment of ₹ **4.13 lakhs** (31.03.2016: ₹ 3.66 lakhs) and depreciation for the period on plant and machinery includes adjustment of ₹ **27.13 lakhs** (31.03.2016: ₹ 23.60 lakhs) on account of depreciation attributable to exchange fluctuations on long term foreign currency loans for purchase of building and plant and machinery.
2. The fixed assets inclusive of lands have been pledged to secure borrowings of the Company. The assets have been pledged as security for bank loans under a mortgage. See Note no. 14 for details of security pledged for each class of borrowings.
3. Other than lease hold land all other tangible assets are owned by the Company.

	Computer Software	Total Intangible Assets
5. Intangible Assets (Acquired)		
As at 31.03.2017		
Cost at beginning of the year	**59.54**	59.54
Additions	**-**	-
Cost at end of the year	**59.54**	**59.54**
Amortisation at beginning of the year	**18.06**	18.06
Charge for the year	**20.17**	20.17
Amortisation at end of the year	**38.23**	**38.23**
Net book value at end of the year	**21.31**	**21.31**
As at 31.03.2016		
Cost at beginning of the year	**48.83**	48.83
Additions	**10.71**	10.71
Cost at end of the year	**59.54**	**59.54**
Charge for the year	**18.06**	18.06
Amortisation at end of the year	**18.06**	18.06
Net book value at end of the year	**41.48**	**41.48**
As at 01.04.2015		
Net book value as on transition date	**48.83**	**48.83**

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in Lakhs)

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
6. Non-current investments			
Investment carried at amortised cost			
Investments in national savings certificates (Unquoted)	**1.52**	1.52	1.52
Total Non-Current investments	**1.52**	**1.52**	**1.52**

	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	Non Current	Current	Non Current	Current	Non Current	Current
7. Other Financial Assets						
(a) Security deposits	**153.87**	**1,792.22**	68.92	1,164.54	96.70	959.23
(b) Interest accrued on deposits, loans and advances	**-**	**160.14**	-	123.07	78.72	84.75
(c) Deposits with banks having maturity of more than one year Deposits with banks submitted as security with government agency	**0.20**		0.20	-	139.79	-
(d) Derivatives - foreign currency forward contracts (carried at fair value)	**-**	**-**	-	1.82	-	41.31
Total Other Financial Assets	**154.07**	**1,952.36**	**69.12**	**1,289.43**	**315.21**	**1,085.29**
Classification of Other financial assets						
Secured, considered good	**-**	**-**	-	-	-	-
Unsecured, considered good	**154.07**	**1,952.36**	69.12	1,289.43	315.21	1,085.29
Doubtful	**-**	**-**	-	-	-	-
Gross other financial assets	**154.07**	**1,952.36**	**69.12**	**1,289.43**	**315.21**	**1,085.29**

	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	Non Current	Current	Non Current	Current	Non Current	Current
8. Other Assets						
(a) Capital advances	**1,248.25**	**-**	4,915.49	-	5,845.54	-
(b) Other Deposit	**12.70**	**-**	12.70	-	12.70	-
(c) Advance with public bodies	**-**	**4,029.56**	-	3,744.40	-	3,110.63
(d) Prepaid Lease Payments	**76.12**	**1.00**	77.12	1.00	78.12	1.00
(e) Other loans and advances						
i) Retirement benefit assets - Superannuation fund	**-**	**-**	-	42.45	-	12.20
ii) Prepayments and others	**2.60**	**1,267.39**	2.60	2,139.31	2.60	956.87
iii) Advance income tax [Net of Provision for tax ₹ **573.00 lakhs** (31.03.2016 : ₹ 1,763.70 lakhs) (01.04.2015: ₹ 602.70 lakhs)]	**469.52**	**-**	378.83	-	327.13	-
Total Loans and advances	**1,809.19**	**5,297.95**	**5,386.74**	**5,927.16**	**6,266.09**	**4,080.70**

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in Lakhs)

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
9. Inventories			
(a) Raw Materials (At lower of cost or net realisable value)	**9,353.97**	6,304.60	6,351.69
(b) Work in progress (At lower of cost and net realisable value)	**498.02**	1,099.70	1,128.85
(c) Finished Goods (At lower of cost or net realisable value)	**4,280.76**	3,076.52	1,528.15
(d) Stores spares and others [1] (At or lower than cost)	**1,886.31**	1,524.30	1,318.66
Total Inventories	**16,019.06**	**12,005.12**	**10,327.35**
Included above, goods-in-transit:			
(a) Raw Materials	**1,152.90**	929.71	865.33
(b) Finished Goods	**24.85**	561.60	25.81
(c) Stores and spares	**76.78**	30.54	-
	1,254.53	**1,521.85**	891.14

[1] Stores includes scrap of Blast Furnace1 for ₹ 198 lakhs

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
10. Trade Receivables			
(i) (a) More than six months (from the date they were due for payment)			
Considered good	**480.65**	3,214.14	281.10
Considered doubtful	**580.45**	189.08	113.47
Less: Provision of doubtful debts	**(580.45)**	(189.08)	(113.47)
(b) Others - Considered good	**18,311.39**	13,851.39	12,189.71
Net Trade Receivables	**18,792.04**	**17,065.53**	**12,470.81**
Classification of Trade Receivables			
Secured, considered good	**-**	-	-
Unsecured, considered good	**18,792.04**	17,065.53	12,470.81
Unsecured, considered doubtful	**580.45**	189.08	113.47
Total Trade Receivables	**19,372.49**	**17,254.61**	**12,584.28**

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in Lakhs)

	As at 31.03.2017			
	Gross credit risk	**Subject to credit insurance cover**	**Impairment provision**	Net credit risk
(ii) Trade receivables are further analysed as follows :				
Amounts not yet due	**14,092.63**	**2,000.00**	**-**	**12,092.63**
One month overdue	**1,664.32**	**-**	**-**	**1,664.32**
Two months overdue	**653.01**	**-**	**-**	**653.01**
Three months overdue	**1,109.65**	**-**	**-**	**1,109.65**
Between three to six months overdue	**527.02**	**-**	**-**	**527.02**
Greater than six months overdue	**1,325.86**	**-**	**580.45**	**745.41**
	19,372.50	**2,000.00**	**580.45**	**16,792.04**

	As at 31.03.2016			
	Gross credit risk	Subject to credit insurance cover	Impairment provision	Net credit risk
Amounts not yet due	12,126.69	-	-	12,126.69
One month overdue	1,104.85	-	-	1,104.85
Two months overdue	151.95	-	-	151.95
Three months overdue	599.53	-	-	599.53
Between three to six months overdue	2,504.33	-	-	2,504.33
Greater than six months overdue	767.26	-	189.08	578.18
	17,254.61	**-**	**189.08**	**17,065.53**

	As at 01.04.2015			
	Gross credit risk	Subject to credit insurance cover	Impairment provision	Net credit risk
Amounts not yet due	10,798.14	-	-	10,798.14
One month overdue	875.03	-	-	875.03
Two months overdue	314.70	-	-	314.70
Three months overdue	67.41	-	-	67.41
Between three to six months overdue	134.35	-	-	134.35
Greater than six months overdue	394.66	-	113.47	281.18
	12,584.28	**-**	**113.47**	**12,470.81**

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in Lakhs)

	As at 31.03.2017	As at 31.03.2016
(iii) Movement in the provision for impairment of trade recievables :		
Balance at the beginning of the period	**189.08**	113.47
Movement in expected credit loss allowance on trade receivables (calculated at lifetime expected credit losses)	**391.37**	75.61
Balance at the end of the period	**580.45**	**189.08**

(iv) There are no outstanding debts due from directors or other officers of the company.

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
11. Cash and Bank Balances			
Cash and Cash equivalents			
(a) Cash on hand	**0.49**	0.55	1.51
(b) Cheques on hand	**-**	-	0.49
(c) Balances with banks			
(i) In Current Accounts	**187.24**	148.55	291.54
Total cash and cash equivalents	**187.73**	**149.10**	**293.54**
(d) Other bank balances [1]	**26.99**	-	44.08
(e) Fixed Deposits maturing greater than 3 months	**1.40**	1.00	11.50
Total cash and Bank Balances	**216.12**	**150.10**	**349.12**
Included above			
[1] Earmarked balances for unpaid dividend	26.99	-	44.08

Non-cash transactions

The company acquired ₹ 5,500 lakhs of coke oven plant under finance lease in FY 2016-2017

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
12. Equity Share Capital			
Authorised:			
50,000,000 Equity Shares of ₹ 10 each	**5,000.00**	5,000.00	5,000.00
(31.03.2016: 50,000,000 Equity Shares of ₹ 10 each)			
(01.04.2015: 50,000,000 Equity Shares of ₹ 10 each)			
Issued, subscribed and fully paid up :			
25,288,000 Equity Shares of ₹ 10 each	**2,528.80**	2,528.80	2,528.80
(31.03.2016: 25,288,000 Equity Shares of ₹ 10 each)			
(01.04.2015: 25,288,000 Equity Shares of ₹ 10 each)			

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in Lakhs)

	For the year ended 31.03.2017		For the year ended 31.03.2016		For the year ended 01.04.2015	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Reconciliation of Number of shares						
Equity Shares						
Issued, subscribed and fully paid up:						
At beginning of the year	**2,52,88,000**	**2,528.80**	2,52,88,000	2,528.80	2,52,88,000	2,528.80
Issued during the year	**-**	**-**		**-**		**-**
At end of the year	**2,52,88,000**	**2,528.80**	**2,52,88,000**	**2,528.80**	**2,52,88,000**	**2,528.80**

	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Shares held by holding company or its subsidiaries						
Equity Shares						
Tata Steel Limited (Holding Company)	**1,26,67,590**	**50.09%**	1,26,67,590	50.09%	1,26,67,590	50.09%
	1,26,67,590	**50.09%**	**1,26,67,590**	**50.09%**	**1,26,67,590**	**50.09%**
Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company						
Equity Shares						
Tata Steel Limited (Holding Company)	1,26,67,590	50.09%	1,26,67,590	50.09%	1,26,67,590	50.09%

12. Equity Share Capital

Rights, preferences and restrictions attached to shares

i) Equity Shares

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

13. Other Equity	Capital Reserve	General Reserve	Ind AS Transition Reserve	Surplus in Statement of Profit and Loss	Total
As at 31.03.2017					
At the beginning of the year	8,885.13	8,211.99	51.94	(9,773.80)	7,375.26
Profit for the year	-	-	-	11,605.13	11,605.13
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	-	-	-	(182.54)	(182.54)
Dividend on Equity Shares	-	-	-	(505.76)	(505.76)
Tax on Dividend	-	-	-	(102.96)	(102.96)
At the end of the year	**8,885.13**	**8,211.99**	**51.94**	**1,040.07**	**18,189.13**

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in Lakhs)

	Capital Reserve	General Reserve	Ind AS Transition Reserve	Surplus in Statement of Profit and Loss	Total
As at 31.03.2016					
At the beginning of the year	8,885.13	8,211.99	51.94	(20,882.43)	(3,733.37)
Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax) (Note 4)	-	-	-	(88.24)	(88.24)
Profit for the year	-	-	-	11,227.36	11,227.36
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	-	-	-	(30.49)	(30.49)
At the end of the year	8,885.13	8,211.99	51.94	(9,773.80)	7,375.26

	Capital Reserve	General Reserve	Ind AS Transition Reserve	Deficit in Statement of Profit and Loss	Total
As at 01.04.2015					
At the beginning of the year	125.62	8,211.99	85.91	(1,999.79)	6,423.73
Transfer of Reserve Balance on Merger of TMDIPL	-	-	(33.97)	(18,882.64)	(18,916.61)
Capital Reserve on Merger	8,759.51	-	-	-	8,759.51
At the end of the year	8,885.13	8,211.99	51.94	(20,882.43)	(3,733.37)

	For the year ended 31.03.2017	For the year ended 31.03.2016
Distributions made and Proposed		
Cash dividends on Equity shares declared and paid:		
Final Dividend for March 31, 2016 : ₹ 2 per share (March 31, 2015 : Nil)	**505.76**	-
DDT on final dividend	**102.96**	-
Total	**608.72**	**-**
Proposed dividends on Equity shares:		
Proposed cash dividend for March 31, 2017: ₹ 2.50 per share (March 31, 2016: ₹ 2.00 per share)	632.20	505.76
DDT on final dividend	128.70	102.96
Total	**760.90**	**608.72**

i) Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including DDT thereon) as at March 31, 2017.

The nature of reserves is as follows:

Capital reserve

Reserve includes ₹ 8,759.51 lakhs on account of Merger pursuant to the sanction of the Hon'ble High Court of Calcutta dated 7 November 2016 to the scheme of Amalgamation, where the assets and liabilities of the erstwhile Tata Metaliks DI Pipes Ltd (TMDIPL) has been merged with the company.

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in lakhs)

	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	Non Current	Current	Non Current	Current	Non Current	Current
14. Borrowings						
A. **Secured**						
(a) Term Loans						
From Banks	-	-	2,889.52		6,838.57	
(b) Repayable on Demand						
From banks						
i) Working capital demand loans	-	**2,000.00**	-	2,000.00	-	-
ii) Cash credit	-	**198.44**	-	652.15	-	813.26
(c) Buyer's credit from banks	-	**1,589.20**	-	1,151.27	-	-
Total Secured Borrowings	-	**3,787.64**	**2,889.52**	**3,803.42**	**6,838.57**	**813.26**
B. **Unsecured**						
• 8.5% Non Cum. Redeemable Pref Shares	-	-	10,000.00	-	10,000.00	-
• Finance Lease	4,709.00	-				
• Term Loans from Banks	11,041.63	-	4,369.98	-	5,323.33	-
• Buyer's credit from banks	-	9,438.25	-	7,420.28	-	4,349.30
• Bills discounted	-	-	-	1,151.61	-	-
• Acceptances	-	1,591.12	-	1,023.82	-	-
• Overdraft from banks	-	2,512.69	-	12.17	-	19.49
Total Unsecured Borrowings	**15,750.63**	**13,542.06**	**14,369.98**	**9,607.88**	**15,323.33**	**4,368.79**
Total Borrowings	**15,750.63**	**17,329.70**	**17,259.50**	**13,411.30**	**22,161.90**	**5,182.05**

Name of the Bank/ Instrument	As at 31.03.2017			As at 31.03.2016			As at 01.04.2015			Repayment terms	Security
	Non Current	Current	Current Maturity (Refer Note 19)	Non Current	Current	Current Maturity (Refer Note 19)	Non Current	Current	Current Maturity (Refer Note 19)		
Secured											
Central Bank of India	–	–	**1,994.00**	1,994.00	–	1,994.00	3,988.00	–	1,994.00	Loan carrying a floating rate of 9.95% p.a. (linked to bank's Marginal Cost of Funds based Lending Rate (MCLR)). Repayable in 20 quarterly instalments of Rs. 500 Lakhs each, commenced from June 2013 and ending on March 2018.	Secured by first pari passu charge over fixed assets (net block inclusive of land) of Kharagpur division of the Company, both present and future with other term lenders.

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in lakhs)

Name of the Bank/ Instrument	As at 31.03.2017			As at 31.03.2016			As at 01.04.2015			Repayment terms	Security
	Non Current	Current	Current Maturity (Refer Note 19)	Non Current	Current	Current Maturity (Refer Note 19)	Non Current	Current	Current Maturity (Refer Note 19)		
Sumitomo Mitsui Banking Corporation	–	–	–	–	–	393.03	370.43	–	1,481.72	Denominated in US$. Repayable in 20 quarterly instalments denominated in US $ 592,500 each commencing from September 2011. Loan has been fully repaid in May 2016	External Commercial Borrowings from Sumitomo Mitsui Banking Corporation is secured by way of first charge on all the present and future movable fixed assets of the Company ranking pari passu with other term lenders.
Working capital demand loans	–	2,000.00		–	2,000.00	–	–	–	–	Loan carrying a fixed rate of 7.97% p.a. Loan is payable on demand	Secured by way of hypothecation first charge on Raw Material, Stock–in–process, Finished Goods, spares, stores, consumables, receivables and other current assets of the Company both present and future on pari passu basis with other working capital lenders.
The Federal Bank Limited	–	–	910.52	895.52	–	1,203.65	2,112.58	–	1,204.28	Loan carrying a floating rate of 9.30% p.a. (linked to bank's MCLR). Repayable in 16 quarterly instalments commencing from February 2014 and ending in November 2017.	Secured by way of first pari passu charge on the entire movable fixed assets (present and future) of the Company.
Tata Capital Limited	–	–	–	–	–	384.01	367.56	–	765.73	Repayable in 12 quarterly instalments of ₹ 19,230,800 and balance of ₹ 192.30 Lakhs in 13th quarter, commencing from June 2013 and ending on July 2016. Loan has been fully repaid on due date.	Secured by first pari passu charge on all movable fixed assets of the company both present and future.
Cash credit	–	198.44	–	–	652.15	–	–	813.26	–	Cash credit from banks carry floating rate of interest ranging from 9.1% p.a.to 10.5% p.a.(linked to bank's MCLR) This is payable on demand.	Secured by way of hypothecation first charge on Raw Material, Stock–in–process, Finished Goods, spares, stores, consumables, receivables and other current assets of the Company both present and future on pari passu basis with other working capital lenders.

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in lakhs)

Name of the Bank/ Instrument	As at 31.03.2017			As at 31.03.2016			As at 01.04.2015			Repayment terms	Security
	Non Current	Current	Current Maturity (Refer Note 19)	Non Current	Current	Current Maturity (Refer Note 19)	Non Current	Current	Current Maturity (Refer Note 19)		
Buyer's Credit – IndusInd Bank Limited	–	1,589.20	–	–	1,151.27	–	–	–	–	Buyer's Credit from Banks carry fixed rate of interest ranging from 1.18% p.a.to 2.02% p.a. These are repayable at the end of three/ six months from the respective dates of disbursement which are falling due from May 2017.	Secured by way of first pari passu charge on entire movable fixed assets both present & future.
Total secured borrowings	–	3,787.64	2,904.52	2,889.52	3,803.42	3,974.69	6,838.57	813.26	5,445.73		
Unsecured											
10,000,000 8.5% Non Cumulative Redeemable Preference Shares of Rs. 100 each	–	–	10,000.00	10,000.00	–	–	10,000.00		–	Preference shares carry a fixed coupon rate of 8.5% p.a. Redeemable fully in March' 2018	Nil
Finance Lease	4,709.00	–	485.00	–	–					Refer note below	Nil
Federal Bank	–	–	3,328.33	3,328.31	–	3,328.33	5,323.33		2,661.67	Loan carrying a floating rate of 9.30% p.a. (linked to bank's MCLR). Repayable in 12 quarterly instalments commencing from June 2015 and ending in March 2018.	Nil
Federal Bank	10,833.30	–	3,333.33	–	–	–				Loan carrying a floating rate of 9.30% (linked to bank's MCLR) Repayable in 18 quarterly instalments commencing from December 2016 and ending in June 2021.	Nil
Kotak Mahindra Bank	208.33	–	833.33	1,041.67	–	833.33				Loan carrying a floating rate of 9.70%. Repayable in 12 quarterly instalments commencing from September 2015 and ending on June 2018.	Nil

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in lakhs)

Name of the Bank/ Instrument	As at 31.03.2017			As at 31.03.2016			As at 01.04.2015			Repayment terms	Security
	Non Current	Current	Current Maturity (Refer Note 19)	Non Current	Current	Current Maturity (Refer Note 19)	Non Current	Current	Current Maturity (Refer Note 19)		
Inter corporate deposit	–	–	–	–	–	2,200.00			2,200.00	Repayable or converted into long term financial instrument after finalisation of the financing plan for the Karnataka Project or 31 March 2017 whichever is earlier.	Nil
Buyer's credit from banks	–	9,438.25	–	–	7,420.28	–	–	4,349.30	202.41	Buyer's Credit from Banks carry fixed rate of interest ranging from 1.56% p.a.to 1.95% p.a. These are repayable at the end of three/ six months from the respective dates of disbursement which are falling due from July 2017.	Nil
Bills discounted	–	–	–	–	1,151.61	–	–	–	–	Repayable on demand. Fully repaid in FY'16.	Nil
Acceptances	–	1,591.12	–	–	1,023.82	–	–	–	–	Loan carrying a floating rate of 8.00% p.a. (linked to bank's MCLR). Loan is payable on demand	Nil
Overdraft from banks	–	2,512.69	–	–	12.17	–	–	19.49	–	Loan carrying a floating rate of interest ranging from 8.00% p.a. to 10.00% p.a.(linked to bank's MCLR). Loan is payable on demand	Nil
Total unsecured borrowings	15,750.63	13,542.06	17,979.99	14,369.98	9,607.88	6,361.66	15,323.33	4,368.79	5,064.08		
Total borrowings	15,750.63	17,329.70	20,884.51	17,259.50	13,411.30	10,336.35	22,161.90	5,182.05	10,509.81		

Note:

1. The company has entered into arrangement whose fulfilment is dependent on the use of specific assets. This arrangement has been assessed for being in the nature of lease and has been classified as finance lease. Finance lease obligations represent the present value of minimum lease payments payable over the lease term.
2. Non-cumulative redeemable preference shares having a par value of ₹ 100 carries a fixed rate of dividend of 8.5%. The preference shares are redeemable at par value after a period for 36 months from the date of allotment which was falling due in March 2015. The Board of Directors of Tata Steel Limited at its meeting held on February 06, 2015 have approved the extension of the period of redemption by a further period of 3 years with effect from April 01, 2015. In case of liquidation the preference shareholders will have preference over the equity shareholders over the distribution of remaining assets of the Company.

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in lakhs)

14. The currency and interest exposure of borrowings of the group at the end of the period are as follows:

Currency	As at 31.03.2017			As at 31.03.2016			As at 01.04.2015		
	Fixed rate debt	Floating rate debt	Total	Fixed rate debt	Floating rate debt	Total	Fixed rate debt	Floating rate debt	Total
INR	**17,194**	**25,743**	**42,937**	14,200	17,843	32,043	12,200	19,250	31,450
US Dollars	**11,027**	**-**	**11,027**	8,965	-	8,965	6,404	-	6,404
Total	**28,221**	**25,743**	**53,965**	**23,165**	**17,843**	**41,007**	**18,604**	**19,250**	**37,854**

The majority of the INR floating rate borrowings are bank borrowings bearing interest rate linked to bank's Marginal Cost of Funds based Lending Rate (MCLR).

	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	Non Current	Current	Non Current	Current	Non Current	Current
15. Retirement benefits obligations						
Post-employment Defined Benefits						
i) Retirement gratuity	**467.06**	**-**	185.78	-	162.82	1.08
ii) Post retirement pension	**243.49**	**-**	178.08	19.07	178.95	19.06
iii) Post retirement medical benefits	**20.74**	**-**	17.98	1.93	18.08	1.93
Total Retirement benefit obligations	**731.29**	**-**	**381.84**	**21.00**	**359.85**	**22.07**

	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	Non Current	Current	Non Current	Current	Non Current	Current
16. Provisions						
i) Other Employee Benefits	**1,053.11**	**1.30**	798.04	11.36	648.40	9.35
ii) Provision for entry tax & others	**-**	**3,036.15**	-	2,280.27	-	1,268.18
Total Retirement benefit obligations	**1,053.11**	**3,037.45**	**798.04**	**2,291.63**	**648.40**	**1,277.53**

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
	Non Current	Non Current	Non Current
17. Trade Payables			
a) Outstanding dues of micro enterprises and small enterprises			
Creditors for supplies and services	**69.87**	125.99	38.24
Total outstanding dues of micro enterprises and small enterprises	**69.87**	**125.99**	**38.24**
b) Outstanding dues of creditors other than micro enterprises and small enterprises			
i) Creditors for supplies and services	**15,108.34**	23,042.61	27,733.28
ii) Creditors for accrued wages and salaries	**1,887.52**	1,704.37	1,076.31
Total outstanding dues of creditors other than micro enterprises and small enterprises	**16,995.86**	**24,746.98**	**28,809.59**
Total Trade Payables	**17,065.73**	**24,872.97**	**28,847.83**

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in lakhs)

18. Dues to Micro, Small and Medium Enterprises

The dues to Micro, Small and Medium Enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the company is given below:

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
	Non Current	Non Current	Non Current
Amount due and Payable at the year end			
- Principal	**69.87**	125.99	38.24
- Interest on above Principal	-	-	-
Payments made during the year after the due date			
- Principal	**-**	-	-
- Interest on above Principal	**-**	-	-
Interest due and payable for principals already paid	**-**	-	-
Total Interest accrued and remained unpaid at year end	**-**	**-**	**-**

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
	Non Current	Non Current	Non Current
19. Other Financial Liabilities			
Current:			
(a) Current maturities of long-term debts (refer Note 14)	**20,399.52**	10,336.35	10,509.81
(b) Current maturities of Finance Lease obligation (refer Note 14)	**485.00**	-	-
(c) Interest accrued but not due on borrowings	**496.69**	418.86	441.45
(d) Unpaid dividends	**26.99**	-	44.08
(e) Advances received from holding company	**-**	1,464.98	1,464.98
(f) Security deposits from vendors	**13.28**	14.99	12.99
(g) Interest on preference shares	**850.00**	850.00	-
(h) Creditors for Other Liabilities			
i) Creditors for capital goods and services	**4,844.70**	1,768.70	1,076.35
ii) Derivatives - foreign currency forward contracts	**552.18**	402.96	31.57
iii) Interest rate swaps	**-**	5.45	50.25
	27,668.36	15,262.29	13,631.48

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
	Non Current	Non Current	Non Current
20. Other Current Liabilities			
(a) Advances received from customers	**1,813.49**	1,092.00	1,412.69
(b) Others			
i) Employee recoveries and employer contributions	**52.17**	31.12	26.91
ii) Statutory dues (excise duty, service tax, Sales tax, TDS etc.)	**568.36**	318.46	313.51
Total Other Current Liabilities	**2,434.02**	**1,441.58**	**1,753.11**

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in lakhs)

	For the year ended 31.03.2017	For the year ended 31.03.2016
21. Revenue from Operations		
(a) Sale of Goods		
i) Pig iron	**55,333.31**	72,772.29
ii) DI Pipe	**84,440.54**	64,022.42
iii) Coal	**-**	250.31
iv) Coke	**-**	86.75
iv) Limestone	**77.43**	39.64
(b) Other operating income	**1,158.30**	1,846.45
Gross revenue from operations	**1,41,009.58**	**1,39,017.86**
Note :		
Other operating income comprise:		
(a) Subsidy from State Government	**318.76**	1,247.14
(b) Sale of Scrap	**409.34**	322.22
(c) Duty drawback and other export incentives	**104.70**	130.45
(d) Others	**325.50**	146.64
	1,158.30	**1,846.45**

	For the year ended 31.03.2017	For the year ended 31.03.2016
22. Other income		
(a) Interest received from deposits, advances, etc.	**80.97**	94.62
(b) Dividend income	**3.99**	0.82
(c) Liabilities no longer required written back	**45.90**	12.92
(d) Impairment provision written back	**-**	31.31
(e) Miscellaneous Income	**14.65**	18.44
Total other income	**145.51**	**158.11**

	For the year ended 31.03.2017	For the year ended 31.03.2016
23. Cost of materials consumed		
Raw material consumed		
i) Opening stock	**6,304.60**	6,351.69
ii) Add: Purchases	**68,998.10**	65,585.76
	75,302.70	71,937.45
iii) Less: Closing stock	**9,353.97**	6,304.60
	65,948.73	65,632.85
Raw material consumed comprises		
i) Iron ore	**13,426.28**	20,618.78
ii) Coke	**44,129.53**	37,130.46
iii) Fluxes	**3,636.07**	3,904.03
iv) Others	**4,756.85**	3,979.58
	65,948.73	**65,632.85**

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in lakhs)

	For the year ended 31.03.2017	For the year ended 31.03.2016
24. Changes in stock of finished goods		
Stock at the beginning of the year		
Finished goods	**3,076.52**	1,528.15
Work-in-progress	**1,099.70**	1,128.85
	4,176.22	**2,657.00**
Stock at the end of the period		
Finished goods	**4,280.76**	3,076.52
Work-in-progress	**498.02**	1,099.70
	4,778.78	4,176.22
Net (increase)/decrease in finished goods	**(602.56)**	**(1,519.22)**

	For the year ended 31.03.2017	For the year ended 31.03.2016
25. Employee benefits expense		
(a) Salaries and wages, including bonus	**7,192.07**	6,190.71
(b) Contribution to provident and other funds	**691.67**	577.05
(c) Staff welfare expenses	**604.53**	430.89
Total employee benefits expense	**8,488.27**	**7,198.65**

	For the year ended 31.03.2017	For the year ended 31.03.2016
26. Finance costs		
(a) Interest expense		
i) Interest on borrowings	**2,117.79**	2,009.63
ii) Finance Leases	**474.00**	-
iii) Interest on Preference Shares	**850.00**	850.00
iv) Interest on others	**594.17**	505.34
	4,035.96	**3,364.97**
(b) Other borrowing costs	**731.55**	1,223.16
Gross Finance Costs	**4,767.51**	4,588.13
Less: amounts included in the cost of qualifying asset	**1,017.08**	-
Net Finance Costs	**3,750.43**	**4,588.13**

The weighted average capitalisation rate on funds borrowed generally is 8.08% per anum.

	For the year ended 31.03.2017	For the year ended 31.03.2016
27. Depreciation and amortisation expense		
(a) Depreciation on tangible assets as per Note 4.	**3,622.52**	3,278.30
(b) Amortisation on intangible assets as per Note 5.	**20.17**	18.06
Total depreciation and amortisation expense	**3,642.69**	**3,296.36**

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in lakhs)

	For the year ended 31.03.2017	For the year ended 31.03.2016
28. Other expenses		
(a) Consumption of stores and spare parts	**9,658.40**	9,305.51
(b) Repairs to buildings	**40.63**	95.59
(c) Repairs to machinery	**1,071.44**	1,008.43
(d) Repairs to others	**767.57**	647.24
(e) Power and fuel	**949.44**	1,171.69
(f) Electricity charges	**4,773.61**	5,271.30
(g) Freight and handling charges	**10,747.36**	9,836.63
(h) Rent	**205.65**	219.21
(i) Rates and taxes	**3,458.40**	3,558.37
(j) Insurance charges	**275.53**	224.50
(k) Commission, discounts and rebates	**205.38**	321.74
(l) Excise duties	**7,336.45**	9,189.72
(m) Provision for doubtful debts	**391.38**	75.61
(n) Bad debts written off	**4.02**	-
(o) Other expenses		
i) (Gain)/ Loss on foreign currency transactions	**(237.53)**	713.05
ii) (Gain)/ Loss on cancellation of forward contracts	**771.52**	(31.32)
iii) Loss on sale of tangible fixed assets	**-**	(7.44)
iv) Auditors remuneration and out-of-pocket expenses		
As Auditors - statutory audit	**32.68**	33.48
For Taxation matters	**-**	-
For Other Services	**16.05**	25.25
Auditors out-of-pocket expenses	**1.96**	1.15
v) Legal and other professional costs	**250.10**	215.85
vi) Consultancy for sales	**537.27**	1,100.54
vii) Advertisement, sales promotion and other selling expenses	**84.62**	70.81
viii) Travelling expenses	**482.85**	408.90
ix) Bank charges	**129.73**	140.10
x) CSR Expenses	**205.21**	111.87
xi) Other general expenses	**2,521.96**	2,386.77
Total other expenses	**44,681.68**	**46,094.55**

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in lakhs)

	As at 31.03.2017	As at 31.03.2016
29. Contingent liabilities		
A Contingent liabilities		
(a) Excise & service tax	**9,485.23**	8,913.16
(b) Income tax	**129.90**	138.23
(c) Sales tax & VAT	**137.73**	99.46
B Others		
(a) Bill discounted	**531.44**	418.47
(b) Bank Guarantee	**1,588.11**	1,228.69

The Company had claimed a deduction u/s 80-IA of the Income Tax Act, 1961 amounting to ₹ 7,682 lakhs during the AY 2003-04 to AY 2008-09 on its Captive Power Plant. The entire claim amount was allowed by the CIT(Appeals) & ITAT. However, tax department preferred an appeal before the Hon'ble Calcutta High Court for AY 2003-04 & AY 2004-05 on the ground that no real profit existed since not sold outside i.e. Tata Metaliks has consumed the power.

The Hon'ble Calcutta High Court vide it's order dated 3rd August 2016 allowed the deduction u/s 80-IA 'on the captive power unit' in favour of the Company, however remanded back to AO on account of transfer price with respect to rate on which such benefit was computed. The Company is in process of filing an appeal in Hon'ble Supreme Court against such order of Hon'ble Calcutta High Court.

	As at 31.03.2017	As at 31.03.2016
30. Capital and other commitments		
a) Capital commitments		
Estimated value of contracts in capital account remaining to be executed (net of advances)	**1,875.69**	4,906.44
b) Other Commitments		
Export Obligation against import of capital goods under EPCG Scheme	**5,950.97**	7,297.50

	For the year ended 31.03.2017	For the year ended 31.03.2016
31. Earnings Per Share		
i) Profit for the year from continuing operation	**11,684.85**	11,282.39
ii) Profit for the year from total operations	**11,605.13**	11,227.36
iii) Weighted average no.of Ordinary shares for Basic and Diluted EPS (Nos)	**2,52,88,000**	2,52,88,000
iv) Nominal Value per Ordinary Share (₹)	**10.00**	10.00
v) Earnings Per Ordinary Share for the year from continuing operation (₹) - Basic	**46.21**	44.62
vi) Earnings Per Ordinary Share for the year from total operations (₹) - Basic	**45.89**	44.40
vii) Earnings Per Ordinary Share for the year from continuing operation (₹) - Diluted	**46.21**	44.62
viii) Earnings Per Ordinary Share for the year from total operations (₹) - Diluted	**45.89**	44.40

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in lakhs)

32. Segment reporting

The Company has identified business segments as reportable segments. The Business segment comprised pig iron and ductile iron pipes.

Revenue and expenses directly attributable to segments are reported under each reportable segment.

Assets and liabilties that are directly attributable or allocable to segments are disclosed under each reportable segment.

Particulars	Pig Iron	D I Pipe	Elimination	Total
Revenue				
Total External Sales	**55,993.91**	**85,015.67**	**–**	**1,41,009.58**
	74,539.48	64,481.57		1,39,021.05
Add: Inter Segment Revenue	**40,220.18**	**–**	**(40,220.18)**	**–**
	29,297.89		(29,297.89)	–
Total Revenue	**96,214.09**	**85,015.67**	**(40,220.18)**	**1,41,009.58**
	1,03,837.37	64,481.57	(29,297.89)	1,39,021.05
Segment Result	**5,436.70**	**13,332.62**		**18,769.32**
	9,456.38	8,801.34		18,257.72
Finance costs	**3,366.24**	**384.18**		**3,750.42**
	4,146.36	441.77		4,588.13
Other Income	**104.81**	**42.43**		**147.24**
	91.89	68.14		160.03
Profit before exceptional items and taxes	**2,175.27**	**12,990.87**		**15,166.14**
	5,401.91	8,427.71		13,829.62
Exceptional Items	**–**	**–**		**–**
	–	–		–
Profit before taxes	**2,175.27**	**12,990.87**		**15,166.14**
	5,401.91	8,427.71		13,829.62
Taxes	**690.00**	**2,871.00**		**3,561.00**
	1,441.26	1,161.00		2,602.26
Net Profit	**1,485.27**	**10,119.87**		**11,605.14**
	3,960.65	7,266.71		11,227.36
Segment Asset	**56,112.98**	**50,457.03**		**1,06,570.01**
	41,564.00	44,359.00		85,923.00
Segment Liabilities	**19,204.54**	**12,682.65**		**31,887.19**
	26,558.00	8,453.00		35,011.00
Total Cost incurred during the year to acquire segment assets	**8,095.58**	**4,493.91**	**–**	**12,589.49**
	3,566.49	4,420.75	–	7,987.24
Segment Depreciation	**1,716.17**	**1,926.52**	**–**	**3,642.69**
	1,357.35	1,939.27	–	3,296.62
Non Cash expenses other than depreciation	**–**	**402.76**	**–**	**402.76**
	–	80.51		80.51

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in lakhs)

	For the year ended 31.03.2017	For the year ended 31.03.2016
External Revenue by Geographical location of customers		
India	**1,37,637.16**	1,36,760.28
Asia Excluding India	**2,887.57**	721.35
Others	**484.85**	1,539.42
	1,41,009.58	**1,39,021.05**
Additions to fixed assets		
India	**27,566.58**	2,559.42
Asia Excluding India	**-**	-
	27,566.58	2,559.42

	As at 31.03.2017	As at 31.03.2016
Carrying value of Segment Assets		
India	**1,06,324.06**	85,230.53
Asia Excluding India	**153.54**	43.62
Others	**92.41**	648.85
	1,06,570.01	**85,923.00**

33. Disclosure in respect of Long-term Foreign Currency Monetary Items

Foreign exchange translation loss for the period ended on long term-foreign currency loan amounting to ₹ 3.26 Lakhs (Previous period ₹ 110.19 Lakhs) availed for purchase of capital assets has been capitalised and is included under the applicable fixed assets classification.

	For the year ended 31.03.2017	For the year ended 31.03.2016
Foreign exchange loss capitalised in the fixed assets block	**3.26**	110.19
Depreciation impact on account of exchange fluctuation capitalised during the year	**0.13**	3.12
Depreciation impact on account of exchange fluctuation capitalised till 31 March 2017	**31.27**	27.27

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in lakhs)

34. Related party transactions

Related party relationship	
Name of the related party	**Nature of Relationship**
Tata Steel Limited	**Holding Company**
Jamshedpur Utilities & Services Company Limited	**Fellow Subsidiary**
Tayo Rolls Limited	
Tata Sponge Limited	
Tata Pigments Limited	
T S Global Procurement Company Pte. Ltd.	
The Indian Steel and Wire Products Limited	
TM International Logistics Limited	**Joint Venture of Holding Company**
TKM Global Logistics Limited	
Tata Bluescope Limited	
Sadbhavna Trust	**Trust incorporated by the Company**
Key Managerial Person -	
Mr. Sanjiv Paul	**Managing Director**
Mr. Sankar Bhattacharya	**Company Secretary**
Mr. Subhra Sengupta	**Chief Financial Officer**

Name of the related party	Nature of transaction	For the year ended 31.03.2017	For the year ended 31.03.2016
Tata Steel Limited	Purchase of raw materials	**12,094.93**	16,443.75
	Services received	**30.05**	158.98
	Reimbursement of Expenses	**11.93**	
	Sale of Materials	**11.60**	260.39
	Rent Paid	**162.28**	14.62
	Rendering of Services	**-**	13.15
Tata Pigments Limited	Purchase of materials	**-**	5.04
Tata Steel Processing and Distribution Limited	Purchase of materials	**100.84**	83.36
Jamshedpur Utilities & Services Company Limited	Sale of materials	**-**	32.31
Tata Bluescope Limited	Purchase of goods	**5.70**	-
TM International Logistics Limited	Services received	**1,305.09**	1,156.50
T S Global Procurement Company Pte. Ltd.	Purchase of goods	**7,699.34**	942.80
Tata Sponge Limited	Purchase of goods	**19.12**	28.23
TKM Global Logistics Limited	Services received	**5.32**	34.56
The Indian Steel and Wire Products Limited	Purchase of goods	**-**	1.18
Sadbhavna Trust	Contribution for CSR	**204.69**	-

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in lakhs)

Name of the related party	Nature of transaction	For the year ended 31.03.2017	For the year ended 31.03.2016
Mr. Sanjiv Paul	Short term employee benefits	**190.59**	166.62
	Post employment benefits	**3.49**	2.51
	Other long term employment benefits	**6.37**	4.20
Mr. Sankar Bhattacharya	Short term employee benefits	**24.12**	20.86
	Post employment benefits	**0.74**	0.49
	Other long term employment benefits	**1.10**	0.64
Mr. Subhra Sengupta	Short term employee benefits	**55.77**	45.90
	Post employment benefits	**2.15**	1.46
	Other long term employment benefits	**2.84**	2.23

Name of the related party	Nature of transaction	As at 31.03.2017	As at 31.03.2016
Tata Steel Limited	Inter Corporate Deposits received	**-**	2,200.00
	Advance Payable	**-**	1,464.98
	Outstanding payables	**576.97**	1,086.05
	Outstanding receivables	**11.60**	8.24
	Interest payable	**317.78**	317.78
Tayo Rolls Limited	Other credit balances	**1.74**	1.74
TM International Logistics Limited	Outstanding receivables		-
	Advance Paid	**22.32**	104.33
TKM Global Logistics Limited	Outstanding payables	**0.44**	-
T S Global Procurement Company Pte. Ltd.	Outstanding payables	**3,615.61**	915.80

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in lakhs)

	For the year ended 31.03.2017	For the year ended 31.03.2016
35. Income taxes		
(i) Income tax expenses recognised in the statement of Profit or Loss are analysed as follows:		
Current taxes	**3,561.00**	2,555.56
Deferred taxes	**-**	46.70
	3,561.00	**2,602.26**

	For the year ended 31.03.2017	For the year ended 31.03.2016
(ii) The reconciliation of estimated income taxes to income tax expenses is as follows:		
Income before Income taxes	**15,166.13**	13,829.62
Tax at the applicable tax rate of 21.34%	**3,236.69**	2,951.46
Tax effect of income that are not taxable in determining taxable profit:		
Dividend Exempt u/s 10(35)	**(0.85)**	(0.18)
Tax effect of income that are not deductible in determining taxable profit:		
Provision for doubtful debts	**106.83**	16.14
Interest on Preference Share and Dividend tax	**218.33**	218.33
Tax effect of Other Adjustment:		
Lower of Brought Forward Loss and Unabsorbed	**-**	(583.50)
Depreciation as per books		
	3,561.00	**2,602.26**

	For the year ended 31.03.2017	For the year ended 31.03.2016
(iii) The reconciliation of applicable tax rate & effective tax rate:		
Applicable tax rate	**21.34%**	21.34%
Tax effect of income that are not taxable in determining taxable profit	**-0.01%**	-4.22%
Tax effect of income that are not deductible in determining taxable profit	**2.14%**	1.70%
Effective tax rate	**23.48%**	**18.82%**

	For the year ended 31.03.2017	For the year ended 31.03.2016
(iv) Income tax recognised in Other Comprehensive Income		
Current Tax		
- Remeasurement of defined benefit obligation	**49.53**	4.56

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in lakhs)

	As at 31.03.2017	As at 31.03.2016
36. Deferred Tax Balances		
(a) The following is the analysis of deferred tax assets/ (liabilities) presented in the balance sheet:		
Deferred tax assets	**1,048.49**	778.06
Deferred tax liabilities	**(1,048.49)**	(778.06)
	-	**-**

2016-17	**Opening Balance**	Recognised in profit or loss	Recognised directly in equity	Closing Balance
Deferred tax liabilities/ (assets) in relation to:				
Property, plant & equipment	3,235.68	(2,187.19)	-	1,048.49
Unabsorbed business loss	(2,457.62)	2,457.62	-	-
Other Provisions	(778.06)	(270.43)	-	(1,048.49)
	-	-	-	-
2015-16				
Deferred tax liabilities/ (assets) in relation to:				
Property, plant & equipment	2,951.58	330.80	(46.70)	3,235.68
Unabsorbed business loss	(2,806.16)	348.54	-	(2,457.62)
Other Provisions	(145.42)	(632.64)	-	(778.06)
	-	46.70	(46.70)	-

The Company has recognised deferred tax asset on unabsorbed depreciation to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax.

(b) Unrecognised deductible temporary differences, unused tax losses and unused tax credits	**As at 31.03.2017**	As at 31.03.2016	As at 31.03.2015
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:			
(i) tax losses (capital in nature)	**76.03**	76.03	76.03
(ii) tax losses (revenue in nature)	**-**	-	11,782.14
(iii) unabsorbed depreciation	**1,176.73**	10,341.52	12,972.22
	1,252.75	10,417.54	24,830.39

37. Leases

Finance lease — as lessee

The company has entered into following finance leases:

(i) Company has entered into agreement with Metaliks Fuel Private Ltd. to construct two coke oven batteries for the purpose of coke conversion.

(ii) Company has voluntarily offered to be a committed user of the facilities for the fixed tenure.

(iii) The agreement is for a period of 10 years.

(iv) The facility is of a specialised nature as the drawings and design of the same is integrated with the Power plant.

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in lakhs)

Disclosure under Finance Lease as Lessee:

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
(i) Minimum lease payments			
- Within one year	**1,237.00**	-	-
- After one year but not more than five years	**4,143.00**	-	-
- More than five years	**4,105.00**	-	-
Total	**9,485.00**	-	-
(ii) Present value of minimum lease payments			
- Within one year	**485.00**	-	-
- After one year but not more than five years	**1,849.00**	-	-
- More than five years	**2,860.00**	-	-
Add: Future finance charges	**4,291.00**	-	-
Total	**9,485.00**	-	-
The Net Carrying amount of the assets acquired under Finance Lease included in Note – 14	**5,211.00**	-	-

38. Discontinued Operations:

Based on decision of the Board of Directors of the Company at its meeting held on November 19, 2012 the Company has filed an application with the appropriate authority for closure of the Redi Plant, located at Terekhol Road, Dist: Sindhudurg, Redi - 416 517, Maharashtra, in accordance with the provisions of the Industrial Disputes Act, 1947. The application was initially rejected by the authority and the company has filed a review petition before the same authority. In the mean time the Company has negotiated with the employees for settlement and an agreement was signed on March 25, 2013 with the employees' union. The Company and the employees' union have filed the settlement details with the Commissioner of Labour to facilitate the closure process. The carrying value of plant property and equiptment, current assets and current liabilities of the Redi Plant as at March 31, 2017, were Rs. 1,187.91 lakhs (March 31, 2016 ₹ 1,187.91 lakhs), ₹ 18.70 lakhs (March 31, 2016 ₹ 25.37 lakhs) and ₹ 22.60 lakhs (March 31, 2016 ₹ 29.82 lakhs) respectively.

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Gross Revenue		
Revenue from Operations	**-**	3.19
Other Income	**1.73**	1.92
Total	**1.73**	**5.11**
Raw materials consumed		-
Changes in stock of finished goods		-
Employee benefits expense	**13.22**	16.70
Depreciation	**-**	0.25
Other expenses	**68.23**	43.19
Operating Expenses	**81.45**	60.14
Finance Cost	**-**	-
Profit/(Loss) from Operating activities Before exceptional items and tax	**(79.72)**	(55.03)
Exceptional items	**-**	-
Profit/(Loss) from Operating activities Before tax	**(79.72)**	(55.03)
Tax (incl Deferred Tax)	**-**	-
Profit/(Loss) from Operating activities after tax	**(79.72)**	(55.03)
Net Cash flow from/(used in) Operating activities	**(79.72)**	(54.78)
Net Cash flow from Investing activities	**-**	-
Net Cash flow from Financing activities	**-**	-

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in lakhs)

39. Capital Management

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Company.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity and other long-term/short-term borrowings. The Company's policy is aimed at combination of short-term and long-term borrowings.

The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

	Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
i)	Equity Share capital	**2,528.80**	2,528.80	2,528.80
ii)	Other Equity	**18,189.13**	7,375.26	(3,733.37)
	Total equity (a)	**20,717.93**	**9,904.06**	**(1,204.57)**
i)	Short-term borrowings	**17,329.70**	13,411.30	5,182.05
ii)	Long-term borrowings	**15,750.63**	17,259.50	22,161.90
iii)	Current Maturity of long term debt	**20,399.51**	10,336.35	10,509.81
	Total debt (b)	**53,479.84**	**41,007.15**	**37,853.76**
(i)	Cash and cash equivalents	**216.12**	150.10	349.12
	Total cash (c)	**216.12**	**150.10**	**349.12**
	Net debt {d=(b-c)}	**53,263.72**	40,857.05	37,504.64
	Total capital (equity + net debt)	**73,981.65**	50,761.11	36,300.07
	Net debt to equity ratio	**2.57**	4.13	(31.14)

40. Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, security deposits, employee liabilities, unpaid and finance lease obligation. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Company also enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a Risk Management Compliance Board that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist personnel's that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

The sensitivity analyses in the following sections relate to the position as at 31 March 2017 and 31 March 2016.

The sensitivity analyses have been prepared on the basis that the amount of debt and derivatives.

The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2017, 31 March 2016 and 1 April 2015.

- The sensitivity of equity is calculated by considering the effect of any associated derivatives at 31 March 2017 and 31 March 2016 for the effects of the assumed changes of the underlying risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company is subject to variable interest rates on some of its interest bearing liabilities. The Company's interest rate exposure is mainly related to debt obligations. The Company also uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short term loans.

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of derivative instruments. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/ decrease in basis points	Effect on profit before tax	Effect on post-tax equity
31-Mar-17			
₹ In Lakhs	+100	(175.30)	(137.89)
₹ In Lakhs	-100	175.30	137.89
31-Mar-16			
₹ In Lakhs	+100	(123.35)	(97.02)
₹ In Lakhs	-100	123.35	97.02
31-Mar-15			
₹ In Lakhs	+100	(160.54)	(126.28)
₹ In Lakhs	-100	160.54	126.28

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company, as per its risk management policy, uses foreign exchange and other derivative instruments primarily to hedge foreign exchange exposure. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures.

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in accordance with its risk management policies.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all currencies other than US Dollars is not material.

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in lakhs)

	Change in USD rate	Effect on profit before tax	Effect on post-tax equity
31-Mar-17			
	+10%	(114.04)	(89.70)
	-10%	114.04	89.70
31-Mar-16			
	+10%	198.52	156.16
	-10%	(198.52)	(156.16)
31-Mar-15			
	+10%	(238.05)	(187.25)
	-10%	238.05	187.25

The movement in the post-tax effect is a result of a change in the fair value of derivative financial instruments not designated in a hedge relationship and monetary assets and liabilities denominated in ₹, where the functional currency of the entity is a currency other than ₹. Although the derivatives have not been designated in a hedge relationship, they act as an economic hedge and will offset the underlying transactions when they occur.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Customer credit risk is managed by each divisions subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance.

The risk relating to trade receivables is shown under note no 10.

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company has obtained fund and non-fund based working capital lines from various banks. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, buyer's credit and other means of borrowings. The company invests its surplus funds in liquid schemes of mutual funds, which carry no/low mark to market risk.

The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in lakhs)

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31st, 2017, 2016 and April 1, 2015.

	On demand	less than 1 year	1 to 5 years	> 5 years	Total
As at 31-03-2017					
Borrowings	6,302.25	21,426.96	11,041.63	-	38,770.84
Finance Lease	-	485.00	1,850.00	2,859.00	5,194.00
Non Cum. Redeemable Pref. Shares		10,000.00	-	-	10,000.00
Trade payables	-	17,065.73			17,065.73
Derivatives - foreign currency forward contracts	-	552.18	-	-	552.18
Interest rate swaps	-	-	-	-	-
Other financial liabilities	-	6,716.66	-	-	6,716.66
	6,302.25	56,246.53	12,891.63	2,859.00	78,299.41
As at 31-03-2016					
Borrowings	4,839.75	18,907.90	7,259.50		31,007.15
Finance Lease	-	-	-	-	-
Non Cum. Redeemable Pref. Shares	-		10,000.00		10,000.00
Trade payables	-	13,411.30	-	-	13,411.30
Derivatives - foreign currency forward contracts	-	418.86	-	-	418.86
Interest rate swaps	-	-	-	-	-
Other financial liabilities	-	1,046.12	-	-	1,046.12
	4,839.75	**33,784.18**	**17,259.50**	**-**	**55,883.43**
As at 1 April 2015					
Borrowings	832.75	10,509.81	16,511.20	-	27,853.76
Finance Lease	-	-	-	-	-
Non Cum. Redeemable Pref. Shares	-	-	10,000.00		10,000.00
Trade payables	-	5,182.05	-	-	5,182.05
Derivatives - foreign currency forward contracts	-	441.45	-	-	441.45
Interest rate swaps	-	44.08	-	-	44.08
Other financial liabilities	-	979.45	-	-	979.45
	832.75	**17,156.84**	**26,511.20**	**-**	**44,500.79**

The Company has pledged its receivables in order to fulfil the collateral requirements for secured borrowings and secured working capital limits. At 31 March 2017, 31 March 2016 and 1 April 2015, the fair values of the receivables pledged were ₹ 18,812.77 lakhs, ₹ 17,065.53 lakhs and ₹ 12,470.81 lakhs, respectively. There are no other significant terms and conditions associated with the use of collateral.

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in lakhs)

41. Financial Instruments

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3.7 to the financial statements.

(a) Financial assets and liabilities

The carrying value of financial instruments by categories as of March 31, 2017 is as follows:

	Derivative instruments not in hedging relationship	Amortised cost	Total carrying value	Total fair value
Assets:				
Trade receivables	-	18,792.04	18,792.04	18,792.04
Investments	-	1.52	1.52	1.52
Cash and cash equivalents	-	216.12	216.12	216.12
Other financial assets	-	2,106.43	2,106.43	2,106.43
Total	**-**	**21,116.11**	**21,116.11**	**21,116.11**
Liabilities:				
Borrowings	-	33,080.33	33,080.33	33,080.33
Trade payables	-	17,065.73	17,065.73	17,065.73
Other financial liabilities	552.18	27,116.18	27,668.36	27,668.36
Total	**552.18**	**77,262.24**	**77,814.42**	**77,814.42**

The carrying value of financial instruments by categories as of March 31, 2016 is as follows:

	Derivative instruments not in hedging relationship	Amortised cost	Total carrying value	Total fair value
Assets:				
Trade receivables	-	17,065.53	17,065.53	17,065.53
Investments	-	1.52	1.52	1.52
Cash and cash equivalents	-	150.10	150.10	150.10
Other financial assets	1.82	1,356.73	1,358.55	1,358.55
Total	**1.82**	**18,573.88**	**18,575.70**	**18,575.70**
Liabilities:				
Borrowings	-	30,670.80	30,670.80	30,670.80
Trade payables	-	24,872.97	24,872.97	24,872.97
Other financial liabilities	418.86	14,843.43	15,262.29	15,262.29
Total	**418.86**	**70,387.20**	**70,806.06**	**70,806.06**

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in lakhs)

The carrying value of financial instruments by categories as of April 1, 2015 is as follows:

	Derivative instruments not in hedging relationship	Amortised cost	Total carrying value	Total fair value
Assets:				
Trade receivables	-	12,470.81	12,470.81	12,470.81
Investments	-	1.52	1.52	1.52
Cash and cash equivalents	-	349.12	349.12	349.12
Other financial assets	41.31	1,359.19	1,400.50	1,400.50
Total	**41.31**	**14,180.64**	**14,221.95**	**14,221.95**
Liabilities:				
Borrowings	-	27,343.95	27,343.95	27,343.95
Trade payables	-	28,847.83	28,847.83	28,847.83
Other financial liabilities	441.45	13,190.03	13,631.48	13,631.48
Total	**441.45**	**69,381.81**	**69,823.26**	**69,823.26**

Fair value hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company 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.

The investments included in Level 2 of fair value hierarchy have been valued using quotes available for similar assets and liabilities in the active market. The investments included in Level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value. The cost of unquoted 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

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosure are required):

As at March 31, 2017	Level 1	Level 2	Level 3
Financial Assets:			
Derivative Financial Assets	-	-	-
Total	**-**	**-**	**-**
Financial Liabilities:			
Derivative Financial Liabilities	-	552.18	-
Total	**-**	**552.18**	**-**

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in lakhs)

As at March 31, 2016	Level 1	Level 2	Level 3
Financial Assets:			
Derivative Financial Assets	-	1.82	-
Total	-	1.82	-
Financial Liabilities:			
Derivative Financial Liabilities	-	418.86	-
Total	-	418.86	-
As at April 1, 2015	Level 1	Level 2	Level 3
Financial Assets:			
Derivative Financial Assets	-	41.31	-
Total	-	41.31	-
Financial Liabilities:			
Derivative Financial Liabilities	-	441.45	-
Total	**-**	**441.45**	**-**

Notes

i The short-term financial assets and liabilities are stated at amortized cost which is approximately equal to their fair value.

ii Derivatives are fair valued using market observable rates and published prices together with forecast cash flow information where applicable.

iii Investments are stated at amortized cost which is approximately equal to their fair value.

iv There have been no transfers between level 1 and level 2 for the years ended March 31, 2017 and 2016.

42. Employee benefits

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 total cost charged to statement of profit and loss in 31 March, 2017 amounted to ₹ 556 lakhs (2016: ₹ 463 lakhs).

The defined contribution plans operated by company and its subsidiaries in India are as below:

i) Provident fund

In accordance with Indian law, eligible employees of Tata Metaliks Limited are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees salary (currently 12% of employees salary).

The contributions, as specified under the law, are made to the provident fund and pension fund set up as an irrevocable trust by the company to respective Regional Provident Fund Commissioner and the Central Provident Fund under the State Pension scheme.

ii) Superannuation fund

The company have a superannuation plan. Employees who are members of the defined benefit superannuation plan are entitled to benefits depending on the years of service and salary drawn.

Separate irrevocable trusts are maintained for employees covered and entitled to benefits. The company contribute up to 15% or 100000, whichever is lower, of the eligible employees salary to the trust every year. Such contributions are recognized as an expense when incurred. The company have no further obligation beyond this contribution.

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in lakhs)

iii. Others

Others consist of company and employee contribution to:

i. Employees Pension Scheme

ii. Employees State Insurance

2. Defined benefit plans

i) Retiring gratuity

The company have an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The company make annual contributions to gratuity funds established as trusts . Tata Metaliks Limited account for the liability for gratuity benefits payable in the future based on an actuarial valuation. The Company is exposed to actuarial risk and investment risk with respect to this plan.

The following table sets out the the amounts recognized in the financial statements for the retiring gratuity plans in respect of company.

	Change in defined benefit obligation	**For the year ended March 31, 2017**	For the year ended March 31, 2016
a	Obligation as at the beginning of the year	**1,140.31**	943.50
b	Current service cost	**125.45**	107.10
c	Interest cost	**85.11**	73.34
d	Employees' Contributions	**-**	-
e	Remeasurement (gains)/losses	**232.06**	41.92
f	Exchange rate variation	**-**	-
g	Benefits paid	**(84.31)**	(25.55)
h	Past Service costs	**-**	-
i	Obligations of new companies acquired	**-**	-
j	Obligations of companies disposed off	**-**	-
k	Settlements	**-**	-
l	Curtailments	**-**	-
	Obligation as at the end of the year	**1,498.61**	**1,140.31**
	Change in plan assets		
a	Fair value of plan assets as at beginning of the year	**954.54**	780.68
b	Interest income	**73.81**	65.55
c	Remeasurement gains/(losses)	**-**	6.87
d	Employers' Contributions	**80.11**	126.99
e	Employees' Contributions	**-**	-
f	Exchange rate variation	**-**	-
g	Benefits paid	**(84.31)**	(25.55)
h	Assets of new companies acquired	**-**	-
i	Assets of companies disposed off	**-**	-
j	Settlements	**-**	-
	Fair value of plan assets as at end of the year	**1,024.14**	**954.54**

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in lakhs)

		As at March 31, 2017	As at March 31, 2016
Amount recognised in the balance sheet consists of			
a	Fair value of plan assets as at end of the year	**1,024.14**	954.54
b	Present value of obligation as at the end of the year	**1,498.61**	1,140.31
	Net Asset/(liability)	**(474.47)**	(185.78)
	Retirement benefit asset - Current	**-**	-
	Retirement benefit asset - Non current	**-**	-
	Retirement benefit liability - Current	**-**	-
	Retirement benefit liability - Non current	**(474.47)**	**(185.78)**

		For the year ended March 31, 2017	For the year ended March 31, 2016
	Cost recognised in the statement of profit and loss		
a	Service cost		
	Current service cost	**125.45**	107.10
	Past Service Cost	**-**	-
b	Net interest expense	**11.29**	7.80
		136.74	**114.89**
	Cost recognised in the statement of other comprehensive income		
a	The return on plan assets (excluding amounts included in net interest expense)	**-**	(6.87)
b	Actuarial gains and losses arising from changes in demographic assumption	**-**	-
c	Actuarial gains and losses arising from changes in financial assumption	**128.41**	15.65
d	Actuarial gains and losses arising from changes in experience adjustments	**103.66**	26.27
		232.06	**35.05**
	Total cost recognised in the statement of profit and loss	**368.80**	**149.94**

The assumptions used in accounting for the retiring gratuity plans are set out below:

		For the year ended March 31, 2017	For the year ended March 31, 2016
a	Discount rate	**7.00%**	7.75%
b	Rate of escalation in salary	**7.50%**	7.50%

The weighted average duration of the defined benefit obligation as at March 31, 2017 is 15 years (2016: 16 years)

The Company expects to contribute ₹ 475 lakhs to the funded retiring gratuity plans in financial year 2018.

The fair value of Company's plan asset as of March 31, 2016 and 2015 by category are as follows:

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in lakhs)

	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Investment details (%)			
a Other assets	**100%**	100%	100%
	100%	**100%**	**100%**

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

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1% -> 11.19%, decrease by 1% -> 13.35%	Decrease by 11.57%, increase by 12.62%
Salary escalation	Increase by 1% -> 12.88%, decrease by 1% -> 11.18%	Increase by 12.53%, decrease by 11.62%

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

ii. Pension Plan - Ex- Managing Director (Mr. Harsh K Jha)

Tata Metaliks Limited accounts for post-retirement defined benefit arrangements using Ind AS 19 'Employee Benefits', with independent actuaries being used to calculate the costs, assets and liabilities to be recognised in relation to these schemes. The present value of the defined benefit obligation, the current service cost and past service costs are calculated by these actuaries using the projected unit credit method. However, the ongoing funding arrangements of each scheme, in place to meet their long term pension liabilities, are governed by the individual scheme documentation and national legislation. The accounting and disclosure requirements of Ind AS 19 do not affect these funding arrangements.

The following table sets out the disclosure pertaining to pension benefits of Mr Harsh K Jha

	Change in defined benefit obligation	For the year ended March 31, 2017	For the year ended March 31, 2016
a	Obligation as at the beginning of the year	**197.15**	198.01
b	Current service cost	**-**	-
c	Interest cost	**14.37**	14.86
d	Employees' Contributions	**-**	-
e	Remeasurement (gains)/losses	**55.46**	4.08
f	Exchange rate variation	**-**	
g	Benefits paid	**(23.48)**	(19.80)
h	Past Service costs	**-**	-
i	Obligations of new companies acquired	**-**	-
j	Obligations of companies disposed off	**-**	-
k	Settlements	**-**	-
l	Curtailments	**-**	-
	Obligation as at the end of the year	**243.49**	**197.15**

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in lakhs)

	Change in plan assets	For the year ended March 31, 2017	For the year ended March 31, 2016
a	Fair value of plan assets as at beginning of the year	-	-
b	Interest income	-	-
c	Remeasurement gains/(losses)	-	-
d	Employers' Contributions	-	-
e	Employees' Contributions	-	-
f	Exchange rate variation	-	-
g	Benefits paid	-	-
h	Assets of new companies acquired	-	-
i	Assets of companies disposed off	-	-
j	Settlements	-	-
	Fair value of plan assets as at end of the year	**-**	**-**

		As at March 31, 2017	As at March 31, 2016
	Amount recognised in the balance sheet consists of		
a	Fair value of plan assets as at end of the year	-	-
b	Present value of obligation as at the end of the year	**243.49**	197.15
	Net Asset/(liability)	**243.49**	197.15
	Retirement benefit asset - Current	-	-
	Retirement benefit asset - Non current	-	-
	Retirement benefit liability - Current	**22.70**	19.07
	Retirement benefit liability - Non current	**220.79**	**178.07**

		For the year ended March 31, 2017	For the year ended March 31, 2016
	Cost recognised in the statement of profit and loss		
a	Service cost		
	Current service cost	-	-
	Past Service Cost	-	-
b	Net interest expense	**14.37**	14.86
		14.37	**14.86**
	Cost recognised in the statement of other comprehensive income		
a	The return on plan assets (excluding amounts included in net interest expense)	-	-
b	Actuarial gains and losses arising from changes in demographic assumption	-	-
c	Actuarial gains and losses arising from changes in financial assumption	**13.56**	2.23
d	Actuarial gains and losses arising from changes in experience adjustments	**41.90**	1.85
		55.46	**4.08**
	Total cost recognised in the statement of profit and loss	**69.83**	**18.94**

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in lakhs)

The assumptions used in accounting for the retiring gratuity plans are set out below:

		For the year ended March 31, 2017	For the year ended March 31, 2016
a	Discount rate	**7.00%**	7.75%

The Company expects to contribute 243 lakhs to the funded retiring gratuity plans in financial year 2018.

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

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1% -> 7%, decrease by 1% -> 8%	Decrease by 7.36%, increase by 7.89%

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

iii. Post retirement medical benefits

Under this unfunded scheme, employees of the company receive medical benefits subject to certain limits on amounts of benefits, periods after retirement and types of benefits, depending on their grade and location at the time of retirement. Separated from the Company as part of an Early Separation Scheme, on medical grounds or due to permanent disablement are also covered under the scheme. The company account for the liability for post-retirement medical scheme based on an actuarial valuation.

	Change in defined benefit obligation	**For the year ended March 31, 2017**	For the year ended March 31, 2016
a	Obligation as at the beginning of the year	**19.91**	20.00
b	Current service cost	**-**	-
c	Interest cost	**1.54**	1.58
d	Employees' Contributions	**-**	-
e	Remeasurement (gains)/losses	**(0.72)**	(1.67)
f	Exchange rate variation	**-**	-
g	Benefits paid	**-**	-
h	Past Service costs	**-**	-
i	Obligations of new companies acquired	**-**	-
j	Obligations of companies disposed off	**-**	-
k	Settlements	**-**	-
l	Curtailments	**-**	-
	Obligation as at the end of the year	**20.74**	**19.91**

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in lakhs)

	Change in plan assets	For the year ended March 31, 2017	For the year ended March 31, 2016
a	Fair value of plan assets as at beginning of the year	-	-
b	Interest income	-	-
c	Remeasurement gains/(losses)	-	-
d	Employers' Contributions	-	-
e	Employees' Contributions	-	-
f	Exchange rate variation	-	-
g	Benefits paid	-	-
h	Assets of new companies acquired	-	-
i	Assets of companies disposed off	-	-
j	Settlements	-	-
	Fair value of plan assets as at end of the year	**-**	**-**

		As at March 31, 2017	As at March 31, 2016
	Amount recognised in the balance sheet consists of		
a	Fair value of plan assets as at end of the year	-	-
b	Present value of obligation as at the end of the year	**20.74**	19.91
	Net Asset/(liability)		
	Retirement benefit asset - Current	-	-
	Retirement benefit asset - Non current	-	-
	Retirement benefit liability - Current	**1.93**	1.93
	Retirement benefit liability - Non current	**18.80**	**17.99**

		For the year ended March 31, 2017	For the year ended March 31, 2016
	Cost recognised in the statement of profit and loss		
a	Service cost		
	Current service cost	-	-
	Past Service Cost	-	-
b	Net interest expense	**1.54**	1.58
		1.54	**1.58**
	Cost recognised in the statement of other comprehensive income		
a	The return on plan assets (excluding amounts included in net interest expense)	-	-
b	Actuarial gains and losses arising from changes in demographic assumption	**(1.87)**	(1.89)
c	Actuarial gains and losses arising from changes in financial assumption	**1.15**	0.23
d	Actuarial gains and losses arising from changes in experience adjustments	-	-
		(0.72)	**(1.67)**
	Total cost recognised in the statement of profit and loss	**0.82**	**(0.09)**

The assumptions used in accounting for the retiring gratuity plans are set out below:

		For the year ended March 31, 2017	For the year ended March 31, 2016
a	Discount rate	**7.00%**	7.75%

The Company expects to contribute ₹ 21 lakhs to the funded retiring gratuity plans in financial year 2018.

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in lakhs)

	Note Reference	As at 31.03.2016	As at 01.04.2015
43. Reconciliation of total equity as at March 31, 2016 and April 1, 2015			
Total equity (shareholders' funds) under Previous GAAP		**19,302.94**	**8,743.50**
Redeemable preference shares classified as a liability under Ind AS	(a)	(10,000.00)	(10,000.00)
Equity Dividend	(e)	505.76	-
Tax on Equity Dividend	(e)	102.96	-
Deferred Premium written off as per Ind AS	(c)	(220.74)	(64.06)
Premium Amortised reversed as per Ind AS	(c)	745.36	-
Time value of Interest Rate Swaps	(c)	(5.45)	(50.26)
Unwinding of issue expenses on borrowings	(b)	(3.41)	-
Foreign Exchanges loss/(gain)	(c)	(142.87)	135.87
Adjustment of excess of loan issue expenses	(b)	20.64	20.64
Time value of forward element of forward contracts not designated in a hedging relationship	(c)	(401.13)	9.74
Total adjustment to equity		**(9,398.88)**	**(9,948.07)**
Total equity under Ind AS		**9,904.06**	**(1,204.57)**

Reconciliation of total comprehensive income

	Note Reference	For the year ended 31.03.2016
Profit as per previous GAAP	-	12,279.44
Adjustments :		
Unwinding of issue expenses on borrowings	(b)	(3.40)
Remeasurement of Retirement Benefits as per Ind AS	(d)	30.49
Time value of forward element of forward contracts not designated in a hedging relationship	(c)	(318.90)
Deferred Premium written off as per Ind AS	(c)	(220.74)
Foreign Exchanges loss/(gain)	(c)	483.50
Preference Dividend	(a)	(850.00)
Tax on Preference Dividend	(a)	(173.04)
Total effect of transition to Ind AS		**(1,052.09)**
Profit for the year as per Ind AS		**11,227.35**
Other comprehensive income for the year (net of tax)		(30.49)
Total comprehensive income under Ind AS		**11,196.86**

	Year Ended March 31, 2016			
	Note Reference	Previous GAAP	Effect of Transition to Ind AS	Ind AS
44. Effect of Ind AS Adoption on the statement of cash flows for the period ended March 31, 2016				
Net cash flow from operating activities	(a), (b), (c)	8,820.29	262.99	9,083.28
Net cash flow from investing activities		(7,642.42)	(275.35)	(7,917.77)
Net cash flow from financing activities	(b)	(1,322.31)	12.36	(1,309.95)
Net increase/(decrease) in cash and cash equivalents		(144.44)	-	(144.44)
Cash and cash equivalents as at 1st April		**-**	**-**	**-**
Cash and cash equivalents as at 31st March		**(144.44)**	**-**	**(144.44)**

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in lakhs)

Notes to the reconciliations

(a) Under previous GAAP, redeemable preference share were classified as part of total equity. Dividend paid on these preference shares were adjusted against retained earnings and not recognised as finance costs in profit and loss account. However under Ind AS, financial intruments are classified as a liability or equity according to the substance of the contractual arrangement and not its legal form. These preference share do not contain any equity component and hence, have been classified in their entirety as financial liability under Ind AS. The resultant dividend have been recognised as finance cost in profit & loss.

(b) Under previous GAAP, transaction costs incurred in connection with borrowings are charged upfront to Statement of Profit and Loss for the period/year. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to Statement of Profit and Loss using effective interest method.

(c) Under previous GAAP, the Company is required to mark to market valuation for outstanding derivatives as on reporting date. Under existing GAAP, only mark to market losses are required to be recognised and the mark to market gains are ignored. Under Ind-AS, as on transition date, the Company has done the mark to market valuation for all outstating derivative contracts and recognised the fair value loss in the statement of profit and loss.

(d) Under previous GAAP, actuarial gains and losses were recognised in profit or loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of profit or loss.

(e) Under previous GAAP, proposed dividends including DDT are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the company (usually when approved by shareholders in a general meeting) or paid. In case of the Company, the liability relating to proposed dividend (including dividend distribution tax) has been derecognised against retained earnings as at 1 April 2015. The proposed dividend for the year ended on March 31, 2016 has been recognized under Indian GAAP, has been reduced from short term provisions and with a corresponding impact in the retained earnings.

	SBNs	Other denomination notes	Total
45. Demonetisation - Transaction of Specified Bank Notes			
Closing cash in hand as on November 8, 2016	0.89	0.30	1.19
Permitted Receipts	-	0.41	0.41
Permitted payments	-	(0.38)	(0.38)
Amount deposited in Banks during November 8, 2016 to December 30, 2016	(0.89)	-	(0.89)
Closing cash in hand as on December 30, 2016	-	**0.33**	**0.33**

46. The Committee of Board of Directors of the Company in their meeting held on 17 May 2016 has approved withdrawal of merger proposal with the parent company i.e., Tata Steel Limited and decided to file a fresh merger proposal with Tata Metaliks DI Pipes Ltd (TMDIPL) (wholly owned subsidiary company). The company have already received the requisite clearance from Securities and Exchange Board of India (SEBI). TMDIPL being the transferor company has filed requisite application with Hon'ble High Court, Calcutta on 1 September 2016 pursuant to section 391 to 394 of the Companies Act 1956. The filing of a separate application and petition by Tata Metaliks Limited, the transferee company is dispensed with vide order dated 19 September 2016 by Hon'ble High Court, Calcutta.

Pursuant to the sanction of the Hon'ble High Court of Calcutta dated 7 November 2016 to the scheme of Amalgamation, the assets and liabilities of the erstwhile Tata Metaliks DI Pipes Ltd (TMDIPL) whose principal business was of carrying of business of manufacturing Ductile Iron Pipe has been merged with the company. Consequent to the Order and subsequent approval of SEBI and the filing of the final certified order with Registrar of the Companies, Kolkata,

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

(₹ in lakhs)

the scheme has become effective on December 22, 2016 with effect from the appointed date of April 01, 2016. As this is a common control transaction, the amalgamation has been accounted using the 'pooling of interest' method and figures for the previous period have been recast as if the amalgamation had occurred from the beginning of the preceding period in accordance with the requirements of Appendix C of Ind AS 103 on Business Combinations. Accordingly, the assets, liabilities and reserves of the erstwhile TMDIPL as on the appointed date have been merged with the Company at their book values. The net impact of the merger on assets, liabilities and reserves as on the appointed date is given below.

	₹ in Lakhs
(I) EQUITY AND LIABILITIES	
(1) Equity	
(a) Equity Share capital (Note 1)	17,940.00
(b) Other Equity	(11,661.70)
	6,278.30
(2) Non-current liabilities	
(a) Financial Liabilities	5,095.52
(includes Non-Cumulative Preference Shares of Rs. 420,000,000) (Note 1)	
(b) Provisions	328.66
	5,424.18
(3) Current liabilities	
(a) Financial Liabilities	
(i) Borrowings	1,151.27
(ii) Trade payables	26,566.68
(iii) Other financial liabilities	3,798.73
(b) Current tax liabilities (Net)	-
(c) Other current liabilities	899.11
(d) Provisions	242.76
	32,658.55
TOTAL EQUITY AND LIABILITIES	**44,361.03**
(II) ASSETS	
(1) Non-current assets	
(a) Property, Plant and Equipment	16,604.32
(b) Capital work-in-progress Tangible assets	4,468.50
(c) Other Intangible assets Intangible assets	15.12
(d) Financial Assets Capital work-in-progress	38.18
(e) Non current tax assets (Net)	86.60
(f) Other non-current assets	18.75
	21,231.47

NOTES TO THE FINANCIAL STATEMENTS *(Contd.)*

	₹ in Lakhs
(2) Current assets	
(a) Inventories	4,014.55
(b) Financial Assets	
(i) Trade receivables	14,178.01
(ii) Cash and cash equivalents	143.80
(iii) Other financial assets	1,166.37
(c) Other current assets	3,626.83
	19,115.01
	44,361.03

Note 1 - On amalgamation Equity share capital and Non-Cumulative Preference share capital have been eliminated against investments held by the Company in erstwhile Tata Metaliks DI Pipes Limited and the difference of ₹ 8,759.51 lakhs has been accounted for under Capital Reserve.

47. Corporate social responsibily expense

Gross amount required to be spent by the company during the year 2016-17 was ₹ 204.69 lakhs. The details of the amount spent during the year CSR activity as covered under Schedule-VII to the Companies Act, 2013 is given below:

Particulars	In cash (₹ in lakhs)		Yet to be paid in cash (₹ in lakhs)		Total (₹ in lakhs)	
	2016-17	2015-16	**2016-17**	2015-16	**2016-17**	2015-16
(i) Construction/acquisition of any asset	**-**	-	**-**	-	**-**	-
(ii) On purposes other than (i) above	**204.69**	107.17	**-**	-	**204.69**	107.17

48. The company have already transferred the proposed Karnataka project in favour of Tata Steel during 2013. The company had paid ₹ 3,664.98 lakhs to Karnataka Industrial Area Development Board (KIADB) as advance for land for Karnataka project. Consequent to the withdrawal of merger with Tata Steel the said capital advance now been transferred to Tata Steel Ltd. The said ₹ 3,664.98 lakhs was funded by TSL in form of ICD of ₹ 2,200.00 lakhs and interest free advance of ₹ 1,465.98 lakhs which has been squared off with the capital advance.

49. Previous year's figures have been regrouped/reclassified where necessary to correspond with the current period's classification/disclosure.

For and on behalf of the Board of Directors

Sankar Bhattacharya	**Subhra Sengupta**	**Koushik Chatterjee**	**Sanjiv Paul**
Company Secretary	*Chief Financial Officer*	*Chairman*	*Managing Director*

Mumbai, 21 April, 2017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