GRI Index

(UNGC Communication on Progress)

GRI Standard	GRI Standard Title	Page Number/ UNGCCoP

I. GENERAL DISCLOSURES

1. Organizational profile

GRI 102-1	Name of the organisation	Cover/ 81
GRI 102-2	Activities, brands, products, and services	11
GRI 102-3	Location of headquarters	81
GRI 102-4	Location of operations	11
GRI 102-5	Ownership and legal form	24
GRI 102-6	Markets served	50
GRI 102-7	Scale of the organization	16-17
GRI 102-8	Information on employees and other workers	17
GRI 102-9	Supply chain	17
GRI 102-10	Significant changes to the organisation and its supply chain	None
GRI 102-11	Precautionary Principle or approach	22/40
GRI 102-12	External initiatives	24
GRI 102-13	Membership of associations	24

2. Strategy

GRI 102-14	Statement from senior decision-maker	8-9
GRI 102-15	Key impacts, risks, and opportunities	22
GRI 102-16	Values, principles, standards, and norms of behavior	23, 67
GRI 102-17	Mechanisms for advice and concerns about ethics	23, 67

3. Ethics and integrity

GRI 102-16	Values, principles, standards, and norms of behavior	23
GRI 102-17	Mechanisms for advice and concerns about ethics	52

4. Governance

GRI 102-18	Governance structure	24
GRI 102-19	Delegating authority	24
GRI 102-20	Executive-level responsibility for economic, environmental, and social topics	5
GRI 102-21	Consulting stakeholders on economic, environmental, and social topics	5
GRI 102-22	Composition of the highest governance body and its committees	4
GRI 102-23	Chair of the highest governance body	4
GRI 102-24	Nominating and selecting the highest governance body	70-71
GRI 102-25	Conflicts of interest	None/ 72
GRI 102-26	Role of highest governance body in setting purpose, values, and strategy	70
GRI 102-27	Collective knowledge of highest governance body	70-71
GRI 102-28	Evaluating the highest governance body's performance	
GRI 102-29	Identifying and managing economic, environmental, and social impacts	22/67
GRI 102-30	Effectiveness of risk management processes	22/67
GRI 102-31	Review of economic, environmental, and social topics	22/67
GRI 102-32	Highest governance body's role in sustainability reporting	66

GRI 102-33	Communicating critical concerns	71
GRI 102-34	Nature and total number of critical concerns	None
GRI 102-35	Remuneration policies	73-74
GRI 102-36	Process for determining remuneration	73-74
GRI 102-37	Stakeholders' involvement in remuneration	73-74
GRI 102-38	Annual total compensation ratio	73-74
GRI 102-39	Percentage increase in annual total compensation ratio	73-74

5. Stakeholder engagement

GRI 102-40	List of stakeholder groups	16-20
GRI 102-42	Identifying and selecting stakeholders	16-20
GRI 102-43	Approach to stakeholder engagement	16-20
GRI 102-44	Key topics and concerns raised	16-20

6. Reporting practice

GRI 102-45	Entities included in the consolidated financial statements	TSPDL
GRI 102-46	Defining report content and topic Boundaries	TSPDL
GRI 102-47	List of material topics	22
GRI 102-48	Restatements of information	None
GRI 102-49	Changes in reporting	First Integrated Report
GRI 102-50	Reporting period	2018-19
GRI 102-51	Date of most recent report	April 12, 2019
GRI 102-52	Reporting cycle	April 1 to March 31
GRI 102-53	Contact point for questions regarding the report	81
GRI 102-54	Claims of reporting in accordance with the GRI Standards	8
GRI 102-55	GRI content index	140

II. ECONOMIC PERFORMANCE

UNGCCoP 1, 4, 6, 7

GRI 201: Economic Performance

	Management Approach	26
GRI 201-1	Direct economic value generated and distributed	27
GRI 201-3	Defined benefit plan obligations and other retirement plans	125-128
GRI 201-4	Financial assistance received from government	None
GRI 201-5	Key topics and concerns raised	

GRI 203: Indirect Economic Impacts

	Management Approach	8-9/26
GRI 203-1	Infrastructure investments and services supported	27/ 56/59-60

GRI 204: Procurement Practices

	Management Approach	48

GRI 205: Anti Corruption

	Management Approach	23-24/ UNGCCoP Principle 10
GRI 205-2	Communication and training about anti-corruption policies and procedures	23
GRI 205-3	Confirmed incidents of corruption and actions taken	25
Refer Tata Code of Conduct: https://www.tata.com/about-us/tata-code-of-conduct		

GRI Standard	GRI Standard Title	Page Number/ UNGCCoP

III. ENVIRONMENTAL PERFORMANCE
UNGCCoP Principles 7-9

GRI 301: Materials

	Management Approach	42-43/ UNGCCoP Principles 7-9

GRI 302: Energy

	Management Approach	42-43/ 68
GRI 302-1	Energy consumption within the organization	43
GRI 302-4	Reduction of energy consumption	43
GRI 302-5	Reduction in energy requirements of products and services	43

GRI 303: Water

	Management Approach	42-43
GRI 303-2	Management of water discharge-related impacts	42-43
GRI 303-5	Water consumption	43

GRI 305: Emissions

	Management Approach	42-43/ UNGCCoP Principles 9
GRI 305-1	Direct (Scope 1) GHG emissions	43
GRI 305-5	Reduction of GHG emissions	43

GRI 306: Effluents and Waste

	Management Approach	42

GRI 307: Environmental Compliance

	Management Approach	42

IV. SOCIAL PERFORMANCE
UNGCCoP Principle 10

GRI 401: Employment

	Management Approach	36/ UNGCCoP Principle 1-2

GRI 402: Labor/Management Relations

	Management Approach	36/ UNGCCoP Principle 1-2

GRI 403: Occupational Health and Safety

	Management Approach	39
GRI 403-1	Occupational health and safety management system	39
GRI 403-2	Hazard identification, risk assessment, and incident investigation	39
GRI 403-3	Occupational health services	39
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	39
GRI 403-5	Worker training on occupational health and safety	39
GRI 403-6	Promotion of worker health	39

GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	39
GRI 403-8	Workers covered by an occupational health and safety management system	39

GRI Standard	GRI Standard Title	Page Number/ UNGCCoP.

GRI 404: Training and Development

	Management Approach	38
GRI 404-1	Average hours of training per year per employee	38

GRI 405: Diversity and Equal Opportunity

	Management Approach	67
GRI 406-1	Diversity of governance bodies and employees	67

GRI 406: Non-discrimination

	Management Approach	67/ UNGCCoP Principle 6
Refer Tata Code of Conduct: https://www.tata.com/about-us/tata-code-of-conduct		

GRI 407: Freedom of Association and Collective Bargaining

	Management Approach	38 / UNGCCoP Principle 3
Refer Tata Code of Conduct: https://www.tata.com/about-us/tata-code-of-conduct		

GRI 408: Child Labor

	Management Approach	38 / UNGCCoP Principle 5
Refer Tata Code of Conduct: https://www.tata.com/about-us/tata-code-of-conduct		

GRI 409: Forced or Compulsory Labor

	Management Approach	38/ UNGCCoP Principle 4
Refer Tata Code of Conduct: https://www.tata.com/about-us/tata-code-of-conduct		

GRI 412: Human Rights Assessment

	Management Approach	38/ UNGCCoP Principle 1-2
Refer Tata Code of Conduct: https://www.tata.com/about-us/tata-code-of-conduct		

GRI 413: Local Communities

	Management Approach	54/75
GRI 413-1	Operations with local community engagement, impact assessments, and development programs	54-61

KEY

UNGCCoP: United Nations Global Compact Communication on Progress

Irreplaceable

TATA STEEL PROCESSING AND DISTRIBUTION LIMITED

INTEGRATED REPORT AND ANNUAL ACCOUNTS 2018-19

Contents

4282.17
Total Income,
2018-19 (Rs crores)
34% y-o-y
growth

179.77
EBIDTA,
2018-19 (Rs crores)
21% y-o-y
growth

2.61
Deliveries 2018-19
(MnTPA)
19% y-o-y
growth

76.10
Net Profit,
2018-19 (Rs crores)
19% y-o-y
growth

The most efficient way for a steel producer to manufacture, transport and store steel is in high volumes and mill lots.

A steel consumer uses steel in smaller lots and at defined intervals.

Experience and integration into the customer's value chain brings understanding of customer requirements.

Acute understanding of a customer's processing and service requirements makes any service provider irreplaceable.

TSPDL intends to be an irreplaceable supplier to its customers as a processor and a service provider.

Corporate Information

Board of Directors

Mr. Anand Sen - Chairman
Mr. Peeyush Gupta
Mr. Rajiv Kumar
Dr. (Mrs.) Rupali Basu
Mr. Srikumar Menon
Mr. Chacko Joseph
Mr. Abraham G. Stephanos - Managing Director

Management Team

Mr. Abraham G. Stephanos - Managing Director
Mr. Om Prakash - Vice President (Operations & Sales)
Mr. P. K. Sahu - Sr. GM (HRM and Safety)
Mr. Debabrata Samaddar - Sr. GM (Business Development)
Ms. Swapna Nair - Chief Financial Officer
Mr. Ashwani Kumar - GM (Jamshedpur Business Unit)
Mr. Sanjay Dash - GM (South)
Mr. Sunil Vats - GM (North)
Mr. Venkat V Pampatwar - GM (West)
Mr. Subrata Ray - GM (Projects, Engineering & Technology)

Company Secretary & Chief - Corporate Affairs

Mr. Asis Mitra

Statutory Auditors

Price Water house & Co. Chartered Accountants LLP

Cost Auditors

Shome & Bannerjee

Secretarial Auditor

D. Dutta & Co.

Board Committees

Audit Committee

Mr. Chacko Joseph - Chairman
Dr. (Mrs.) Rupali Basu
Mr. Srikumar Menon

Nomination & Remuneration Committee

Mr. Srikumar Menon - Chairman
Mr. Anand Sen
Dr. (Mrs.) Rupali Basu
Mr. Chacko Joseph

CSR Committee

Dr. (Mrs.) Rupali Basu - Chairperson
Mr. Rajiv Kumar
Mr. Peeyush Gupta
Mr. Abraham G. Stephanos

Safety, Health & Environment (SHE) Committee

Mr. Rajiv Kumar - Chairman
Dr. (Mrs.) Rupali Basu
Mr. Abraham G. Stephanos

Bankers

State Bank of India
Kotak Mahindra Bank Ltd.
HDFC Bank Ltd.
Axis Bank Ltd.
ICICI Bank Ltd.

Registered Office

TATA CENTRE
43, Chowringhee Road, Kolkata - 700 071
Telephone : (033) 6613 0600
Facsimile : (033) 2288 1247
Website : www.tspdl.com

Shareholders' Information

FINANCIAL HIGHLIGHTS

(All amount in ₹ Lakhs)

YEAR	2018-19	2017-18	2016-17	2015-16	2014-15
ASSETS EMPLOYED					
Net Fixed Assets (including Capital Work-in-progress)	52,608	49,759	47,877	44,459	32,770
Net Current Asset/(Liabilities)	64,831	59,766	42,826	30,110	28,847
Net Other Non-Current Asset/(Liabilities)	3,071	928	280	-324	-293
Others	-	281	275	243	231
Deferred Tax Liability	-3,374	-2,401	-1,267	-1,157	-760
Total	**1,17,137**	**1,08,334**	**89,990**	**73,331**	**60,794**
FINANCED BY					
Equity Share Capital	6,825	6,825	6,825	6,825	6,825
Reserves & Surplus	61,318	53,480	46,851	44,219	39,780
Shareholder's Funds	68,143	60,305	53,676	51,044	46,605
Loan Funds	48,993	48,029	36,313	22,288	14,189
Total	**1,17,137**	**1,08,334**	**89,990**	**73,331**	**60,794**
REVENUE FROM OPERATIONS	**4,28,092**	**3,19,645**	**2,47,175**	**1,94,013**	**2,04,615**
PROFITS AND APPROPRIATIONS					
Earnings before Interest, Depreciation, Impairment loss/Reversal of Impairment Loss and Tax	17,977	14,911	9,902	10,352	8,345
Interest	3,397	2,708	2,018	1,243	880
Depreciation	2,802	2,471	2,106	1,926	2,024
Impairment loss	-	168	144	-171	1,368
Profit before Tax	11,778	9,564	5,634	7,184	4,073
Current Tax	3,318	2,170	1,390	1,970	1,730
Deferred Tax	850	1,005	204	370	-201
Profit after Tax	7,610	6,389	4,041	4,843	2,544
Proposed Dividend	-	-	-	1,024	683
Reserve & Surplus	61,318	53,480	46,851	44,219	39,780
IMPORTANT FINANCIAL RATIOS					
Long Term Debt to Equity	0.30	0.39	0.23	0.26	0.27
Basic Earning Per Share (Rs.)	11.15	9.36	5.92	7.10	3.73
Book Value (Rs.)	99.84	88.36	78.65	74.79	68.29
Interest Coverage Ratio	4.47	4.59	3.86	6.78	7.28
Return on Capital Employed (%)	9.5%	9.6%	8.1%	9.7%	7.4%
Net Profit to Net Income	1.8%	2.0%	1.6%	2.5%	1.2%
Net working Capital to Total Income	6.60	5.35	5.77	6.44	7.09
Return on Net Worth	11.8%	11.2%	7.7%	9.9%	5.6%
Total Income to Net Fixed Assets	**10.35**	**8.72**	**8.46**	**6.37**	**7.58**

Board of Directors

Mr. Anand Sen
Chairman

Mr. Peeyush Gupta

Mr. Rajiv Kumar

Dr. (Mrs.) Rupali Basu

Mr. Srikumar Menon

Mr. Chacko Joseph

Mr. Abraham G. Stephanos
Managing Director

Management Team

Mr. Abraham G. Stephanos
Managing Director

Mr. Om Prakash
Vice President (Operations & Sales)

Mr. P. K. Sahu
Sr. GM (HRM and Safety)

Mr. Debabrata Samaddar
Sr. GM (Business Development)

Ms. Swapna Nair
Chief Financial Officer

Mr. Ashwani Kumar
GM (Jamshedpur Business Unit)

Mr. Sanjay Dash
GM (South)

Mr. Sunil Vats
GM (North)

Mr. Venkat V Pampatwar
GM (West)

Mr. Subrata Ray
GM (Projects, Engineering & Technology)

Mr. Asis Mitra
Company Secretary &
Chief - Corporate Affairs

Mr. Amit Basu
AGM (Internal Audit)

Ms Monika Agarwal
Chief Business Excellence &
Chief Ethics Counsilor

Chairman's Statement

FY19 saw improved capacity utilisations both in the organised and semi-organised space due to increase in demand from the value added steel intensive sectors like Automobiles, Consumer Durables, General Engineering and Lifting & Excavation.

A new product, TRyNOX IT Racks, was successfully introduced in the market.

Dear Shareholders,

Warm greetings to all of you.

The year 2018-19 witnessed a 7.3% growth in the Indian Economy, against a backdrop of weak global growth and softening international trade and manufacturing activity. However, your Company delivered a robust performance and continued to break records by consistently delivering on its commitments towards service excellence with profitable growth.

Your Company achieved highest ever volumes of approximately 2.6 Million MT leading to an all-time high turnover of Rs 4,282 Crores, and a record PBT of Rs. 117.78 Crores. Distribution volume grew to 0.8 million MnT, including the VSM business which crossed half a million tonnes of sales.

During FY19, your Company commissioned the 12 mm thick HR slitter line along with the automatic strapping line at the Kalinganagar unit, while installation of WCTL-I (1.2-12mm) line is currently in progress. Shed extension projects were taken up at Bara, Pantnagar, Ranjangaon and Tada plants during the year. The Company augmented its processing capacity from 3.2 MnT in FY18 to 3.5 MnT with around 75% of utilisation in FY19. Your Company has introduced several new products in FY19 as well.

Your Company continued to focus on initiatives to improve Operational Excellence, Quality & Safety. The 'LAKSHYA 25' EBIDTA improvement initiative resulted in significant cost savings that added to the bottom line. The Company continued its effort to establish a presence in the 'Services & Solutions' space. A new product, TRyNOX IT Racks, was successfully introduced in the market. Organisational improvement initiatives were taken up in the areas of Business Excellence, Ethics, Innovation, CSR & Affirmative Action. As in the past, several Group level awards came its way during the year, for initiatives in these areas.

FY19 saw improved capacity utilisations both in the organised and semi-organised space due to increase in demand from the value added steel intensive sectors like Automobiles, Consumer Durables, General Engineering and Lifting & Excavation., This trend is expected to continue. Your Company would make further progress on its growth journey, with a focus on Tata Steel's expansion plans. I am sure your Company with its enthused workforce will display enormous strength in braving the competition and will consolidate its position with Tata Steel's support and its own operational and cost improvement initiatives.

The excellent relationship between our unionized associates and the management at all our locations continued unhindered and remains an important strength. I would like to thank the leadership of the unions and all our employees & workforce for their valued contribution during the year.

I look forward to a positive 2019-20. As in the past, our core values coupled with relentless hard work will pave our way forward.

I thank all my colleagues in the Board of Directors of the Company. And I also thank you, along with all our other stakeholders, for the continued support you bestow upon us.

With best regards,

Yours sincerely,

[redacted]

Chairman

April 12, 2019

Managing Director's Statement

It gives me great pleasure to share the first Integrated Report of TSPDL with you. This is a step forward in our effort to provide in-depth understanding of our operations over the long-term by including our Environment, Social and Governance practices and performance.

The report is GRI-referenced and encompasses the UNGC Principles, which TSPDL became a signatory to in 2005. It covers all units and operations of TSPDL. Issues reflected in it are derived from studies that gave us an understanding of concerns material to our stakeholders.

During the last three years the growth in revenue for TSPDL has been 27%, 30% and now 34% in 2018-19.

Customer experience is irreplacebale

The expected growth in capacities of SSCs in India, especially with global steel producers and OEM manufacturers driving this growth, has made it obvious that differentiation on the basis of product quality is unlikely to ensure business leadership.

Therefore, your company has in the past several years focused on improving all aspects of its operations, especially those that provide a superior customer experience, as determined by product quality, technology and service excellence.

Tata Steel is TSPDL's largest Tolling customer with a 92% share of business

Breaking away from competition

Our effort to strive for leadership in the SSC sector was captured in 2018-19 in the Customer Satisfaction survey conducted by us. In the Customer Experience Index 70% of our customers rated TSPDL as the best in class, with our product quality rated much higher than competition. Our success in breaking away from competition is a consequence of activities assiduously undertaken across the organisation, as a result of which consistent growth in business has been experienced in the tolling and distribution segments.

Focus on customer satisfaction

The higher customer satisfaction levels, also reported in the survey, are a consequence of TSPDL's focus on developing in-house technical expertise, its long standing focus on understanding customer specifications and, thereafter, processing steel ideally suited to their end applications. The unique position that TSPDL is creating for itself in the SSC business in India gives it the confidence that it can aspire to be an irreplaceable partner in the customers' value chain.

Benchmarking to global trends

I can proudly say that productivity of our Kalinganagar plant, established in 2018, and its product quality is comparable to the best in the world. TSPDL has entirely replaced imports of a top European product for laser blanking used by the lifting and excavation industry, allowing Tata Steel to make significant inroads into this segment.

Our Chennai plant has also replaced imports of hot rolled and hot rolled pickled automotive products that several manufacturers were having difficulties sourcing. Leading automotive OEMs like Toyota, Ashok Leyland, Daimler and Ford have certified it for the supply of quality critical parts. Our Tada plant, which processes heavy plates, is also the only service centre to have ever achieved SQEP Platinum rating from Caterpillar.

Expectation is a moving target

Despite our past successes, we must stay ahead of the curve, providing the best customer experience, and must cement our leadership in the industry. The world is witnessing a web of changes. Therefore, we cannot stay ahead only by meeting technological expectations but must proactively shape customer experience. TSPDL has restructured itself to create a robust back-end and introduced fresh touch points, such as automated updates on the status of order, digital access to documentation and online logging of complaints, even as customers themselves becoming aware of the value of these services from the B2C space.

Thank you… to stakeholders

I would like to thank Tata Steel for its continued faith in us and for making us their preferred channel for serving key customers and for continuously investing in strengthening our capabilities. I would also like to thank the Chairman and members of the Board for their guidance, and our workforce for their commitment to TSPDL and the guidance they provide, which once again helped us conclude a successful year.

Warm regards

Managing Director

909
Employees (Nos)

3
Revenue Streams (Nos)

10
Operational Units (Nos)

13
Distribution Locations (Nos)

At a glance

Our strengths

First mover advantage

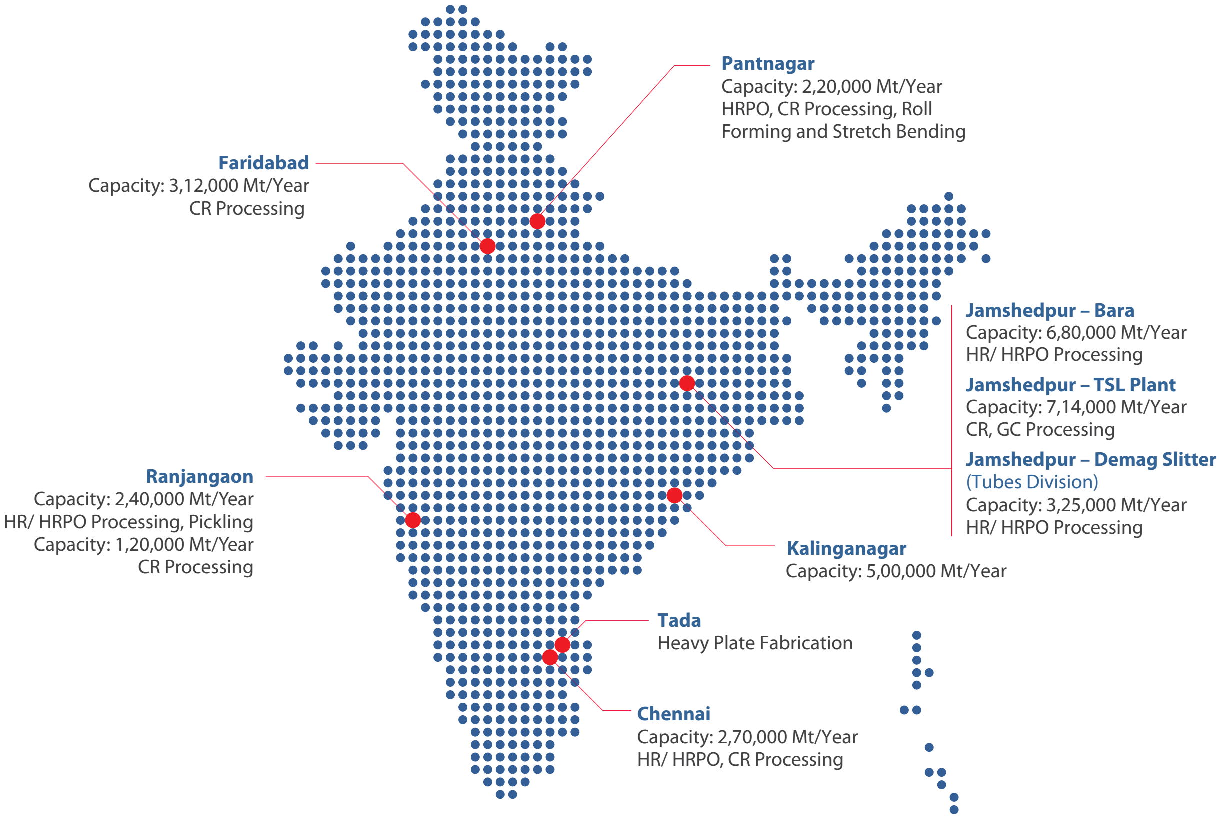
Incorporated in 1997 as Tata Ryerson Limited, a 50:50 joint venture between Ryerson Inc., USA, (North America's largest metals processor and distributor with more than 100 service centers in USA, Canada & Mexico) and Tata Steel, TSPDL was an early entrant in the Steel Service Centre industry in India.

The company transformed into a wholly owned subsidiary of Tata Steel Limited in 2009 and was rechristened Tata Steel Processing and Distribution in January 2010. Tata Steel is not only the promoter but also the largest customer of and supplier of flat products to TSPDL.

In India, Steel Service Centres currently operate as part of the supply chain of flat steel products. TSPDL operates as an intermediary (bridge) between steel suppliers and customers converting steel mill lots into processed steel in desired shapes and sizes.

TSPDL's objective is to become the "last mile connect" and face of Tata Steel in serving the latter's OEM customers, as an irreplaceable distribution partner.

Processing footprint



It has created inherent advantages by following a two-pronged approach for creating a pan-India processing footprint comprising 10 processing facilities, backed by 13 distribution locations. These facilities have been established close to Tata Steel's plants and its OEM customers.

Three units at Jamshedpur and one at Kalinganagar, for its Tolling business, slit and process large volumes of material close to the manufacturing source before being shipped to customers.

To customise material and lot sizes in line with stringent technical specifications of auto majors and their MSME suppliers, TSPDL has established facilities at the doorstep of customers in the auto manufacturing hubs of Chennai, Pune and Pantnagar.

Diverse capabilities

TSPDL is the largest distributor of Tata Steel nationwide, serving its customers across the country through Tolling and Distribution. TSPDL has been assigned territories as well as sales volumes to OE and MSME customers under Tata Steel's Vendor Servicing Model (VSM) in fixed territories with revenues based on the activity involved.

Also as an authorised distributor of three branded products of Tata Steel, TSPDL earns revenue from sales in specifically assigned territories by servicing OE customers assigned to it.

TSPDL 's key work processes are Sales, Manufacturing, Supply Chain Management and New Business Development.

At a glance

Highlights across capitals (2018-19)

Financial Capital

34
Increase in Income (%)

19
Increase in Net Profit (%)

19
Growth in the Tolling business (%)

18
Growth in Distribution Sales (%)

Manufactured Capital

74
Capacity Utilisation (%)

2.6
Despatch Volumes (MnT)

2.43
Process Volume excluding EPAs(MnT)

Human Capital

299
Workforce Cost (Rs per ton)

76.4
Workforce Engagement Index

1433
Employee Productivity (Mt per employee)

Intellectual Capital

1
New product designed, developed and launched (Nos.)

8.36
Lakshya 25 savings (Rs Cr)

79
Improvement ideas implemented under Lakshya 25

Natural Capital

0.08
Carbon Footprint (TCO_2e/MT)

0.056
Water Consumption (M^3/MT)

7.73
Electricity consumption across all locations (KWH/MT)

Social & Relationship Capital

151
CSR Spend (Rs in Lakhs)

11563
Lives touched (Nos.)

22.3
Dalits and tribals in the workforce (%)

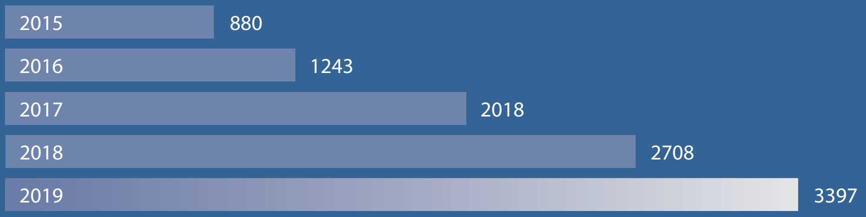
9729
Hours contributed by employee volunteers (Nos.)

Our financial growth this year

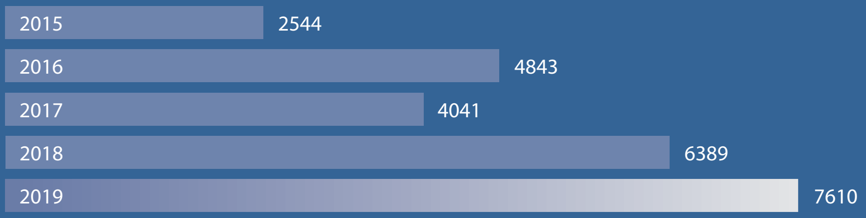
TOTAL INCOME
(₹ lakhs)

EBITDA
(₹ lakhs)

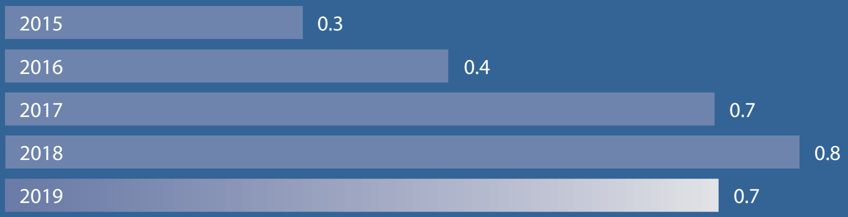
INTEREST CHARGES
(₹ lakhs)



PAT
(₹ lakhs)



DEBT EQUITY
(Ratio)



Integrated Report

Setting the context

The Steel Service Centre industry in India was till recently largely an unorganised segment with limited organised players but it is now witnessing a flurry of investments from organised industry.

Steel Service Centres (SSC) predominantly form part of the flat steel products supply chain in India. Of the country's Apparent Domestic Consumption of steel, estimated at 97 million tonnes in FY19, only 15 million tonnes was processed and distributed by organised service centres for flat steel.

The Government of India’s National Steel Policy (NSP) 2017 seeks to create a globally competitive steel industry in the country. It envisages a rise in Per Capita Steel Consumption to 160 Kgs by 2030-31 from the current 61 Kgs, with the entire demand for high grade automotive steel, electrical steel, special steels and alloys for strategic applications being met domestically.

As steel producers increasingly focus on their core activity and greater globalisation is bringing in increased manufacturing activity in India, opportunities for SSCs providing value added products and services are expected to grow. Capacities will be added by domestic steel mills setting up fresh SSCs or OEMs adding or expanding facilities, steel mills from overseas creating capacities to process steel in India, and smaller enterprises with interests in steel and engineering components also setting up processing units.

The automotive industry, key customers for SSCs offering value added services, is preparing for vast changes as India grows into the world’s third-largest passenger-vehicle market. The country’s Automotive Mission Plan 2016–26 has pegged its contribution to GDP at 12% by 2026, from 7% in 2019, based on rising incomes, rapid urbanisation and greater demand for mobility from an expanding workforce.

In the immediate term, however, the Indian economy faces growth and investment headwinds. In 2018-19 economic growth was unable to regain its past strength due to slow recovery from the transitory adverse impact of the roll out of Goods and Services Tax (GST) and Demonetisation. GDP growth slipped as consumption, manufacturing and investment activity remaining muted.

The resultant slump in the auto sector made the drivers of purchase for the sector - availability, quality, service and customer experience - critical to the purchase decision of manufacturers, and defined their choice of SSC partners in 2018-19.

Our value creation model

Our approach to value creation is to be an irreplaceable partner to all our stakeholders.

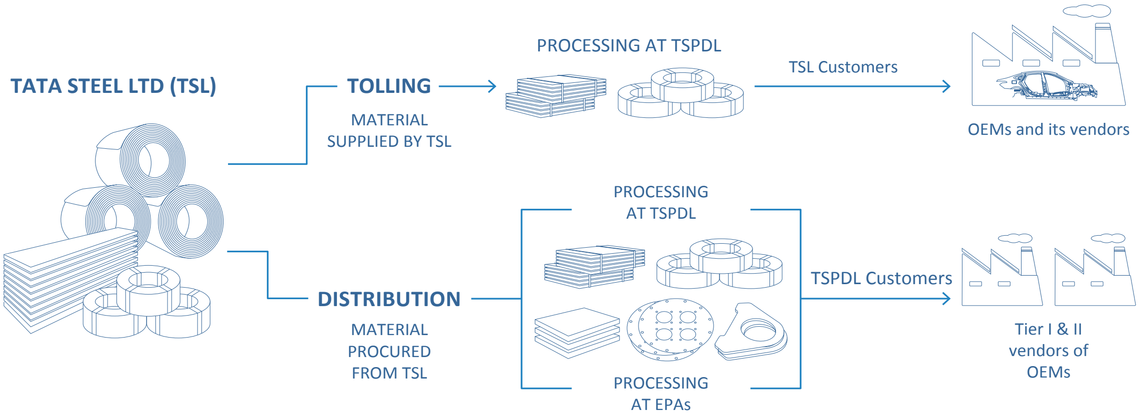
TSPDL operates in pre-dominantly two areas, Tolling and Distribution for Tata Steel. It has since 2018 also launched distribution of value added steel products under its Services & Solutions business.

TSPDL's Tolling contract with Tata Steel requires it to provide world class quality. As Tata Steel's largest distributor by volume, under the VSM model, TSPDL procures material from Tata Steel, processes and sells it to vendors of OEM. It is also the authorised distributor for three branded steel products of Tata Steel in territories assigned to it.

Share of Business

Business	Revenue Contributed	Business by Volume
Tolling	5.1%	66%
Distribution	94.8%	~34%
Services & Solutions	0.1%	

MATERIAL FLOW – TOLLING & DISTRIBUTION



Input	FY19	Output	FY19
Financial Capital			
Capex (₹ in Crores)	46.77	Total Income (₹ in Crores)	4282
Revenue Spend (₹ in Crores)	328	EBITDA (₹ in Crores)	180
Material cost (₹ in Crores)	3808	PAT (₹ in Crores)	76
Manufactured Capital			
Installed Capacity (MnTPA)	3.4	Capacity Utilisation (%)	74
Plants (Nos)	10	Tolling Volumes Distribution Volumes ('000 Mt)	2612
Intellectual Capital			
Improvement ideas implemented under Lakshya 25	79	Savings through lakshya 25 (₹ in Crores)	8.36
		Products Launched (Nos)	1
Human Capital			
Employees on roll (Nos)	909	Workforce Satisfaction Index	77
Contract Workers (Nos)	1060	Safety- LTIFR	0.59
Multiskilling of Contract Workers (%)	69	Health Index	13.83
Relationship Capital			
Pan India Sales Office (Nos)	13	Overall Customer Satisfaction Index	84
Customer Facing Processes- MILAAP (Nos)	32	Overall Experience Index	85
Suraksha Bandhan (Nos)	18	Complaint Resolution Time (Days)	7
Updates in Social media & websites (Nos)	230	OTIF (%)	77
Debtor days	31	Delivery Compliance (Tolling) (%)	99
		Vendor Satisfaction Index	91
Social Capital			
CSR Spend (₹ in Crores)	1.51	No. of Beneficiaries	11563
Employee Volunteering Hours (Nos)	9729		
Natural Capital			
Water Consumption (M^3/MT)	0.056	Carbon Footprint (tCO_2e/mt)	0.08
Electricity Consumption across all SSCs (KWH/MT)	7.73		

Irreplaceable

…In terms of product and process

In the last two decades TSPDL has become the primary front-end for processing Tata Steel's flat products.

TSPDL processes and distributes large volumes of steel coils and sheets manufactured by Tata Steel into smaller, customised, consumable lots. The product and service requirements it caters to are spread across various customer groups and are not uniquely linked to any single customer group.

The automobile sector, OEMs and their vendors, require lot sizes and material to be customised, which a steel mill is unable to service. Therefore, this sector is a key customer for SSCs such as TSPDL.

Aside from the advantage provided by the raw material sourced from Tata Steel, the critical differentiator of product quality is TSPDL's processing capabilities that match the stringent technical requirements of global auto majors such as dead flatness, close dimensional tolerance, hardness, surface finish and better packaging for a wide range of applications. At the same time units such as the recently established one at Kalinganagar have lines with speeds capable of matching the steel mill's output.

TSPDL has been certified as a global supplier by the auto majors, after rigorous checks for its certification, which gives both Tata Steel and TSPDL a competitive advantage. TSPDL processes and distributes 80% of the volume manufactured by Tata Steel for the auto sector, and provides self-certification of product quality, which is consistently rated higher than competitor.

Milaap, a customer centric initiative, is an effective platform for listening and learning for both members of TSPDL's customer facing and key work process teams. Daily reviews with Tata Steel's Flat Products Planning group provide immediate feedback on deliveries. Immediate actionable feedback is also received through follow-ups by Customer Account Managers.

Irreplaceable

…In terms of service excellence

TSPDL intends to be a benchmark in service excellence in India. In the Customer Survey conducted in 2018, TSPDL was rated the best-in-class supplier by 70% of its customers.
(Source: Annual Customer Satisfaction Survey, 2018)

In the last decade, the steel industry has moved from being a producer-dominated industry to a customer-driven one. The shift is largely due to the growing size of the auto sector in India, its need for reliability in material supply, and stringent technical requirements requiring deep integration of suppliers into individual supply chains.

TSPDL's long-term Vision is to be a trusted and irreplaceable bridge between suppliers of high-end automotive steels and their customers. It is already deeply integration into their supply chain, having outperformed competition over a wide variety of SKUs and lot sizes. The value placed by the customer on the technical expertise of TSPDL and its service excellence is borne out by their preference for its services even with an additional processing and service cost.

TSPDL's people have provided a critical edge by ensuring cost effective order fulfillment, vendor managed inventories, just-in-time supplies, technical understanding of customer needs and self-certification of quality.

Of the 13 MnTPA produced by Tata Steel in 2018-19, TSPDL managed 25% or 2.6 MnTPA of its flat products at 10 Steel Service Centres across India.

Strategy

The journey to being irreplaceable

Our approach to value creation is to provide a level of service to customers that is unmatched by any other service provider, and to cement TSPDL's leadership in the industry.

Staying ahead of the curve

The Indian steel industry has witnessed a perceptible shift from an era when product availability alone was a concern for customers, to a period of improvements in product quality and service, to now an era when customer experience is increasingly aligned with global experiences. TSPDL has planned three phases of Business Transformation via deployment of the business strategy and business improvement to create stakeholder value.

Operational Efficiency

As India grows into the manufacturing hub of the world, to serve global OEMs, it is incumbent upon TSPDL, as a front-end partner of a global steel producer, to improve, upgrade and expand its operations to match emerging and future standards evolving across the world. Detailed Resource Planning to achieve Strategic Objectives is undertaken during the Strategic Planning Process.

Action plans are implemented through the Balanced Score Card – KRA cascade. When and where it has been strategically or competitively critical to Tata Steel and its customers, TSPDL has invested in technology and processes ahead of the curve in India. It also continues to keep close track of developments such as steel grades currently not manufactured or used in India but will in the near future be required to be processed.

Drive for Service Excellence

Recent additions in new capacities has made it apparent that globalisation will cease to let product quality be a competitive advantage. TSPDL therefore launched its journey to become an irreplaceable supplier by commissioning a study to determine the gap between its existing level of competence and levels desired by it. The study was instrumental in developing a Service Delivery Model that is leading an organisational transformation. The range of activities required had necessitated a more robust backend through a redefined organisation structure. This was set in place over the last two years.

Today a Supply Chain Department drives all activities - inventories, order flow or deliveries - back from the commitment given to a customer.

As part of its strategy of staying ahead of the curve in the area of service excellence, TSPDL proactively set higher standards such as time defined delivery. It has moved from initially defining the month of delivery, then allocating the week of delivery, to now setting a benchmark in service excellence by committing deliveries in the first or the second half of a week. It has successfully achieved 80% On Time In Full (OTIF) deliveries of material and has set a target of over 95% for itself.

New business growth

In 2017-18, TSPDL launched the Services & Solutions business to strenghten its distribution relationship with Tata Steel by becoming a distributor for Tata Steel's branded, value added steel products and services – easy nest toilets and Pravesh Doors. In 2018-19 TSPDL expanded the scope of this business by designing, manufacturing and selling a new steel intensive "IT Enclosure" under the brand name TryNox.

External and internal inputs, promoter stakeholder inputs, granual analysis and internal analysis form part of TSPDL's Strategic Planning Process.

Our Risks

TSPDL views risks as events, situations or circumstances that may have negative consequences on the company's businesses. It has in place a formal Risk Management process to identify, quantify and manage risks. Risks are identified and managed based on its Enterprise Risk Management (ERM) framework.

Key business risks and the related key performance indicators, along with the mitigating action plans are reviewed on a quarterly basis.

TSPDL is revisiting its ERM Process and in consultation with Deloitte Touche Tohmatsu India LLP is aligning it with Tata Steel's five-step Risk Management Framework. The revised Framework would be rolled out during FY'20, which will bring into force new safeguards and measures including Risk Velocity, Early Warning Indicators and Cross Functional Risks.

Initiatives taken

Financial Capital	TQM, Policy Management and Daily Work Management, Lakshya 25, Green Co, Wellness at workplace, Contractors Safety Management System, Safety Campaign, Performance Improvement Teams, Customer Survey, LBE Survey, Suraksha Bandhan, Milaap, TSG Impact Assessment Study, AA Assessment
Manufacturing Capital	
Human Capital	
Intellectual Capital	
Natural Capital	
Social Capital	

Ownership & Governance

As a Tata Group company and a subsidiary of Tata Steel, TSPDL ensures that its Corporate Governance practices are of the highest standards. It believes in creating sustained value by adhering to the Tata Group's Governance Philosophy: "to ensure fair, transparent, accountable and ethical management in order to protect the interests of all stakeholders, including shareholders, employees, customers, vendors, regulators and society."

Vision

Our Vision is to be a Benchmark in the Steel Service Centre Industry for Service Excellence

Tata Values

Integrity, Responsibility, Excellence, Pioneering, and Unity.

TSPDL has adopted the Tata Code of Conduct and relevant policies of Tata Steel and the Tata Group as part of its Management of Business Ethics. Senior leaders participate in governance structures and nurture a culture of transparency, open communication, discussions and ethical behaviour.

The Senior Leaders of the Company also reinforce the Vision, Mission and Values via Personal Commitment Plans and Role Model Behaviour. The Vision is periodically revisted to reassess it relevance. "Know your Vision" sessions ensure that the last man in the workforce understands it. To achieve the Vision, three phases of transformation have been envisaged. Phase I, or transformation of the back-end is currently in progress. The Board reviews compliance with legal requirements and ethics at its meetings. TSPDL has created mechanisms for frank two-way communication.

Ownership

An independent, unlisted company TSPDL is a 100% subsidiary of Tata Steel Limited. It was incorporated as a public limited company under the Companies Act, 1956, and has its own Memorandum and Articles of Association.

Governance

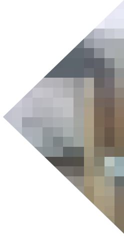
The Board of Directors comprise two (2) independent non-executive directors, four (4) non-independent non-executive directors nominated by Tata Steel and one non independent executive director. In line with the Diversity & Inclusion objectives of the Tata Group, the Board includes one lady director. The Chairman of the Board (a non-executive position) and the Managing Director (the highest executive officer) are both nominees of Tata Steel Limited.

TSPDL's Board has constituted four Committees

- **Audit Committee (AC)**
- **Nomination & Remuneration Committee (NRC)**
- **Safety Health & Environment Committee (SHEC)**
- **Corporate Social Responsibility Committee (CSRC)**

These Committees of the Board formulate policies, along with approving strategies, budgets and plans of the company, while reviewing the performance of the management in achieving its objectives in these areas.

The key stakeholder groups for the company are its customers, promoter (Tata Steel), employees, suppliers & partners, and key communities in the operating locations.



Board Compostion

There is an established reporting relationship between the parent company, Board, Board Committees and the Senior Leadership Team.

Our Policies

https://www.tspdl.com/

Membership of Associations

- Confederation of Indian Industry (CII)
- Bengal Chamber of Commerce & Industry (BCCI)
- All India Management Association (AIMA)
- Institute for Steel Development & Growth (INSDAG)

Around 80% of the concerns received in 2018-19 were from a third party helpline. The number of concerns saw a drop in 2018-19 to 24 from 32 in the previous year. 90% of TSPDL's customer regard it as an ethical company.

Financial Capital

Cost competitiveness… an irreplaceable advantage

Approach to Value Creation

TSPDL's goal is to lead the industry in service excellence by addressing a wide basket of customer needs through effective utilisation of its assets to service customers at competitive cost.

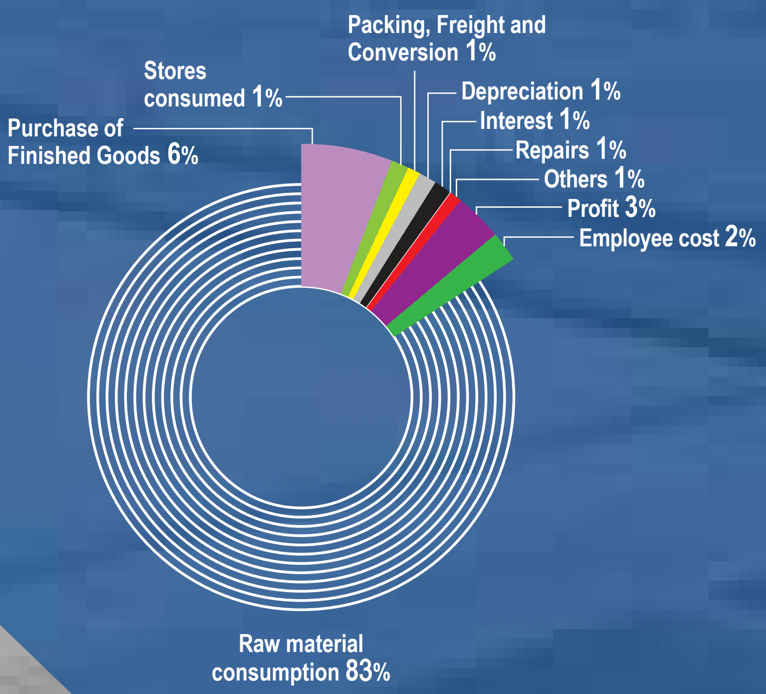
Sources and Deployment of funds

As a 100% subsidiary of Tata Steel, TSPDL relies primarily on debt for both its long-term and short-term capital needs. The Company generates financial capital annually in the form of surplus arising from current business operations as well as through financing activities, which include restructuring of debts aligned with the market conditions and other investments. Funds generated are utilised for the operation of the business and expansion plans.

The last year saw a sharp rise in its requirement of working capital due to a 18% rise in business volumes. The company took advantage of the scenario in financial markets to restructure its short-term borrowings, moving to instruments with lower rates of interest, thereby improving its effective borrowing cost and profitability.

Long-term debts, used for capital expenditures, including the new processing lines at Kalinganagar, expansion and upgradation at Pune and Pantnagar, as well as the expansion in previous years at Chennai, are intended to give TSPDL the edge in terms of product quality and timeliness of deliveries, while meeting growing demand at these locations.

Distribution of Revenue



Ten Years at a glance

(All amount in ₹ Lakhs)

		2,019	2,018	2,017	2,016	2,015	2,014	2,013	2,012	2,011	2,010
PROFIT & LOSS ACCOUNT											
(I)	Total Income	428,217	319,774	247,358	194,276	204,615	172,622	164,548	186,774	159,355	126,146
(ii)	Revenue from Operations	428,092	319,645	247,175	194,013	204,615	172,270	164,261	186,427	159,444	125,797
(iii)	EBITDA	17,977	14,911	9,902	10,352	8,345	7,561	7,982	10,239	8,632	8,727
(iv)	EBIT	15,175	12,440	7,796	8,427	6,321	5,928	6,680	8,930	7,226	7,175
(iv)	EBDT	14,580	12,035	7,741	9,109	7,465	7,028	7,343	9,417	7,665	7,567
(v)	Profit Before Tax	11,778	9,564	5,634	7,184	4,073	6,024	6,040	8,108	6,259	5,187
(vi)	Profit After Tax	7,610	6,389	4,041	4,843	2,544	4,274	4,111	5,526	4,254	3,157
(vii)	Surplus/(Accumulated Loss)	61,318	53,480	46,851	44,219	39,780	37,709	33,435	29,324	23,798	19,544
BALANCE SHEET[1]											
(I)	Gross Fixed Assets (carrying value as per Ind AS from 2015)	50,878	43,395	33,394	32,419	27,011	44,214	30,589	29,690	28,125	27,215
(ii)	Net Fixed Assets	41,376	36,675	29,250	30,500	27,011	28,981	16,829	16,870	16,462	16,839
(iii)	Capital Work in Progress[2]	11,232	13,085	18,627	13,959	5,759	1,933	7,217	907	545	838
(iv)	Investments	0	281	275	243	231	1,104	5,412	6,298	2,757	1,675
(v)	Net Current Asset/ (Liabilities)	64,831	59,766	42,826	30,110	28,847	22,598	20,790	19,770	19,678	22,117
(vi)	Net Other Non-Current Asset/(Liabilities)	3,071	928	280	-324	-293	-308	-325	-574	3	0
	Asset Employed	**120,510**	**110,734**	**91,257**	**74,488**	**61,555**	**54,309**	**49,923**	**43,272**	**39,445**	**41,469**
(vii)	Loan Funds										
a)	Term Loans	20,523	23,333	12,155	13,474	12,438	8,750	8,878	6,593	8,014	9,270
b)	Working Capital Loans	28,470	24,696	24,158	8,813	1,751	0	160	0	441	5,064
(viii)	Shareholder's Fund	68,143	60,305	53,676	51,044	46,605	44,534	40,260	36,149	30,623	26,369
(ix)	Deferred Tax-Net	3,374	2,401	1,267	1,157	760	1,025	625	530	367	767
	Funds Employed	**120,510**	**110,734**	**91,257**	**74,488**	**61,555**	**54,309**	**49,923**	**43,272**	**39,445**	**41,469**

[1] Figures of the financial years 2019 to 2015 are as per Indian Accounting Standards-Ind AS. Figures of the financial years from 2010 to 2014 are as per previous GAAP.

[2] Includes capital advance.

SOURCES AND UTILISATION OF FUNDS											
SOURCES OF FUNDS:											
1)	Funds Generated from Operations										
	a) Profit after Taxes	7,610	6,389	4,041	4,843	2,544	4,274	4,111	5,526	4,254	3,157
	b) Depreciation	2,802	2,471	2,106	1,926	2,024	1,633	1,303	1,309	1,406	1,552
	c) Other Income and Adjustments	1,146	1,637	-1,006	93	82	655	210	218	-248	975
	SUB-TOTAL	**11,558**	**10,497**	**5,141**	**6,862**	**4,650**	**6,562**	**5,624**	**7,053**	**5,412**	**5,684**
2)	Share Capital (including Advance Share Capital)				0	0	0	0	0	0	0
3)	Net Increase/(Decrease) in Borrowings	964	11,715	14,026	8,099	4,744	-288	2,446	-1,863	-5,878	-1,578
	TOTAL	**12,522**	**22,213**	**19,166**	**14,961**	**9,395**	**6,274**	**8,070**	**5,190**	**-466**	**4,106**
UTILISATION OF FUNDS:											
4)	Capital Expenditure	5,592	4,624	5,847	13,729	6,427	8,756	7,687	2,134	888	756
5)	Investments	-279	0	0	0	-904	-4,308	-886	3,541	1,082	785
6)	Net Increase/(Decrease) in Working Capital	7,208	17,589	13,319	1,232	3,871	1,826	1,269	-485	-2,436	2,566
	TOTAL	**12,522**	**22,213**	**19,166**	**14,961**	**9,395**	**6,274**	**8,070**	**5,190**	**-466**	**4,106**

		2,019	2,018	2,017	2,016	2,015	2,014	2,013	2,012	2,011	2,010
FINANCIAL RATIOS											
1	EBITDA/Total Income	4.2%	4.7%	4.0%	5.3%	4.1%	4.4%	4.9%	5.5%	5.4%	6.9%
2	PBT/Total Income	2.8%	3.0%	2.3%	3.7%	2.0%	3.5%	3.7%	4.3%	3.9%	4.1%
3	Return on Avg. Capital Employed (Post-Tax)*	9.5%	9.6%	8.1%	9.7%	7.4%	8.9%	10.7%	15.0%	12.3%	12.3%
4	Inventory Turnover (in days)	39	40	40	43	36	37	37	31	27	22
5	Debtors Turnover (in days)	29	36	36	31	30	35	31	27	34	47
6	Gross Block to Net Block	1.23	1.18	1.14	1.06	1.00	1.53	1.82	1.76	1.71	1.62
7	Debt to Equity	0.72	0.80	0.68	0.44	0.31	0.20	0.22	0.18	0.28	0.54
8	Current Ratio	3.28	4.05	2.94	2.98	3.69	2.25	2.65	2.63	2.69	3.53
9	Interest Coverage Ratio	4.47	4.59	3.86	6.78	7.28	12.32	10.46	10.87	7.48	5.83
10	Debt Service Coverage Ratio	1.96	1.90	2.08	2.73	1.94	2.03	2.34	3.02	3.01	2.60
11	Net Worth per share	99.84	88.36	78.65	74.79	68.29	65.25	58.99	52.97	44.87	38.64
12	Working Capital Turnover	6.60	5.35	5.77	6.44	7.09	7.62	7.90	9.43	8.10	5.69
13	Debt to EBITDA	2.73	3.22	3.67	2.15	1.70	1.16	1.13	0.64	0.98	1.64
14	Long Term Debt / Total Fixed Assets	0.39	0.47	0.25	0.30	0.38	0.28	0.37	0.37	0.47	0.52
*	Return on Avg. Capital Employed for Fy 2016-17, Fy 2014-15, Fy 2013-14 & Fy 2009-10 excludes impact of exceptional items of Rs 143.62 lakhs, Rs. 1,368.22 lakhs, Rs. 628 lakhs & Rs 829 lakhs respectively										

Note:

1 EBITDA/Total Income = Earnings Before Interest, Depreciation, Tax and Exceptional Items/Total Income

2 PBT/Total Income = Profit Before Tax/Total Income

3 Return on Avg. Capital Employed (Post-Tax) = Net Operating Profit after Tax/Average Capital Employed

4 Inventory Turnover (in days) = Average Inventory/Average per day Sales

5 Debtors Turnover (in days) = Average Debtors/Average per day Sales and Processing Charges

6 Gross Block to Net Block = Gross Block of Fixed Assets/Net Block of Fixed Assets

7 Debt to Equity = Loan Funds(Long term borrowings+Current maturities of long term borrowings+short term borrowings)/Shareholder's Fund

8 Current Ratio = Current Assets (excluding current investments)/Current Liabilities (Trade payables+other current liabilities+short term provisions-current maturities of long term borrowings)

9 Interest Coverage Ratio = Earnings Before Interest and Tax/Interest

10 Debt Service Coverage Ratio = Profit after Tax but Before Interest Paid and Depreciation /Interest paid and Long Term Loans repaid during the year

11 Net Worth Per share = Shareholders' Fund/No. of Shares issued

12 Working Capital Turnover = Sales of Processing and Services/Net Current Assets

13 Debt to EBITDA = Total Loan Funds/Earnings Before Interest, Depreciation, exceptional items and Tax

14 Long Term Debt / Total Fixed Assets = Long Term Debt(including current maturities of long term borrowings) / Total Fixed Assets (including Capital Work in Progress)

Manufactured Capital

Our Facilities… irreplaceable processes

Approach to Value Creation

Offering manufacturing flexibility and desired quality at competitive costs by setting up Best in Class infrastructure and processing facilities, while staying ahead of Safety and environment norms.

2.6
Combined Distribution and Tolling volume in FY19 (MnT)

1.8
Tolling Volume (MnT)

0.804
Product Sales (MnT)

8.36
Savings through Lakshya (Rs in Cr)

Aiming for superior capacity and capability

As the first mover in the organised steel processing and distribution industry in India, TSPDL has a pan India processing presence through four facilities in the East, and two each in North, South and Western India. It intends to enhance its processing capacity to ~5 MnT by 2021-22 along with simultaneously enhancing its capabilities.

Recent capability enhancements

- World class HR SSC at Kalinganagar with high speed lines, to process high strength and high thickness products
- Capacity enhancements at Pune, Pantnagar and Tada
- High speed HR Slitting and Skin Panel grade CR processing facilities at Jamshedpur
- World class HRPO SSC in Chennai

Leaner processing

Worldwide the steel industry is unable to recover the cost of value addition even though the process is unavoidable. Hence downstream operations such as SSCs must be extremely cost competitive and efficient. To be sustainable in the long-term TSPDL has launched improvement projects to eliminate inefficient processes in seven work streams including manufacturing.

Self-initiated performance improvement programmes (QIPs and Kaizens) are encouraged at TSPDL. Total Productive Maintenance was rolled out enterprise-wide to strengthened daily management systems and extract quantum improvements in systems. "Short Interval Control" (SIC) was institutionalised for all equipment during the year to monitor productivity and minimise hidden loss.

In 2018-19, TSPDL rolled out the first phase of the Deming Prize Journey at Jamshedpur and Faridabad, a pilot for all units. It is already helping strengthen Daily Management and policy management at the shop floor. Its facilities conform to the highest international quality standard, IATF 16949 (formerly known as TS16949) and the Tata Business Excellence Model.

Improvement projects have been transformational, enabling TSPDL to make cost competitive offers to Tata Steel and customers.

Digital Plan

Smart manufacturing comprises intelligent analysis of real time data and tracking of various operating

Key Manufactured Capital Inputs

	2016-17	2017-18	2018-19
Capacity (Mio T)	2.8	3.3	3.4
Key Manufactured Capital Outputs			
Production (Mio T)	1.41	2.19	2.6
Yield (%)	94.9	95.1	96.9
PI Index (%)			
HR Slitting	11	12.2	15.2
HR Cut-to-Length	15	28	28.1
74% Capacity utilisation			
Key Manufactured Capital Outcome			
***76% of TATA Steel Flat Product EPA processing**			
***86% of VSM sales**			

process. Smart manufacturing also helps the company improve its performance in terms of integrity, reliability and effectiveness of business operations. With the availability of a vast amount of operational data, TSPDL initiated the development and implementation of industrial internet of things (IIOT) based solutions for realisation of 'last mile' optimisation across it manufacturing facilities.

Smart technologies in TSPDL aim at some of the following initiatives

- Monitoring of operational efficiency measures like PI and PPI through digitisation of logbook.
- Asset condition monitoring in predictive module
- Material Life cycle management -An integrated system, which will track and manage raw material to finished goods at its various stages for complete traceability of material.

Focus area of TSPDL's Digital Roadmap

- Inventory Management
- Energy Management System
- Process Line tracking
- Asset Condition Monitoring

Safety Consideration

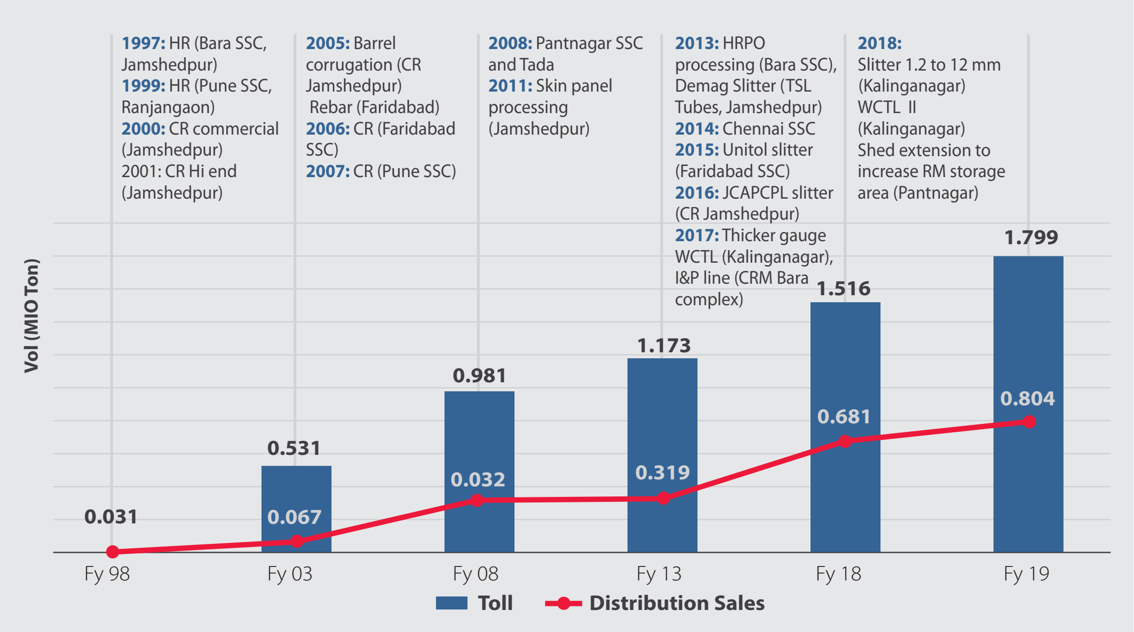
To become an injury free company by 2020 TSPDL has adopted DuPont safety guidelines and Tata group health & safety management system as main guiding principles. It has achieved the lowest LTIFR & MTIFR in FY 17. The Apex Committee (chaired by MD) and Safety Sub committees drives and reviews various health & safety initiatives. Various safety processes like monthly shop floor communications, safety observations/Near Miss monitoring, safety line walks by the Senior Leadership at plants are practiced in TSPDL. Weekly safety monitoring system captures safety observations (LTI, RWC/ MTC, FAC) unit wise, root cause analysis and action reports. TSPDL complies to the OHSAS 18001 framework.

Environment Consideration

As a steel processor, TSPDL has negligible scope of emissions. A Carbon Footprint assessment in FY19 measured emissions at 0.08

Smart manufacturing also helps the company improve its performance in terms of integrity, reliability and effectiveness of business operations.

Growth At TSPDL



1997: HR (Bara SSC, Jamshedpur)
1999: HR (Pune SSC, Ranjangaon)
2000: CR commercial (Jamshedpur)
2001: CR Hi end (Jamshedpur)

2005: Barrel corrugation (CR Jamshedpur)
Rebar (Faridabad)
2006: CR (Faridabad SSC)
2007: CR (Pune SSC)

2008: Pantnagar SSC and Tada
2011: Skin panel processing (Jamshedpur)

2013: HRPO processing (Bara SSC), Demag Slitter (TSL Tubes, Jamshedpur)
2014: Chennai SSC
2015: Unitol slitter (Faridabad SSC)
2016: JCAPCPL slitter (CR Jamshedpur)
2017: Thicker gauge WCTL (Kalinganagar), I&P line (CRM Bara complex)

2018:
Slitter 1.2 to 12 mm (Kalinganagar)
WCTL II (Kalinganagar)
Shed extension to increase RM storage area (Pantnagar)

tCO_2e/ton against Tata Steel's 2020 target of <2.2 tCO_2e/ton. Environment Impact Assessment studies across plants and various initiatives were adopted towards water conservation, energy efficiency, waste management and non conventional power usage in operations.

Measures adopted or standardised across locations

- Conservation of energy through conversion of all motors from DC to AC in phases. Optimisation of power consumption in process line through regeneration of motor power, increased use of VFDs etc.
- Rain water harvesting
- Enhancing utilisation of daylight in factory building
- Monitoring water and power consumptions for reduction
- Installation of Effluent Treatment Plant, Sewage Treatment Plant and Water Treatment Plant.
- Utilisation of Solar power for utility power

Kalinganagar

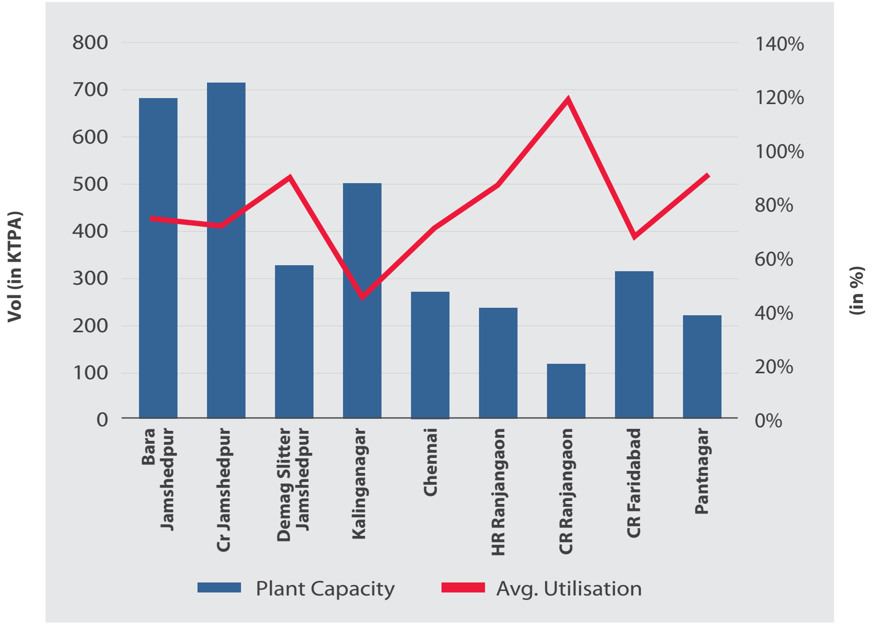
A leap forward in processing

Background: Tata Steel is the largest supplier of steel to the automobile industry in India. Tata Steel set up a new integrated steel plant at Kalinganagar in 2015, capable of meeting the need for high-end steel as well as added grades for an entirely new range of applications in sectors such as oil & gas, lifting & excavation, infrastructure, defense, shipbuilding, energy & power. The entire downstream operation of Tata Steel's Kalinganagar plant was planned in phases with Phase-1 initially including a 1.1 MTPA HR SSC capacity.

Roll out of plan: In due course Tata Steel asked TSPDL to develop a captive SSC at Kalinganagar with high speed processing lines capable of producing very high volume to match production capacity of the steel mill.

TSPDL's Hot Rolled (HR) Coil Processing Unit at Kalinganagar is its largest operational unit in terms of capacity and capability, and the fastest in India,

Plant capacity Vs Average Utilisation-FY 19



houses European processing lines. A state-of-the-art facility, it is capable of processing high-end flat products used in various applications by the Automotive, Construction equipment, pipe-line segment, defence and infrastructure sectors. Its globally comparable equipment ensures reliability and machine uptime.

Kalinganagar is TSPDL's largest operational unit in terms of capacity and capability, and the fastest in India

Capabilities

- TSPDL's Kalinganagar plant is capable of processing high strength (1050 Mpa UTS) and high gauge steel, HR blanking upto 25 mm and slitting upto 12 mm, a first in India
- The Cut to Length lines operate at a maximum speed of 50 mpm and the Slitter runs at a speed of maximum 200 mpm
- The integrated online automatic packaging units at Kalinganagar are the fastest in TSPDL
- For the first time, 'Dead Flat-Stress free' HR Blanks is being produced in India
- The Scale Brushing unit contributed to high quality products by removing mill scale from HR Blanks

Ramp up

2017-18	2018-19	2019-20 (P)
52 KT	216 KT	800 KT

Human Capital

Our people… our irreplaceable asset

Approach to Value Creation

TSPDL aspires to be irreplaceable for its people and customers by investing in its workforce, including contract labour, such that they provide an edge in its future core competence.

76.4
Employee Engagement Score

96.3
Retention Rate (%)

0.71
LTIF (Rate)

13.86
Health Index (out of 16)

A benchmark in employee engagement in the Tata Group, TSPDL is an equal opportunity, merit-oriented, gender-neutral employer. Remuneration and career progression is based entirely on responsibility and performance. The company's workforce comprises Officers, Associates (for core operations) and Contractors Workers (for non-core operations). Each cadre has multiple levels. It has three recognised labour unions to address collective bargaining issues. All employees of the company have the freedom to express their opinion freely and raise rights-based issues through forums for two-way communication, participative management and joint consultations.

Employee training and development

Training of the workforce to achieve Operational and Service Excellence are focus areas for the company because people are critical to TSPDL becoming a benchmark in Customer Experience, and delivering a service experience it aspires for every customer, each time every time.

Initiatives Intensified: In the past year, TSPDL enhanced the product and domain expertise of employees for their future core competence. After conducting skill and competency gap assessments it deployed individual multiskilling plans to upskill associates. Developing competencies and a Learning Management System were introduced in the year.

The drive to achieve future core competence also led to an increase in customer centric training programmes, helping the team internalise the elements of service excellence and customer orientation. A new training initiative, LAMP improved training effectiveness from 75% to 80% with the capability of employees. The increase in the company's training costs reflects an increase in new and existing training initiatives during the year.

Structured Learning & Development:

TSPDL also offers several opportunities to all employees. Its 2^3 model allows employees to gain exposure in 2 geographies, 2 functions and 2 projects, aiding career progression. Subsequent to an assessment a transparent discussion is held to help employees with career planning and progression. The Company identifies and develops "Star Managers" through individual training and exposure programmes to prepare them to assume SMT and MMT positions.

Learning touches all: Unique to TSPDL's training and development process is the skilling of Contract Workers to help them advance into the permanent cadre, and grow with the organisation. Under the "AKANSHA Scheme" expert associates (designated as "Dronacharyas") mentor contract workmen to acquire skills needed to fulfill the internal selection criteria. This gives an individual the scope to grow along with the company and establishes their commitment to it. All of TSPDL's recruitment in the Associates cadre is made from the Contract Workers pool, with preference given to "son of soil" in addressing staffing needs. In 2018-19 the number of Dronacharyas increased from 42 to 49.

97%
of Safety observations were closed in 2018-19

Key Performance Indicators	2014-15	2015-16	2016-17	2017-18	2018-19
Total number of employees	2030	2257	2269	1835	1970
Number of Officers	335	348	354	346	363
Number of Associates	434	467	464	459	547
Number of Contract Workers	1261	1442	1451	1030	1060
Number of Male Employees	2004	2231	2243	1808	1937
Number of Female Employees	26	26	26	27	33
Number of AA Employees	505	549	608	577	665
Training (hours/employee/ year)	6.80	6.63	7.06	6.89	7.04

Employee Safety, Health and Welfare

TSPDL has adopted the DuPont Safety Methodology. Its focus areas are Felt Leadership and Contract Safety Management. All units of the Company are certified to OHSAS 18001 standards. The Company aspires to create a safe culture that make the workplace safe enough for workers not to require PPEs.

Felt Leadership: TSPDL's objective is to bring personal commitment to safety by making it part of a line manager's responsibility. All line managers undergo plant managers training. In 2018-19 a total of 95 officers underwent Felt Leadership training as part of the effort to cover all officers under it.

Contract Safety Management: With 67% of its workforce comprising contract workmen this is a key focus area. Contractor Safety is addressed through the Contractor Safety Management System. All contract workmen receive safety training along with job specific hazard training, precautionary measures as well as consequence management. In 2018-19 all contractors were assessed against the CSMS standards irrespective of the value of their contracts. Star rating assessment of 84 contractors was carried out in 2018-19 to upgrade the contractors on safety standards.

- Over 18000 Safety observations were captured and 543 Internal Safety Audits were conducted in 2018-19
- The new facility at Kalinganagar has interlocking and access control for equipment to improve safety, with cross over bridges at convenient intervals to avoid movement around the material storage area
- The Company's SURAKSHA BANDHAN initiative helps improve safety at the customer's premises

Wellness @ Workplace: TSPDL undertakes yearly health checkups for all 100% of its workforce, including permanent and contract employees. High-risk cases are identified based on a Wellness Score comprising four carefully chosen determinants of health.

- Once high risks are identified, personal counseling is provided
- Monthly monitoring of deficiencies is undertaken
- Closure of deficiencies is tracked
- The number of high-risk cases dropped to 48 in 2018-19

Surpassing the benchmark in Employee Engagement

TSPDL is far ahead of the industry benchmark of 73.4 in Employee Engagement with a score of 76. TSPDL's Employee Engagement efforts cover Contract Workers as well.

Case Study

Potential has no barriers

The powerful combination of a nurturing environment and the will of a person has shown that where there is a will there is a way.

Chandrasekhar Mishra, a graduate of science from Jamshedpur joined TSPDL Jamshedpur as a contract workman in the year 1998 and was confirmed as an Associate (Permanent employee) in the year 2000. Due to his passion at work and the developmental plans undertaken for him by the management, he qualified for an internal ad for the position of an Executive in the Sales Administration department in December 2005. He worked in Scheduling & Logistics, Sales Administration and was later transferred to IT department in August 2007. He has been a Star Manager of the company for the last 3 year. He did his Post Graduation Diploma in Business Management from XLRI on a scholarship from the company and is currently Senior Manager –Information Management, a MMT position in the company.

Key Performance Indicators	2014-15	2015-16	2016-17	2017-18	2018-19
Employee Productivity	277	269	275	326	358
Skill Index of workforce	2.4	3.1	3.14	3.19	3.23
Turnover per employee (Rs Lacs)	266	238	302	397	470

Natural Capital

Our motto… reduce resources

Approach to Value Creation

TSPDL has formally adopted the Tata Group Climate Change Policy and the two-pronged approach of the Group. The first is creating awarness and inducing behaviour change across the organisation to adopt a preacutionary approach and responsible practices. The second is to articulate policies that lead plans and performance measures to consistently improve environmental performance

7.73
Electricity Consumption (KWH/MT)

0.056
Water Consumption (M^3/MT)

0.08
Carbon Footprint (tCO_2e/MT)

Assessment, measurement and realignment

As a steel processor, TSPDL has negligible emissions and low water requirements. The Company framed its Environmental Policy in 2015, and Water and Energy policies in 2016.

To enhance excellence in environmental practices TSPDL has adopted CII GreenCo methodology which is one of its kind in India. The CII Greenco assessment was conducted in early 2017 in the Ranjangaon Plant in Pune to develop an action plan and a baseline for performance measures. Subsequently an action plan was developed for all locations to conserve water and energy, manage waste and encourage use of non-conventional energy sources.

Similar activities have been carried out post assessment at Jamshedpur and Chennai units. Besides GreenCo Assessments, TSPDL also commissions Environment Impact Assessment studies prior to commencement of major projects. Recently this was done for Chennai SSC and the Kalinganagar unit.

Reducing use of conventional energy

Consumption of energy is monitored in all lines across the company. TSPDL's Cold Rolling plant at Jamshedpur and the Bara plant now have smart energy meters to record and transfer data on electrical energy consumption through a LAN/Wi-Fi based network. Visibility on energy consumption pattern and trends has led to, among other benefits, identification of specific areas of wasted energy, creation of a 'Should cost model' for energy consumption and accountability/ownership on the energy consumed.

Plants conduct periodic energy audits. Obsolescence of motors is tracked for them to be replaced with energy efficient motors.

All these intitiatves helped achieve electricity consumption figure of 7.73 KWH/MT on average for all Steel Processing Centres. The fabrication centre at Tada which has Oxy and Plasma cutting lines recorded 15% reduction in consumption of electricity, achieving 29 KWH/MT in FY19.

Other initiatives include energy efficient lighting systems and increasing use of variable frequency drives in lines.

Use of renewable energy

TSPDL's energy conservation effort also focused on replacing fossil fuels with suitable renewable and alternate fuels.

Ranjangaon unit took a lead by replacing boiler fuel with a solar water heater to record an 11% rise in overall plant energy substitution and 14% drop in consumption of boiler fuel. As a next step it replaced fossil fuel with renewable energy biomass fuel, achieving an overall plant energy substitution of 62%. Now the unit is installing photovoltaic cells on its roof to generate 500KWp of electricity on the site.

Spurred by its success, other units have also begun replicating these initiatives.

Water conservation

Reduce, recycle and reuse is TSPDL's water conservation mantra. It monitors water use to reduce consumption, as well as recycles and reuses wastewater to limit the requirement of fresh water. Measures initiated in 2015 led to a drop of 60% in water consumption by 2017.

In the last four years the Ranjangaon plant, a benchmark within the Company, has constricted water consumption to 150 KL/day by reusing process water, replacing water-cooled pumps and using RO rejected water in the ETP and toilets.

A smaller Carbon Footprint

Measures adopted to reduce TSPDL's Carbon Footprint led to a 27% drop in emission and the lowest ever emissions of 0.08 tCO_2e/MT in 2018-19.

TSPDL also effected changes in its supply chain to rationalise use of vehicles for deliveries to customers, and enhance the green cover around its Bara and Ranjangaon units for carbon neutrality.

Material efficiency

Waste Management by converting, recycling and reusing materials is a key policy objective. Optimal use is made of packaging material through reuse. Wooden pallets are being replaced by reusable steel pallets at all units.

Excess RP oil is collected at the Pickling line in Ranjangaon plant through filtration and reused after cleaning by a low vacuum dehydration process and an electrostatic liquid cleaning machine.

Measures across locations

Energy Efficiency

- Energy was conserved through a phased switch over of all motors from DC to AC
- Power consumption was optimised by regenerating motor power and installing Variable Frequency Drive installed in the lines
- Best Available Technologies that allow for lines to be retrofitted, modernised and their capacities enhanced, with idle running minimised, are implemented in line
- Solar power is being utilised in utilities
- Factory buildings are being equipped to use greater amount of daylight
- Carbon footprint mapping is carried out in all units every year

Water Sustainability

- Rainwater harvesting was implemented to recharge ground water
- Water is monitored to make processes more efficient
- Water meters installed at Ranjangaon aim at monitoring consumption and achieving water balancing. The unit uses water rejected by the RO
- Effluent Treatment Plant, Sewage Treatment Plant and Water Treatment Plant have been installed

Material Efficiency

- Used Hydrochloric Acid (Spent Acid) is sent to the Acid Regeneration plant to recover Acid then reused for pickling
- Excess RP oil is recovered and supercleaned for reuse
- All units reuse packaging material
- Authorised agencies are used by every unit to dispose hazardous material
- Reusable pallets ensure lower consumption of wood

Achievements

- TSPDL has recorded a 60% reduction in specific water consumption in the last three years
- Wooden Pallets are replaced by Steel Pallets

Rated the national best

TSPDL's quest to proactively integrate environmental concerns within business practices, ensure optimal use of resources, best in class emission and discharge standards, and business competitiveness prompted it to proactively seek the CII GreenCo Assessment. The CII Greenco methodology provided a clear holistic mechanism for evaluating performance of its units and a roadmap for subsequent improvements.

Good operational practices adopted as a result led to the Jamshedpur and Ranjangaon units being recognised with the Gold standard, rating them as the national best in the industry category. Chennai bagged the Silver standard.

Motivated by the achievement of Ranjangaon and Jamshedpur, Pantnagar, Tada and Faridabad will undergo Assessment in FY20.

60%

Reduction in specific water consumption in the last three years

Achievements

KPIs	FY17	FY18	FY19
Water Consumption (M^3/MT)	0.14	0.054	0.056
Carbon Footprint (tCO_2e/MT)	0.12	0.11	0.08
Electricity Consumption (KWH/MT)	8.63	8.16	7.73

Intellectual Capital

Our expertise… the irreplaceable edge

Approach to Value Creation

Our approach to building our intellectual capital is to encourage innovation and agility leading to improvements, innovative sales & marketing initiatives and New Business Development.

8.36
Savings via improvement projects (Rs in crores)

77
OTIF (%)

99.15
Delivery Compliance (%)

87
Contract Workers covered under Akansha Scheme (%)

Process improvement

To improve overall efficiency and effectiveness, in 2018-19 TSPDL focused on its Operations and Supply Chain. The aim was to reduce the consumption of resources and energy, increase productivity, achieve sustainability by minimising its environmental footprint and simultaneously achieve cost savings. TSPDL has rolled out an umbrella improvement initiative, Lakshya 25, which is intended to increase revenue and reduce cost. TSPDL has also adopted the guideline of reporting cost savings as per 'Benefit Realisation Management' framework of TSL. This methodology follows five-(5) step approach for idea life cycle management. Seven (7) work streams were created under leadership of SMT, which are Manufacturing, Supply Chain, GA & GW, Procurement, Workforce, Packaging, Value Enhancement. In 2018-19 Total Audited Savings from cost improvement projects under Lakshya 25, amounted to Rs 8.36 Crores.

Seven impact centres for process improvements

- Manufacturing
- Packaging
- Procurement
- General Admin & General Works
- Workforce
- Supply Chain
- Value Enhancement

Knowledge Management

People are integral to the success of TSPDL's planned customer experience. Various processes and approaches are used to collect and transfer workforce knowledge. The company has a KM portal where knowledge pieces are submitted. These are evaluated by Gyan Acharyas before being uploaded on the site. A KM Index is computed on the portal for each employee. Those with a high KM Index are recognised. In addition the company has a variety of platforms such as Communities of Practice across units, "Manthan" for frontline employees, workshops and visits, excellence processes and the improvement initiative Lakshya 25 for knowledge sharing.

A unique process to advance contract workmen into the permanent cadre, and ensure they grow with the organisation, is TSPDL's "AKANSHA Scheme". Under the scheme expert associates (designated as "Dronacharyas") mentor contract workmen to acquire the skills needed to fulfill the internal selection criteria. This gives an individual the scope to grow along with the company and ensures their commitment to it. All or 100% of TSPDL's recruitment in the Associates cadre is made from the Contract Workers pool, with preference given to "son of soil" in addressing staffing needs. In 2018-19 the number of Dronacharyas increased from 42 to 49.

Productivity Improvement

Periodic industrial engineering studies are carried out throughout all locations in line with the MetalOne methodology. This comprises individual cycle time diagnosis, manpower utilisation, reliability of measured data and Short Interval Control (SIC), along with improvement plans and Simulation results. Improvement areas such as bottleneck process/ critical machine are identified. Specific targets are set as per business needs and improvement projects undertaken to achieve the highest productivity level and sustain it.

Innovative Sales and Marketing

These initiatives contribute to greater efficiency in the sales team, increased customer satisfaction and share of spend with higher sales and revenue for TSPDL.

TSPDL's Service Excellence initiatives ensured an improvement in on-time supplies of the right quantity of products (OTIF) against Purchase Orders of Customers and complaints being addressed effectively on time.

New Business Development Initiatives aligned with Tata Steel

In line with the strategy of planning growth in areas beyond producing and marketing conventional steel to Consuming Industries, Tata Steel has created a new vertical to drive this growth. Thus Tata Steel has launched new products like Steel Doors and Windows under Pravesh Brand and Modular Toilets

under Ezynest brand. As a wholly owned subsidiary of Tata Steel, TSPDL is engaged in supporting manufacturing of such items. TSPDL made and supplied modular Steel Toilets to Tata Steel's Distributors across India. It is also supporting the manufacture of the Pravesh range of Doors and Windows and high-end Smart Toilets

TSPDL's own initiatives

In addition to activities aligned to Tata Steel's new product development and marketing, TSPDL also carries out its own New Product and Business development initiatives. It continuously evaluates feasibility of developing new products business lines; TSPDL has so far designed, developed and launched IT Enclosures for Data Centre, Server, Network applications under TRyNOX^{R} brand. It has set up distributors nationwide to cater to the B2B marketplace.
Currently, few other products in B2B and B2C areas are in final stages of evaluation.

Export

Export is another new initiative for TSPDL. Exports of processed steel to OEMs in Bangladesh have commenced and the company is exploring opportunities of exporting other fabricated steel items.

TSPDL also supports the manufacture of the Pravesh range of Doors and Windows

TSPDL's own Initiatives	Initiatives aligned to Tata Steel
IT Enclosures for Data Centre application	Pravesh range of Steel doors and windows
Exports of processed steel and fabrications	Modular toilets of normal and smart varieties
Import process and sell steel grades in partnership with Tata Steel Europe	

Relationship Capital

Our partners… a symbiotic relationship for achieving business goals

Approach to Value Creation

Long term value creating partnerships with key stakeholders ensure sustainable competitive advantage and improve customer experience.

32
Customers covered under "Milaap" (Nos)

18
"Suraksha Bandhans" conducted (Nos)

65
Customers covered under Channel Finance (Nos)

27
Total Number of EPAs (Nos)

Business Model

TSPDL operates in the organised steel processing and distribution market in India, with a product and service portfolio catering to steel producers as well as steel consumers. The Company has a pan-India presence through thirteen Sales Offices and ten state-of-the-art Processing Facilities located strategically close to the Mills & OEMs, enabling last mile connectivity. The key stakeholders for the Company are its Customers, Promoter (Tata Steel), employees, suppliers & partners and key communities.

TSPDL operates on three business models – Tolling, Distribution and Services & Solutions.

Tolling - TSPDL provides value-added services like Slitting, Cut-to-Length, Roll-forming etc. wherein, the customers owns the material while TSPDL processes as per specifications. TSPDL's scope is normally restricted to loading of the finished goods onto rail/road vehicles as organised by its customers. However, on specific request, TSPDL organises despatch of finished goods on behalf of its Tolling customers to the final users.

Distribution - TSPDL sells processed or fabricated steel to end users as per the agreed specifications, delivery schedule and commercial terms. The raw material (mother coils, sheets or plates) is procured by TSPDL, processed to customised shapes and sizes in its own facilities or through its External Processing Agencies (EPA), and despatched to customers. Here the ownership of material lies with TSPDL up to the invoicing and delivery stage. Hence, TSPDL maintains an optimum level of raw material inventory for the same.

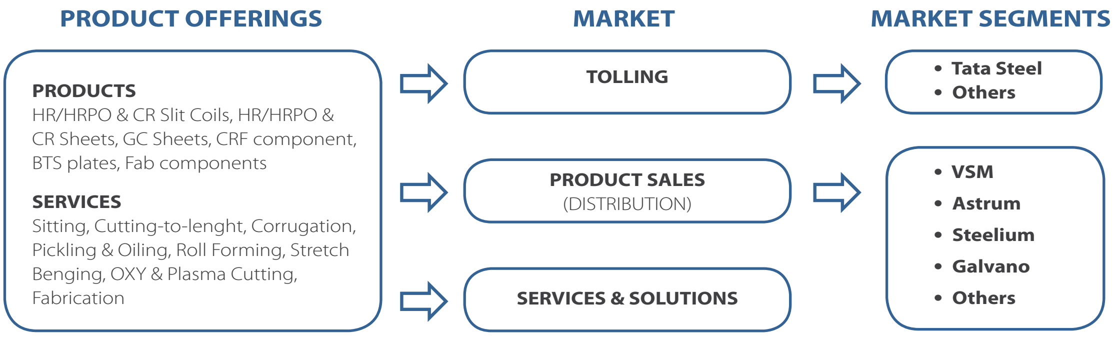
Services & Solutions – This is a new line of business set up in FY '18 for developing value added products and services to capture alternate revenue streams. In the TSL aligned segment, TSPDL is a supplier for Tata Steel's branded products, viz. "EzyNest" toilets & "Pravesh" doors. Apart from this, TSPDL independently designs, manufactures & sells steel-intensive products. It has launched IT Racks branded as "TryNox" last year. Other products are in the developmental stage. Export sales to international markets is also being explored.

Customer Engagement

TSPDL, guided by it's Vision, Mission and Core Values, strives to adopt an integrated approach to cater to customer requirements. It aims to provide win-win solutions for mutual value creation by engaging with all its stakeholders.

Listening to Customers - TSPDL listens to and engages with customers through various mechanisms to understand their needs and provides required support. Market intelligence tools are deployed across market segments to capture information on current and future products and businesses. These also vary across the Customer Lifecycle. Besides these, TSPDL uses platforms like personal visits, emails, conference calls, video conferencing, meetings, interaction with equipment suppliers, attending exhibitions etc. for engaging with potential customers. Social media forums like Facebook are used for sharing updates & engaging with stakeholders. The TSPDL website has a dedicated "Customer Corner" for customers to submit their feedback/complaints, enquiries;

TSPDL Business Model



have access to the download section & a link to our Customer Portal, as well. This feedback is a valuable source of inputs for the Strategic Planning Process.

Tolling: Immediate actionable feedback is obtained on Tata Steel's tolling transactions through daily reviews with Tata Steel's FP Planning group, Tata Steel EPA Meets, CSAT Survey, CCMS and TSPDL's SLT Visits.

Distribution: Immediate actionable feedback is obtained through personal follow-up by the Customer Account Managers at locations, CCMS and Customer Portal.

Services & Solutions: TSPDL has created a new Business vertical in line with TSL's service & solution business, which operates primarily in the B2B segment. "Tata TRYNOX" branded IT server racks is one such initiative where revenue realisation has already started.

Building Customer Relationships

Customer focus is one of the five core values of TSPDL. Effectiveness of Relationship Management is measured through repeat orders and increase in SOB with Customers. Inputs from the Customer Centricity dipstick study and C-Sat Surveys used to initiate Bandhan processes.

1. **Milaap -** Customers get an opportunity to interact with non-customer facing departments. It is a platform to gain valuable insights into the ever-changing business scenarios, newer developments and customer requirements in order to provide customised value propositions.
2. **Suraksha Bandhan -** Safety audit is carried out at customers' premises, followed by a session in which the OFIs are identified and discussed.
3. **Channel Financing -** TSPDL facilitates the mobilisation of working capital requirement of customers through tie-ups with Tata Capital & Axis Bank. In addition, SMT members have individual Customer Visit Plans to reinforce the Company's relationship building processes. The use of web-based customer feedback capture mechanisms such as VOC & CCMS further support development of a customer centric culture. Bandhan is a special customer engagement initiative aimed at improving the overall experience for customers. This focuses on creating value for customers.

Customer Support

TSPDL has various customer support mechanisms in place. These enable customers to seek product/order/despatch related information and also to register concerns and complaints, if any. The feedback received through communication mechanisms act as an input in deciding customer support requirements. Customer support feedback is also obtained through independent Customer Satisfaction surveys, through Milaap/Bandhan interactions and Customer meets which provide various formal & informal touch points.
Strategy Workshop and 3-year Strategy Conference are other platforms where existing approaches are studied and evaluated for further improvements.

>80
CSI consistently above 80 (Out of 100) over the last 2 years

Customer Feedback Mechanisms

Markets	Mechanisms for feedback
Across Distribution Segments	Customer Meets, Distributors Meets, Personal visits, SLT visits, Online Complaint logins, PAG team Visits, Conference Calls, Emails, Videos Conferences, Meetings with OEM's, Customer Satisfaction Surveys, Market Mapping Surveys, Retail Value Mapping, Exhibitions, Social Media Platforms, Toll Free Number to log complaints, and a dedicated customer corner on the website
Across Tolling Segments	Daily reviews with Tata Steel's FP Planning group, TSL's EPA Meets, CSAT Surveys, TSL PAG Visits, TDC Development, SLT Visits, Customer Meets, CCMS, Toll Free Number, Website
Across Services & Solutions Segments	Daily Meetings, TDC Development, TSL EPA Meets, Market Mapping, Customer visits, SLT Visits, Website, Technical Session, Customer Meets

SMS: TSPDL provides auto SMS to customers informing them about their consignment details, vehicle details as soon as their material is despatched from TSPDL premises.

Email: Auto emails are sent to customers with consignment and vehicle details, no sooner than their material is despatched from TSPDL premises & auto dunning emails intimating customers about their outstanding.

Toll Free Helpline: TSPDL has provided its customers with a 24 X 7 toll free helpline number for assistance & feedback.

VOC: Direct complaint login and feedback facility through customer portal is available to the customer. The VOC portal has been revamped to make it more customer friendly. It enables direct log in of complaints, tracks status of complaint resolution, provides feedback, enables RFQ submission and captures responses from CAMs.

Website: TSPDL has launched a completely new cross device responsive & platform independent website. The website has a dedicated customer corner wherein they can key in their suggestions, give feedback, float an enquiry, access the download section etc. (https://www.tspdl.com)

Enhancing Value for our Customers in Different Segments

AUTOMOBILE

TSPDL has been a preferred steel supplier to most of the major automobile manufacturers and their vendors in the country for over a decade. From our experience of serving auto customers, we have developed competencies that are important for the industry. Be it customized solutions, just-in-time deliveries or forging winning partnerships, we are constantly adding value to our customers' businesses.

PANELS

The company serves some of the big names in the industry. Our plants are equipped with modern facilities to cater to this industry, which find typical applications in Electrical Switchgear and Control Panels, Elevator Panels, Acoustic Enclosures for Gensets, Enclosures for Telecom Equipment etc.

PROJECT & FABRICATION

Infrastructure sector is a key driver for the Indian economy. This sector is highly responsible for propelling India's overall development. Industrial projects and fabrication job-work will aid this growth. TSPDL is well placed to contribute towards India's overall development by combining its market leading product & service solutions, enviable quality standards and robust technical support systems. Our Hi-tensile grade steels are available in a wide range of PQS specifications.

APPLIANCES

Steel contributes to about 75% by weight of a typical household appliance. TSPDL provides table-top flatness & superior surface finish to its products, conforming to various quality standards, as per the requirement of its customers. Its plants are equipped to process different grades of galvanized, stainless steel & colour coated products as required by the industry for use in a wide variety of domestic appliances to optimise technical performance.

LIFTING & EXCAVATION

TSPDL has been providing customized solutions to this customer segment to optimise raw material usage and maximize yield. Therefore, reliable and consistent steel quality is essential to ensure safety, avoidance of machine downtime and in achieving critical parameters like exceptional wear resistance in service. Our range of hi-tensile steel is best suited for the requirements of load bearing components. Different grades of steel can be used to manufacture tipper cabins, excavator buckets and other engine and cabin components.

GENERAL ENGINEERING

TSPDL offers different grades of steel in customised shapes & sizes to different user sub-segments such as storage solutions, lifts & excavators, furniture, PEB, Bus Body etc. Different TDCs are developed for specific applications as per the requirements of the customers.

Suppliers & Partners

TSPDL's relationship with its suppliers, partners and collaborators and their respective roles in the entire value chain, is presented in the table below naming Role of various stakeholders:

The stakeholders participate in the organisational innovation process by acting as a rich repository of business and technology information, as well as product, service or market share improvement ideas. TSPDL engages with capital goods suppliers to continuously optimise its existing technology in innovative ways to "Sweat" its Steel Service Centre assets. TSPDL uses a variety of communication mechanisms to engage with its suppliers, partners & collaborators such as telephone, toll-free numbers, e-mail, formal written communication, face-to-face discussions, and formal Customer, Supplier and Retailer Meets.

Partnerships with EPAs

While the bulk of customer orders are processed at TSPDL's in-house processing facilities, in some locations EPAs play an important part in augmenting existing facilities. If capability or capacity is a constraint, then the same is processed by the External Processing Agents (EPAs) appointed by TSPDL in various zones.

EPAs are selected on the basis of the technical capabilities of their facilities, resource capabilities and ability to adhere to the quality requirements of our customers.

Technical Processing Requirements (TPR) of customers is shared with the EPAs in order to provide clarity on customer requirements. Product Application Groups (PAG) of TSPDL review implementation of the TPR, and address quality concerns virtually on a day-to-day basis with Quality supervisors and Operation in-charges of the EPAs. To ensure capability development, TSPDL regularly conducts joint workshops to share best practices, addresses problems and concerns, as well as shares Safety best practices with its EPAs. A quarterly Safety audit is also conducted to jointly identify unsafe practices and implement corrective actions.

Role of various stakeholders

Category	Relationship	Role in the Steel Services Value Chain
Supplier	Raw material (Steel)	On-Time delivery of steel of Right Quality, Right Quantity at the Right Price
	Consumables	MRO items for facilitating production of quality goods and services (e.g. tools, packing materials, oils, lubricants, IT supplies etc.)
	Labour	Produce the desired quality of products, maintain service levels as per customer specifications and achieve productivity targets
	Capital Goods	Enable and support the production and delivery of products & services of desired quality
	IT Services (TCS, Tata Communications, IBM)	Ensuring availability & uptime of IT resources
	Logistic Services	Managing logistics for inward & outward movement of material (RM & FG)
Partner	External processing agents	Augment existing facilities for processing & distribution in specific locations
	Banks/NBFCs	Provide LT & ST loans, Channel Finance
	SAP Support (TTL)	Ensure availability of real time data through ERP
Collaborators	Tata Steel Europe SSCs, Metal One ITC, Renoir, E&Y, TQMI	Provide know-how, data for process optimization, identification and sharing of best practices & opportunities for benchmarking

Social Capital

Our communities… an irreplaceable resource

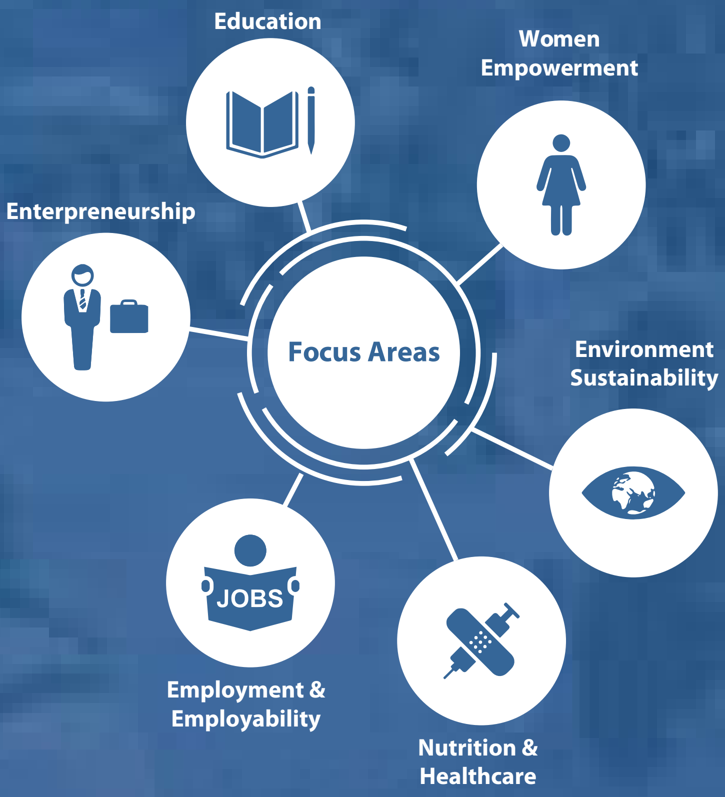
Approach to Value Creation

Caring for our communities is integral to the purpose of our business.

TSPDL is engaged in societal welfare initiatives since its inception. The company believes in improving the quality of the life of people through its valuable contribution towards the community where it operates. The company has adopted a CSR Policy in line with the requirements of the provisions of the Companies Act, 2013. It has also adopted Tata Group Policy on Affirmative Action. The CSR initiatives of the company are formulated keeping in mind the sustainable development and welfare of the community at large.

Focus Areas

During 2018-19, the Company undertook several projects including Affirmative Action (AA) initiatives, focusing on the areas as depicted in the figure below:



151
CSR Spend
(Rs in lakhs)
in FY19

11563
Lives touched
(Nos) in FY19

'Caring for communities' is part of the Vision statement of the company and is, therefore, central to its strategic objectives. In doing so TSPDL is guided by the requirements of the provisions of the Companies Act, 2013 and the Tata Group Policy on Affirmative Action.

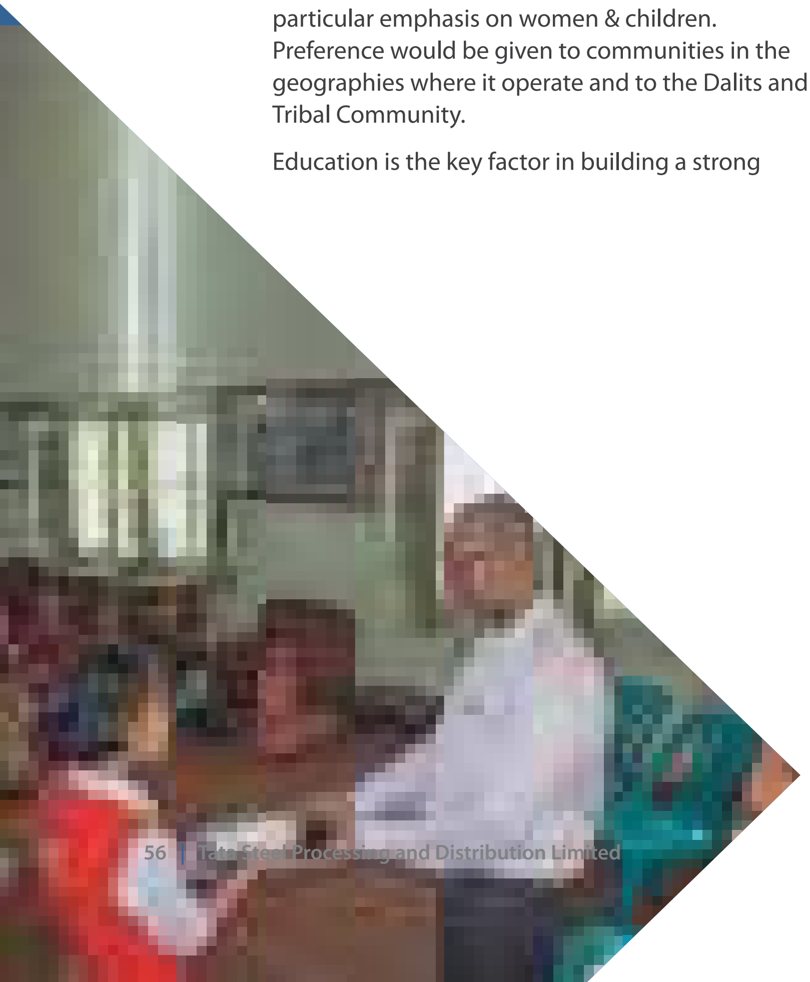
Social Context

TSPDL identifies its key communities and undertakes practices as a corporate citizen to support and strengthen those communities in order to bring harmony between people and industry. Community welfare is central to the organisation's key objectives, as depicted in its Vision Statement that its conduct would ensure 'caring for communities'.

The company undertakes CSR interventions in proximity to plant locations and/ or places where employees reside. The major areas of CSR activities include: Jamshedpur, Kolkata, Pune, Faridabad, Kalinganagar, Pantnagar, Tada & Chennai.

Target Groups

TSPDL focuses on lower income groups with particular emphasis on women & children. Preference would be given to communities in the geographies where it operate and to the Dalits and Tribal Community.



Education

52
Scholarships
granted (Nos)

86
Students passed
out being taught at
Pre-matric coaching
classes (%)

Education is the key factor in building a strong foundation in one's life. It enables the child in acquiring knowledge, various life skills, and values in order to become a better person.

Major interventions

- Pre-matric coaching classes for the students in Jamshedpur and in Kalinganagar in collaboration with FIDR.
- 280 students appeared, out of which 241 students passed and 53 students got first division
- Support to Education of Children with Disability (Cheshire Homes).
- Running, promoting and upgradation of pre-school training setup e.g. Sukhtara, Prayas and introduction of new pre-school set-ups in places like Jamshedpur, Faridabad, etc.
- Providing Tata Class Edge Smart Classroom to Indian Institute of Cerebral Palsy.
- Providing scholarships to students from underprivileged and SC/ ST background. Special scholarships for Tribal girl's students under 'Medhavini' scheme at Jamshedpur.
- Infrastructural Support in school premises for better facilities such as Cement Flooring/ Sitting desk arrangement/ Computer Lab/ Classroom renovation etc.
- Support to Family Strengthening program at

80
Students have been provided with scholarships

SOS village in Faridabad.

- Sponsoring students for higher studies and educational aid to the students (e.g. exercise books, uniforms, reading and writing kits, etc.) in various plant locations.

Case Study

MEDHAVINI, a scheme to educate the tribal girl child

Background: Poverty forced parents of tribal girls in Jamshedpur to get them married in their adolescence. On its entry in Jamshedpur, the TSPDL team frequently came across such cases.

Making the difference: In 2014 the company launched Medhavani, a programme to educate and empower girls who have completed school, so as to prevent child marriage. A monthly scholarship covers local travel to college from distant slums, cost of books, college and examination fees, and primary health-care. It also takes care of providing them training in soft skills, computer, personality development & conducting Spoken English classes.

The company selected Kalamandir as a partner for the academic as well as personality development of the girls, with a matrix developed to understand and monitor their progress. Successful professionals, eminent persons as well as students from leading educational institutions in the east also mentored these “Medhavinies”.

Impact: So far, 80 students have been provided with the scholarships, 13 students got employment, and balance are pursuing studies in different academic areas.

Skill Development

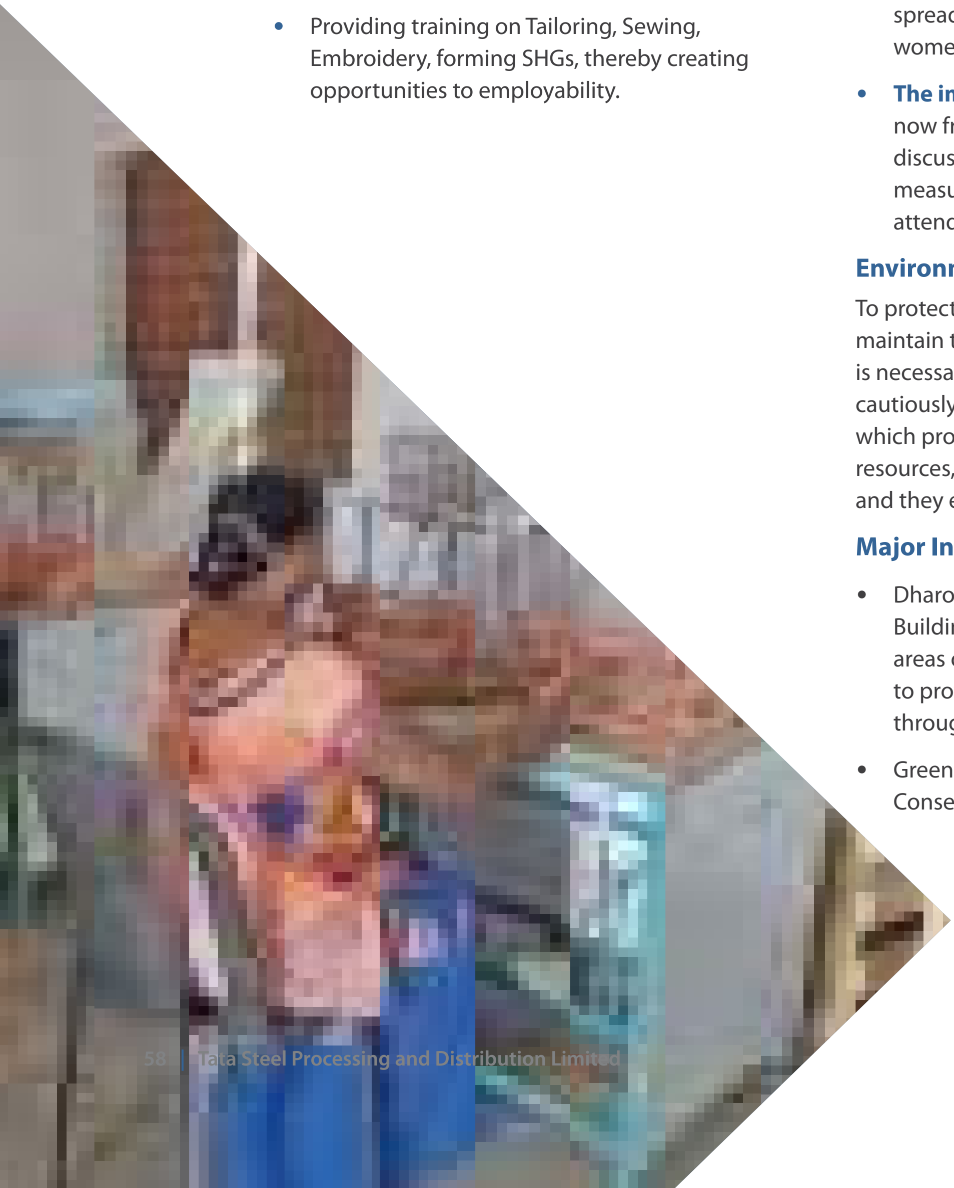
107
Apprentices from Dalits & Tribal Community (Nos)

267
Tailoring on stitching, tailoring & Card board Packaging (Nos)

Skill development is an important driver to enhance individual's capabilities, improves productivity, builds confidence and enables the person to earn livelihood. The Company has engaged its efforts in the areas like employment enhancing, employability initiative, women empowerment & promoting sports.

Major Interventions

- Induction of Apprentices from backward communities and formulating the Apprentice-Contract Worker- Associate model
- Vocational Training to the visually impaired people on Computer education at Kolkata and on Home Science at Faridabad.
- Providing training on Tailoring, Sewing, Embroidery, forming SHGs, thereby creating opportunities to employability.



Case Study

Swabhimaan for women

- **Need for the Initiative:** Despite suffering from various health issues tribal women and girls of Bagunhatu Basti hesitated to speak about their health problems, especially the menstrual cycle. Girls would use of cloth instead of sanitised napkins, forcing them to stay away from school and college during these days of the month.
- **Programme description:** TSPDL installed a unit to produce of low cost, good quality sanitary napkins at a cost of Rs 50,000/-, formed a Self Help Group to ensure the production of Sanitary Napkins and spread awareness on their use among the 240 women in their community.
- **The impact:** A number of women of the basti are now free of health problems and are comfortable discussing related hygiene and health issues. A measureable outcome of the project is higher attendance of girls in schools and colleges.

Environment Sustainability

To protect and preserve the environment and to maintain the quality of the life of a human being it is necessary to utilise the environmental resources cautiously. The company has undertaken initiatives, which provides human beings to have access to basic resources, whereby their health is being protected, and they enjoy a good quality of life and environment.

Major Interventions

- Dharo Hath Check Dam Project at Dumaria: Building Loose Boulder Check dams in the sloppy areas of Dumaria for conserving rain water so as to provide opportunity of sustainable livelihood through soil water conservation.
- Green Rhinos Project - Girl Students as Nature Conservation Leaders (ASED)

Nutrition & Healthcare

1350
Midday meals served every day (Nos)

800
(Approx.)
Women benefit from production of Sanitary Napkins (Nos)

Nutrition and Healthcare is an essential need of the society. The company has undertaken initiatives under this area to provide nutritious food to poor and needy children and to support the communities for having better hygiene and sanitation facilities.

Major Interventions

- Providing nutritional support to the underprivileged children through various organisations like Jhamapukur Sri Sri Ramakrishna Sangha (Kolkata), ISKCON (Jamshedpur), MAHER (Pune).
- Health Check-up camps (General health check-up, Aids Awareness, leprosy, eye check-up, etc.) at Jamshedpur.
- Sanitary Napkin Project for rural women under Swabhiman scheme at Jamshedpur and Pune.
- Support to Family Service department for children suffering from cerebral palsy in collaboration with Indian Institute of Cerebral Palsy (IICP) at Kolkata.
- Construction of Nest in Toilets in schools located at Tada, Chennai and Pantnagar.
- Providing Digital surveillance System in Antara Hospital at Kolkata.

The bounty of water

11
Villages covered (Nos)

18
Check dams created (Nos)

100
(Approx.) Area covered by irrigation (Hectares)

The villages of Barabotla, Haldiboni, Kaliyam, Harebera, Madotolia, Nunia, Narsingbahal, Ghagda, Marangsongha, Dighi and Harebeda have benefitted from loose boulder check dams, which prevent run off of rainwater and instead stores it for the 305 families (approx..) who live in the villages to grow a second and third crop. The creation of check dames has led to an increase in the average monthly income of the families ranging between Rs 7,000 to 21,000/-, effectively changing their lives. Additional benefits are improvements in soil quality, as the topsoil is no longer washed away.

Case Study

Dharo Hath stems water, creates wealth

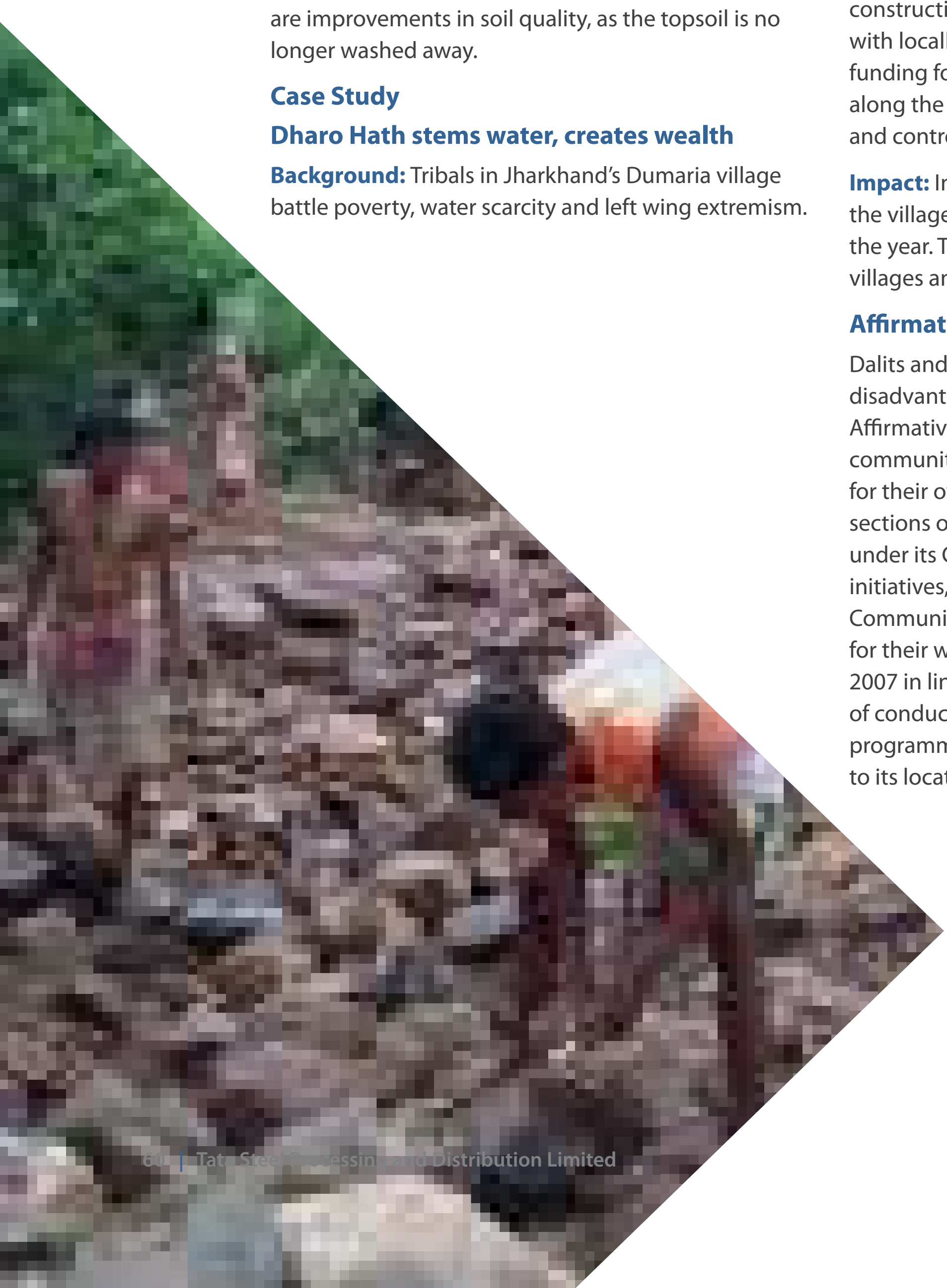
Background: Tribals in Jharkhand's Dumaria village battle poverty, water scarcity and left wing extremism. Its families subsisted on a single rain-fed crop, primarily paddy, grown only once a year. In 2015-16, TSPDL launched its Dharo Haath programme to augment ground water by building check dams, and subsequently initiated development activities based on available natural resources.

Making the difference: After series of meetings to ensure a buy-in by the villagers, a water management committee was created. Villagers were trained in the construction of check dams, while TSPDL contributed with locally available construction material and part funding for the project. The check dams were built along the natural flow of water, reducing water run-off and controlling soil erosion.

Impact: In the last five years, 18 check dams built by the villagers have ensure that they grow three crops in the year. The irrigation structures have benefitted 11 villages and ~305 families.

Affirmative Action

Dalits and Tribal communities are the most disadvantaged sections of the society. Under Affirmative action, we positively discriminate these communities and give them equal opportunities for their overall development in line with the other sections of the society. Under AA Policy, the company under its CSR initiatives give preference to the initiatives, which are mainly towards Dalits and Tibal Communities with regard to provide them the support for their well-being. TSPDL has adopted AA in the year 2007 in lines with Tata Group Guidelines and CII Code of conduct. The company mainly undertakes its AA programmes in the communities residing in proximity to its locations where it operates.



Volunteering

9729
Total Volunteering Hours (Nos)

665
Volunteering hours contributed by Senior Leaders (Nos)

5519
Volunteering hours contributed by employees in Tata Volunteering Week 10 & 11

456
Volunteering hours contributed by employees under ProEngage, a skill based volunteering format of the Tata Group (Nos)

Volunteering is an occasion, where employees of the company enjoy participating in various volunteering activities with full excitement and passion. It encourages the employees to be in touch with the community and to give the best their capabilities for the welfare of the community. The company carries out the volunteering activities under the logo and slogan of "TSPDL Cares".

DIRECTORS' REPORT

To the Members,

Your Directors hereby present their Twenty-second Annual Report and Audited Financial Statements on the business and operations of the Company for the year ended March 31, 2019.

FINANCIAL RESULTS

(₹ in crores)

	2018-19	2017-18
Total Income	4282.17	3197.74
Operating Cost other than Depreciation	4102.40	3048.63
Earnings before Interest, Tax & Depreciation/ Amortisation (EBITDA)	179.77	149.11
Depreciation/ Amortisation	28.02	24.71
Finance Charge	33.97	27.09
Profit before exceptional and extraordinary items and tax	117.78	97.31
Exceptional items [Add/ (Less)]	--	1.67
Profit before tax (PBT)	117.78	95.64
Profit after tax (PAT)	76.10	63.89
Net Profit/ (Loss) available for appropriation	613.18	534.80
Deductions:		
Dividend paid	-	-
Dividend Distribution Tax paid	-	-
Transfer to General Reserve	-	-
Balance carried forward to Balance Sheet	613.18	534.80

The figures of previous year has been regrouped/reclassified/re-casted wherever applicable as per the disclosure and presentation requirements of Indian Accounting Standards.

DIVIDEND

In view of the Capex requirements for the ongoing and proposed expansion projects of the Company, the Board of Directors has decided to plough back the entire profit earned by the Company and have not recommended any dividend.

OPERATIONS

Your company during the year under review set a new record of processing and distribution of more than 2.6 million tons of steel material. Tolling business grew by 19% to a record level of 1.81 million tons while distribution sales and achieved best ever sales performance of 0.81 million tons, a growth of 19% over previous year. Your Company also recorded the highest annual revenue of ₹4280 crore, a growth of 34% over previous year.

There was robust demand of steel during most of the year, specifically in automotive and construction segments. Increase in the business with the existing customers, as well as the acquisition of new ones and focus on availability of inventory and time delivery helped your company in growing overall distribution sales. VSM distribution segment, which serves automotive customers, registered a growth of 18% whereas branded distribution for HR sheet under "Astrum" saw a growth of 28%. Your Company started offering both wall and floor mounted ready to use IT racks under brand name TRyNOX, an initiative under services and solutions.

The Company strengthened its focus on safety by focusing on reducing hand injury, reduction in man- machine interface and improvement of Contractors' Safety Management. Your Company reported a Lost Time Injury Frequency Rate (LTIFR) of 0.71, which went up with respect to the previous year. Third round of wellness program launched across the company to monitor and guide employees to improve their health.

Your company launched several initiatives to reduce power consumption, conserve water and reduce carbon footprints by adopting CII GreenCo recommendations. Two operating units were awarded Gold rating and one Silver rating by CII GreenCo. Company also started installation of first solar roof top power plant at Ranjangaon plant.

EXCEPTIONAL ITEMS

During the previous year, the company had to provide for an impairment loss of Non-Current assets of ₹167.71 lakhs on account of the written down in the value of its property, plant and equipment pertaining to Roll forming line at Jamshedpur, component manufacturing unit at Pantnagar and overhead crane at Pune based on an estimation of its realisable value, as assessed by an independent valuer.

CAPACITY EXPANSION, NEW PROJECTS

Hot rolled (HR) coil Processing Unit at Kalinganagar, Odisha: Out of total 1 million ton/annum HR Steel Service Centre Erection planned at Kalinganagar, your company had commissioned 0.41 million ton/annum, 25 mm thick Cut-t0length line previous year. This year commissioning work of 0.36 million ton/annum, 12 mm thick HR Slitting line with first of its kind a fully automatic packaging system was completed and your company started suppling high strength slit coils to customers in automotive and general engineering segment and have received a very good customer feedback. The installation of 0.31 million ton/annum, 12 mm thick HR Wide Cut to Length line is in progress at site and production is expected to start by April 2019.

Shed expansion at Pantnagar: Pantnagar plant shed was expanded by 28000 sq m with additional material handling capabilities to increase serving capability and capacity for growing customers needs at Pantnagar and adjoining areas.

Open coil storage yard with goliath crane at Bara, Jamshedpur: To improve safety and storage space for additional 8,500 MT of HR coils, a large open coil storage yard with a remote operated goliath crane was commissioned at Bara along with coil saddles to meet growing business needs of automotive customers at Jamshedpur.

QUALITY AND PERFORMANCE IMPROVEMENT INITIATIVES

Your Company continues to maintain high standards of quality by conformance to international quality standard of IATF 16949 (formerly known as TS16949) and Tata Business Excellence Model. Your company has also started journey on Total Quality Management/Deming Prize by launching first phase of daily management and policy management.

Your Company reported cost savings of ₹10.79 crores under "Lakshya 25", a program which was launched last year to improve EBITDA.

MARKET CONDITIONS

Economy: Global & India

During the year under review, the Global economy grew by 3.7% and the Indian economy grew by 7.2% according to World Bank estimates. The projected GDP growth rate of India for FY 20 is 7.5%. The growth in India is expected to be improving driven by robust domestic consumption and higher Govt spending. Manufacturing activity has improved and steel consuming sectors such as Auto is expected to grow at 6%, Construction at 6.1%, Capital Goods at 7.8% and Consumer durables at 6.5%. Acquisition of distressed steel plants by the existing players are likely to improve the capacity utilisation on these plants.

Automobile Sector

Automotive sales in FY'19 grew by 7% as compared to FY'18. This growth was mainly driven by 23% increase in 3W sales, 13% growth in CV sales, 6% growth in 2W sales and 0.4% increase in PV sales. This sector is expected to grow at a rate of 6% in FY'20.

Other Sectors

The appliance segment has grown by 6% in FY'19 and is expected to grow at 6.5% in FY'20. Growth in middle class and urban population, availability of credit, higher disposable income and different initiatives such as "Make in India" launched by the Government is expected to drive demand in this sector.

The growth in the Electrical Panel industry in FY '19 has been 7% as compared to the last financial year and expected to grow by 6%. Replacement demand from the various State Electric Supply Corporations and new demand being generated by the rural electrification schemes of the Government of India is driving the growth in this segment.

The General Engineering Industry has shown a growth of 5% in FY'19. Sub segments such as Storage Solutions have performed well due to favorable domestic demand and increase in export orders. The demand in Barrel segment has been good with orders being generated from the domestic oil companies and the defense sector. The Bus Body segment has also shown marginal growth with new orders for buses being generated from educational institutions. In FY'20, this sector is expected to grow at 7%.

The Lifting & Excavation segment grew by 18% in FY'19 mainly driven by good export orders from South East Asia, Middle East and Myanmar. The Government of India's "Swachh Bharat programme" and "Smart City" initiatives is expected to further drive the demand in this segment. The outlook for FY'20 is good at 10% with Indian manufacturers expecting good orders both from the domestic & export markets.

Industry Outlook: Steel Service Centre

The Indian Steel Service Centre industry has come a long way with steel mills shifting their focus on supplying customers with increasingly innovative products and services. Further, Steel mills are aligning their expansion activities along with downstream facilities to cater to the needs of its customers.

During the last few years, the number of players in the organised space has increased and a few low-end processers have moved up to the Semi Organised space. The Organised SSC's are primarily backed by the steel mills or by OEMs focusing more on value addition. The FY'19 has seen improved capacity utilizations, except for the mills under distress, both in the organized and semi organized space due to increase in demand from the value added steel intensive sectors like Automobiles, Consumer Durables, Panels and L&E.

Future Outlook: Steel Service Centre

Continuing its trend in FY'20, Steel Service Centre is expected to see robust growth, aligned to mills and to automotive companies. In North, 0.24 Million Tonnes per annum JSW MI become operational at Palwal in in FY'19 and is expected to ramp-up its production. Reliance is putting HR SSC of 72 KTPA at Faridabad. Allied Hi Tech Industry is consolidating all its units to one consolidated unit to improve control.

JSW MI is planning to put new SSC near Chennai for automotive steel processing. Hysco is seeting up plant for KIA Motors in South.

JSW Steel is planning to put a SSC for automotive steel near Ahmedabad primarily to serve Suzuki and HMSI. Ratnesh is planning to put trapezoidal facility in Pune to serve needs of two-wheelers industry.

In FY'20, the SSC environment is further expected to be more competitive with new capacity additions by Organised and Semi Organised players thereby, increasing pressure on the bottom line.

Caution Statement:

Statements included in this section (MARKET CONDITIONS) are forward looking predictions. However, emerging factors unknown at the moment and over which the Company does not have any control, may cause significant difference to the Company's operations.

RECOGNITIONS & AWARDS

Your Company received several awards and accolades during the year under review. Some notable ones are:

- Pune unit won Suraksha Puraskar (Bronze Trophy) and Demag unit received Certificate of Appreciation 2018 in NSCI Safety Award in Group – D, Manufacturing Sector.
- Jamshedpur unit won Gold rating and Chennai unit won Silver rating in CII GreenCo assessment.
- TSPDL achieved highest participation under small category of companies within the Tata group during Tata Volunteering Week 9, as reported by Tata Sustainability Group.
- Maharashtra Energy Development Agency (MEDA) has awarded Pune unit with a Certificate of Appreciation for achievements in energy conservation and management in metal & steel.
- Pune unit received "CII National Energy Management award 2018- Energy Efficient Unit" in August 2018.
- TSPDL won the 1st and 3rd position in the inter TIS Group Companies Ethics Movie competition.
- Tata Motors recognized TSPDL during the Tata Motor East Zone Suppliers Meet 2018 for exceptional support to meet increased production volumes of Tata Motors Limited.
- Kobelco Construction Equipment India Pvt. Ltd. honoured Tada unit of TSPDL as their preferred business partner during the Business Partner Meet 2018.
- Pune unit has been awarded with silver trophy from Quality Circle forum of India for presenting a case study to improve pickled material surface quality on 16th June 2018.
- Tada unit received SQEP Bronze level certification for 2018 from Caterpillar.
- Pune unit won "Elimination of Human – Machine interface" Kaizen Award in 7th Exposition on "Elimination of Human-Machine Interface" organized by Tata Steel.
- A team from Jamshedpur unit won first prize in business simulation competition held by AIMA-JMA Management Olympiad-2019.

CORPORATE GOVERNANCE

The Company is committed in maintaining a high standard of corporate governance practices and procedures. The Company believes that good corporate governance practices are essential for enhancing shareholders' value. The Company believes in carrying on the business by imbibing the principles of trusteeship, empowerment, innovation, corporate social responsibility, transparency and ethical practices.

The Company is a wholly-owned subsidiary of Tata Steel Limited. It is engaged in the business of various processing/ manufacturing activities and distribution of finished steel coils and sheets. It sells its products within India, and market conditions being uniform, no separate geographical and business segments are identified.

The Committees constituted by the Board of Directors viz., (i) Audit Committee, (ii) Nomination & Remuneration Committee, (iii) Corporate Social Responsibility Committee & (iv) Safety Health & Environment Committee have functioned effectively during the year under review.

Various policies like, Nomination & Remuneration Policy, Risk Management Policy and Corporate Social Responsibility Policy as required under the Companies Act 2013 have been adopted by the Company and are being adhered to.

The Company follows a process for selection & governance of Board members, reviews the independence & effectiveness of Internal & External Auditors.

BOARD OF DIRECTORS

a. Composition

Your Board comprises of 7 (Seven) Directors, out of which 2 (Two) are Independent Non- Executive Directors (including one woman Director), 4 (Four) are Non-Independent Non- Executive Directors and 1 (one) is a Non-Independent Executive Director.

During the year under review, there had been no change in the Board of Directors of the Company.

b. Directors to retire by rotation

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Anand Sen retires by rotation and being eligible, have offered himself for re- appointment. The Board has at its meeting held on 12th April, 2019 recommended his re- appointment.

Mr. Chacko Joseph (appointed in the casual vacancy caused by resignation of Mr. Jayanta Chakraborty), also retires at the forthcoming Annual General Meeting, as Mr. Jayanta Chakraborty, was due to retire at this Annual General Meeting, had he continued in office. The Board has at its meeting held on April 12, 2019 recommended Mr. Chacko Joseph's induction in the Board as a rotational Director.

c. Independent and Non-Executive Directors

The Company has 2 Independent Non-Executive Directors as per the Companies Act, 2013 (including 1 Women Director). The Act requires that the Non-Executive Directors, including Independent Directors, be drawn from amongst eminent professionals with experience in business/finance/law/public administration and enterprises. The attributes and qualifications of Independent Directors are in accordance with those prescribed under Section 149(6) of the Companies Act, 2013 read with the Rules thereunder. The Independent Directors of your Company have submitted a declaration confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013.

d. Board Evaluation Criteria

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration, CSR & SHE Committees through circulation of detailed questionnaire to the Directors and feedback received thereon.

DISCLOSURE AND COMPOSITION OF THE COMMITTEES OF THE BOARD

The Committees constituted by the Board of Directors viz., Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility (CSR) Committee and Safety Health & Environment (SHE) Committee have functioned effectively during the year under review.

During the year, 5 Board Meetings, 4 Audit Committee Meetings, 4 CSR Committee Meetings, 3 Nomination & Remuneration Committee Meetings and 4 SHE Committee Meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

The details of the meetings held by the Board and various Committees during the year under review are given in Annexure A to this report.

The details of the Committee as required to be formed as per the applicable sections of the Companies Act are as follows:

Audit Committee

The Company has an Audit Committee of the Board of Directors as required u/s 177 of the Companies Act, 2013 and it comprises of three Non-Executive Directors, of which two are Independent Directors. The Chairman of the Audit Committee is a Non-Independent Non-Executive Director. The composition of the Audit Committee, as on March 31, 2019 was as below:

Name of the Member	Category
Mr. Chacko Joseph, Chairman	Non-Independent Non-Executive Director
Dr. (Mrs.) Rupali Basu, Member	Independent Non-Executive Director
Mr. Srikumar Menon, Member	Independent Non-Executive Director

The Board of Directors of your Company has accepted all recommendation of the Audit Committee during the year under review.

Nomination & Remuneration Committee

The Company has a Nomination & Remuneration Committee of the Board of Directors as required u/s 178 of the Companies Act, 2013 and it comprises of four Non-Executive Directors, of which two are Independent Directors. The Chairman of the Nomination and Remuneration Committee is an Independent Director. The composition of the Nomination & Remuneration Committee as on March 31, 2019 was as below:

Name of the Member	Category
Mr. Srikumar Menon, Chairman	Independent Non-Executive Director
Mr. Anand Sen, Member	Non-Independent Non-Executive Director

Name of the Member	Category
Dr. (Mrs.) Rupali Basu, Member	Independent Non-Executive Director
Mr. Chacko Joseph, Member	Non-Independent Non-Executive Director

On the recommendation of the Committee, the Nomination and Remuneration Policy has been adopted by the Board of Directors of your Company and has been attached as Annexure B to this report.

Corporate Social Responsibility (CSR) Committee

The Company has a Corporate Social Responsibility Committee of the Board of Directors as required u/s 135 of the Companies Act, 2013 and Rules made thereunder and it comprises of four Directors, of which one is an Independent Director, who is also the Chairperson of the Committee. The composition of the CSR Committee as on March 31, 2019 was as below:

Name of the Member	Category
Dr. (Mrs.) Rupali Basu	Independent Non-Executive Director
Mr. Peeyush Gupta, Member	Non-Independent Non-Executive Director
Mr. Rajiv Kumar, Member	Non-Independent Non-Executive Director
Mr. Abraham G. Stephanos, Member	Non-Independent Executive Director

Safety Health & Environment (SHE) Committee

The Company has a Safety Health & Environment Committee (non- Mandatory Committee under the law) was formed by the Board and it comprises of three Directors, of which one is an Independent Director. The composition of the Committee as on March 31, 2019 was as below:

Name of the Member	Category
Mr. Rajiv Kumar, Chairman	Non-Independent Non-Executive Director
Dr. (Mrs) Rupali Basu, Member	Independent Non-Executive Director
Mr. Abraham G. Stephanos, Member	Non-Independent Executive Director

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Annual Report on CSR activities for period under review is annexed as Annexure C to this report.

KEY MANAGERIAL PERSONNEL

Mr. Abraham G. Stephanos, being the Managing Director, Ms. Swapna Nair, being the Chief Financial Officer (who was appointed in place of Mr. Anup Kumar, during the year) and. Mr. Asis Mitra, being the Company Secretary, continue to be the Key Managerial Personnel of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors including audit of internal financial controls over financial reporting, reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2018-19.

Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

i. in the preparation of the annual accounts, the applicable accounting standards had been followed with proper explanation relating to material departures, if any;

ii. the directors had selected such accounting policies and applied them consistently and made judgements 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 and loss of the company for that period;

iii. the directors had 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;

iv. the directors had prepared the annual accounts on a going concern basis; and

v. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STATUTORY AUDITORS

As per recommendation of the Audit Committee & the Board of Directors, the approval of the shareholders was accorded for appointment of Price Waterhouse & Co. Chartered Accountants LLP (PwC), as the statutory auditors of the Company at the 20th Annual General Meeting of the Company held on 5th September, 2017, with effect from the conclusion of the said Annual General Meeting of the Company till the conclusion of the 25th AGM of the Company.

COST AUDITORS & SECRETARIAL AUDITORS

As per recommendation of the Audit Committee, the Board of Directors have reappointed M/s Shome & Banerjee, Cost Accountants as the Cost Auditors of the Company for the year ending March 31, 2020 and M/S D. Dutt & Co., Company Secretaries, as the Secretarial Auditors of the Company for the year ending March 31, 2020.

AUDIT OBSERVATIONS & EXPLANATIONS/COMMENTS BY THE BOARD

No qualification, reservation or adverse remark or disclaimer has been made by the Auditors' in their report.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204(1) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s D. Dutt & Co., a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is provided in Form MR – 3 as Annexure D to this report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not granted any loan or made any investments covered under section 186 of the Companies Act, 2013.

RELATED PARTY DISCLOSURES

All related party transactions, entered into during the financial year were on an Arm's length basis and were in the Ordinary course of business.

All the related party transactions were placed before the Audit Committee for approval and also before the Board for their review. Prior omnibus approval of the Audit Committee is obtained on annual basis for the transactions which are of a foreseen and repetitive in nature. Approvals for all other one time transactions are obtained from the Audit committee as required. The transactions entered into, pursuant to the approval are audited.

None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

Since, all the transactions entered into by the Company with the related parties during the period under review were in the ordinary course of business & on arm's length basis, and hence, the particulars as required under Section 134(1)(h) of the Companies Act, 2013 read with Rule 8(2) of Companies (Accounts) Rules, 2014, relating to contracts or arrangements entered by the Company with related parties referred to in Section 188(1) of the Act in Form AOC – 2 is not required to be provided.

EXTRACT OF THE ANNUAL RETURN AS PER SECTION 92(3) OF THE ACT

Pursuant to Section 92(3) and Section 134(3) of the Companies Act, 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return is provided in Form MGT – 9 as Annexure E to this Report.

INTERNAL FINANCIAL CONTROL

As required under Section 134(3) (q) of the Companies Act 2013 read with Rule 8(5) (viii) of Companies (Accounts) Rules, 2014, the Company has Internal Financial Controls with reference to the Financial Statements that commensurate with the size, scale, complexity and operations of the Company. The same are designed to ensure proper recording of financial and operational information and compliance of various internal control and other regulatory and statutory compliances. Internal Financial Control which require that the directors review the effectiveness of internal controls and compliance control, financial and operational risks, risk assessment and management systems and related party transaction, have been complied with. Self-certification exercises are also conducted by which senior management certify effectiveness of the internal control system, their adherence to the code of conduct and Company's policies for which they are responsible, financial or commercial transactions, if any, where they have personal interest or potential conflict of interest.

RISK MANAGEMENT

Risks are events, situations or circumstances which may lead to negative consequences on the company's businesses. Risk management is the process of identifying, quantifying and managing the risks that an organization faces. The Company has in place an Enterprise Risk Management framework, based on which the risks are identified and managed. Key business risks and the related key performance indicators, along with the mitigating action plans are reviewed on a quarterly basis.

PUBLIC DEPOSITS

The Company has not accepted or renewed any deposit from the public during the year under report.

EMPLOYEE RELATIONS

The Company continued to maintain excellent and cordial Industrial Relations and concerted efforts were put in to maintain Industrial harmony and peace. The Directors express their appreciation for the dedication, commitment and sincere services rendered by the employees at all levels throughout the year.

DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

During the year, the Company received 1 complaint of sexual harassment, which has been resolved by taking appropriate actions.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information as per Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 is as below:

A. Conservation of Energy

i) The steps taken or impact on conservation of energy:
  - Use of variable frequency drive for the equipment.
  - Use of high efficiency LED lights at Bara, Pantnagar, Kalinganagar and certain areas in CR Plant, Jamshedpur.
  - Adoption of CII Green Co initiatives at Jamshedpur and Chennai to make plants energy efficient.

ii) The steps taken by the company for utilising alternate source of energy:

Company placed order for installing roof top solar power generation unit to meet the electricity needs of Ranjangaon plant, which will start generation by Q2 FY'20.

iii) The capital investment on energy conservation equipment:

Installation of energy efficient air compressors with variable drive at Bara and CR plant in Jamshedpur and Pantnagar.

Change of roof sheeting with transparent sheet at Jamshedpur to use day light instead of other lighting systems.

B. Technology Absorption:

i) Efforts made towards technology absorption
  - Adoption of precision levelers for high strength HR processing upto 1100 MPa
  - Adoption of edge trimmer for thick WCTL lines.
  - Scale brushing for cut-to-length line
  - Motorised coil tongs and sheet lifters for safe handling of steel material
  - Automatic slit coil packaging line
  - IT racks, both floor and wall mounted

ii) Benefits derived from product improvement, cost reduction, product development or import substitution
  - Improved flatness of HR sheets and plates.
  - Improved yield at processing lines.
  - Superior, scale-free surface of HR sheet Improved safety at plant
  - High productivity
  - Superior quality IT enclosures

iii) In case of imported technology

Technology imported	Year of import	Whether fully absorbed
Electrostatic oiler	FY 2012-13	Yes
0.3 million tons per annum high speed slitting line to process HR coil at Jamshedpur	FY 2012-13	Yes
High strength HRPO slitting line at Chennai	FY 2013-14	Yes
Fagor CR slitting line at Faridabad	FY 2013-14	Yes
Belt Bridle for JCAPCPL Slitter	FY 2015-16	Yes
8-25 mm WCTL line at Kalinganagar	FY 2017-18	Yes
1.2 – 12 mm HR Slitter at Kalinganagar	FY 2018-19	Yes
Motorised coil tongs and sheet lifters at Kalinganagar	FY 2018-19	Yes

iv) The expenditure incurred in Research and Development - Nil

C. Foreign exchange earnings & outgo:

(All amount in ₹ Lakhs)

	2018-19	2017-18
EARNINGS	-	-
OUTGO		
a) CIF Value of Imports		
i) Raw Materials	5947.80	2559.14
ii) Stores and consumables	7.36	7.40
iii) Capital Goods	407.92	1143.98
Expenditure in foreign currency (on annual basis)		
b) Others (Travelling, Conference fee etc.)	12.62	81.87

PARTICULARS OF EMPLOYEES

The particulars of employees as required under Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, have been provided in Annexure- F to this Report.

ACKNOWLEDGEMENT

The Directors acknowledge with gratitude the support extended by Tata Steel Ltd. The Directors are also thankful to the Government of India and other state level agencies, various agencies of State Bank of India and other business associates for their continued support.

For and on behalf of the Board of Directors

Anand Sen
Chairman
DIN: 00237914

Abraham G Stephanos
Managing Director
DIN: 06618882

Place: Kolkata
Date: April 12, 2019

ANNEXURE A

Details of Meetings Board of Directors and its different Committees held during the period April 1, 2018 to March 31, 2019.

Meetings of Board of Directors

Names of Directors	Number of meetings held during the financial year 2018-19	Number of meetings attended
Mr. Anand Sen	5	5
Mr. Peeyush Gupta	5	5
Mr. Rajiv Kumar	5	3
Dr. Rupali Basu	5	4
Mr. Srikumar Menon	5	5
Mr. Chacko Joseph	5	5
Mr. Abraham G Stephanos	5	5

Meetings of the Audit Committee

Name of Members	Number of meetings held during the financial year 2018-19	Number of meetings attended
Mr. Chacko Joseph	4	4
Dr. Rupali Basu	4	3
Mr. Srikumar Menon	4	4

Meetings of the Nomination & Remuneration Committee

Name of Members	Number of meetings held during the financial year 2018-19	Number of meetings attended
Mr. Srikumar Menon	3	3
Mr. Anand Sen	3	3
Dr. Rupali Basu	3	2
Mr. Chacko Joseph	3	3

Meetings of the CSR Committee

Name of Members	Number of meetings held during the financial year 2018-19	Number of meetings attended
Dr. Rupali Basu	4	4
Mr. Peeyush Gupta	4	3
Mr. Rajiv Kumar	4	3
Mr. Abraham G Stephanos	4	4

Meetings of the Safety, Health & Environment Committee

Name of Members	Number of meetings held during the financial year 2018-19	Number of meetings attended
Dr. Rupali Basu	4	4
Mr. Rajiv Kumar	4	4
Mr. Abraham G Stephanos	4	4

ANNEXURE B

PART A

POLICY ON APPOINTMENT AND REMOVAL OF DIRECTORS

1. INTRODUCTION

1.1. In terms of Section 178 of the Companies Act, 2013, rules made thereunder and the Listing Agreement, entered into by the Company with Stock Exchanges in India, as amended from time to time, the Committee has formulated this policy on appointment and removal of Directors. The Policy has been adopted by the NRC vide its resolution dated March 31, 2015 and approved by the Board of Directors vide its resolution dated March 31, 2015.

1.2. This policy shall act as a guideline for determining qualifications, positive attributes, independence of a Director and matters relating to the appointment and removal of Directors.

2. OBJECTIVE OF THE POLICY

2.1 To lay down criteria and terms and conditions with regards to the identification of persons who are qualified to become Directors (Executive, Non-Executive and Independent) including their qualifications, positive attributes and independence.[CA Sec. 178] and who may be appointed as the Senior Management of the Company.

3. APPOINTMENT OF DIRECTORS

The NRC of the Company to seek recommendations from the Parent Company/GIM Centre for appointment/re-appointment/removal of a Director.

This Policy enumerates guidelines to be used by NRC in selecting/appointing/re-appointing and removal of a Director, in consultation with the Parent Company/GIM Center.

3.1 Assess skill-sets the Board needs given the strategies, challenges faced by the Company.

3.2 In selecting individuals for appointment/re-appointment/removal of directors, the NRC to refer to the following guidelines/policies:

3.2.1 Board Membership Criteria (Refer Schedule A)

3.2.2 Board Diversity Policy, if any, framed as per the requirement of law (Refer Schedule B)

3.2.3 Criteria for determining independence of directors (in case of appointment of Independent Directors (Refer Schedule C)

3.3 Request candidature from the database maintained by Parent Company/GIM Center

3.4 NRC members (either jointly/individually, as delegated) shall meet the potential candidate on receiving recommendation from the Parent Company/GIM Center and assess his/her suitability for the role.

3.5 NRC to recommend the appointment of shortlisted candidate to the Board for its consideration.

3.6 Emergency Succession: If position of a Director suddenly becomes vacant by reason of death or other unanticipated occurrence, the NRC shall convene a special meeting at the earliest opportunity to fill such vacancy, in consultation with the Parent Company/GIM Center.

4. POLICY IMPLEMENTATION

4.1 The Committee is responsible for recommending this Policy to the Board.

4.2 The Board is responsible for approving and overseeing implementation of this Policy (with the support of the Committee)

5. REVIEW OF THE POLICY

This Policy will be reviewed and reassessed by the Committee as and when required and appropriate recommendations shall be made to the Board to update this Policy based on changes that may be brought about due to any regulatory amendments or otherwise.

6. APPLICABILITY TO SUBSIDIARY/ASSOCIATE/JOINT VENTURE COMPANIES

This Policy may be adopted by the Company's subsidiaries/Associates and Joint Ventures, if any, subject to suitable modifications (in consultation with Parent Company/GIM Center) and approval of the Board of Directors of the respective companies.

7. COMPLIANCE RESPONSIBILITY

Compliance of this policy shall be the responsibility of the Company Secretary of the Company who shall have the power to ask for any information or clarifications from the management in this regard.

Schedule A

BOARD MEMBERSHIP CRITERIA

The Nominations and Remuneration Committee works with the Board, in consultation with the Parent Company/GIM Center to determine the appropriate characteristics, skills, and experience for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience in business, government, education, and public service. Characteristics expected of all directors include independence, integrity, high personal and professional ethics, sound business judgment, ability to participate constructively in deliberations and willingness to exercise authority in a collective manner.

In evaluating the suitability of individual Board members, the Committee, in consultation with the Parent Company/ GIM Center, considers many factors, including general understanding of marketing, finance, operations management, public policy, international relations, legal, governance and other disciplines relevant to the success of the Company in today's business environment; understanding of the Company's business; experience in dealing with strategic issues and long-term perspectives; maintaining an independent familiarity with the external environment in which the company operates and especially in the directors particular field of expertise; educational and professional background; personal accomplishment; and geographic, gender, age, and ethnic diversity.

The Board evaluates each individual in the context of the Board as a whole, with the objective of having a group that can best perpetuate the success of the Company's business and represent stakeholder's interests through the exercise of sound judgment, using its diversity of experience.

In determining whether to recommend a director for re-election, the Committee, in consultation with the Parent Company/ GIM Center, also considers the director's past attendance at meetings, participation in meetings and contributions to the activities of the Board, and the results of the most recent Board self-evaluation.

Board members are expected to rigorously prepare for, attend and participate in all Board and applicable committee meetings. Each member is expected to ensure that their other current and planned future commitments do not materially interfere with the responsibilities at Tata Steel Processing and Distribution Limited.

Schedule B

BOARD DIVERSITY POLICY

1. PURPOSE

The need for diversity in the Board has come into focus post the changes in the provisions of the Companies Act, 2013 ("Act").

The NRC has framed this policy to set out the approach to diversity on the Board of the Company ("Policy").

2. SCOPE

This Policy is applicable to the Board of the Company.

3. POLICY STATEMENT

The Company recognizes the importance of diversity in its success. It is essential that the Company has as diverse a Board as possible.

A diverse Board will bring in different set of expertise and perspectives. The combination of Board having different skill set, industry experience, varied cultural and geographical background and belonging to different race and gender will bring a variety of experience and viewpoints which will add to the strength of the Company.

While all appointments to the Board are made on merit, the diversity of Board in aggregate will be of immense strength to the Board in guiding the Company successfully through various geographies.

The Committee reviews and recommends appointments of new directors to the Board. In reviewing and determining the Board composition, the Committee will consider the merit, skill, experience, race, gender and other diversity of the Board.

To meet the objectives of driving diversity and an optimum skill mix, the Committee may seek the support of Parent Company/ GIM Center.

4. MONITORING AND REPORTING

The Committee will report annually, in the corporate governance section of the Annual Report of the Company, the process it employed in Board appointments, if required by the law. The report will include summary of this Policy including purpose and the progress made in achieving the same.

5. REVIEW OF THE POLICY

This Policy will be reviewed and reassessed by the Committee as and when required and appropriate recommendations shall be made to the Board to update this Policy based on changes that may be brought about due to any regulatory amendments or otherwise

6. APPLICABILITY TO SUBSIDIARY/ASSOCIATE/JOINT VENTURE COMPANIES

This Policy may be adopted by the Company's subsidiaries/ Associates and Joint Ventures, if any, subject to suitable modifications (in consultation with the Parent Company/ GIM) and approval of the board of directors of the respective companies.

7. COMPLIANCE RESPONSIBILITY

Compliance of this policy shall be the responsibility of the Company Secretary of the Company who shall have the power to ask for any information or clarifications from the management in this regard.

Schedule C

CRITERIA FOR DERTERMINING INDEPENDENCE OF DIRECTORS

1. Purpose

The purpose of this policy is to define guidelines that will be used by the Board to assess the independence of Directors of the Company.

2. Independence Guidelines

A Director is considered independent if the Board makes an affirmative determination after a review of all relevant information. The Board has established the categorical standards set forth below to assist it in making such determinations. In order for a Director to be considered independent, the Director:

2.1 Shall not be Managing Director or a Whole time Director or a Nominee Director.

2.2 Shall be, in the opinion of the Board, a person of integrity and shall possess relevant expertise and experience.

2.3 Shall not be a promoter of the Company or its holding, subsidiary or associate Company.

2.4 Shall not be related to promoters or Directors in the Company, its holding, subsidiary, or associate Company.

2.5 Apart from receiving Director's remuneration, shall not have any pecuniary relationships with the Company, its holding, its subsidiaries, its associate companies, its promoters, or Directors, during the current financial year or immediately preceding two financial years.

2.6 Relatives should not have or had pecuniary relationships or transactions with the Company, its holding (s), subsidiary or associate Company, or their promoters, or Directors, amounting to 2% or more of its gross turnover or total income or INR 50 Lakhs or such amount as the Company may prescribe, whichever is lower, during the two immediately preceding financial years or during the current financial year.

2.7 Neither himself / herself nor any of his / her relatives shall hold or has held the position of a KMP or is or has been employee of the Company or its holding, subsidiary or associate Company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed.

2.8 Neither himself / herself nor any of his / her relatives shall or has been an employee or proprietor or a partner, in any of the 3 financial years immediately preceding the financial year, of:

a) a firm of auditors or Company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate Company;

b) any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate Company amounting to 10%. or more of the gross turnover of such firm;

c) holds together with his relatives 2% or more of the total voting power of the Company ("Substantial Shareholder");

d) a Chief Executive or Director, by whatever name called, of any non-profit organization that receives 25%, or more of its receipts from the Company, any of its promoters, Directors or its holding, subsidiary or associate Company or that holds 2%, or more of the total voting power of the Company. [LA Clause 49 B / CA Sec 149 (6)]

2.9 Has not held office for more than 2 consecutive terms on the Board of the Company [CA Sec. 149]

2.10 Should not be a material supplier, service provider or customer or a lessor or a lessee of the Company [additional requirement for listed companies]

2.11 Shall not be less than 21 years of age. [LA Clause 49 II B]

2.12 Who possesses such other qualifications as may be prescribed by the Companies Act, 2013.

DEFINITIONS IN ADDITION TO THOSE PROVIDED ABOVE

1. **"Nominee Director"** implies a Director nominated by any financial institution in pursuance of the provisions of any law for the time being in force, or of any agreement, or appointed by any government or any other person to represent its interests. [Companies Act 2013 – Section 149 Explanation]

2. **"Associate Company"** implies a Company which is an "associate" as defined in Accounting Standard (AS) 23, "Accounting for Investments in Associates in Consolidated Financial Statements", issued by the Institute of Chartered Accountants of India.

   Associate Company in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company. [Sec 2(6) of CA, 2013]

   Explanation.—For the purposes of this clause, "significant influence" means control of at least twenty per cent. of total share capital, or of business decisions under an agreement;

3. **"Relative"** implies anyone who is related to another if they are members of HUF; if they are husband and wife; or if one person is related to the other in such manner as may be prescribed under the Act. A person shall be deemed to be the relative of another, if he or she is related to another in the following manner, namely – Father (includes step-

father), Mother (includes step-mother), Son (includes step-son), Son's wife, Daughter, Daughter's husband, Brother (includes step-brother), Sister (includes step-sister) [CA Sec. 277]

Explanations:

Consecutive Terms: He/ she shall be eligible for appointment as Independent Director after the expiration of three years of ceasing to be a Director on the Board of the Company provided that he / she shall not during the said period of three years, be appointed in or associated with TSPDL in any other category, either directly or indirectly.

PART B

REMUNERATION POLICY OF DIRECTORS, KMPs AND OTHER EMPLOYEES

The philosophy for remuneration of directors, Key Managerial Personnel **("KMP")** and all other employees of TATA STEEL PROCESSING AND DISTRIBUTION LTD. **("Company")** is based on the commitment of fostering a culture of leadership with trust. The remuneration policy is aligned to this philosophy.

This remuneration policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 **("Act")**. In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail and the company shall abide by the applicable law. While formulating this policy, the Nomination and Remuneration Committee **("NRC")** has considered the factors laid down under Section 178(4) of the Act, which are as under:

"(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

(b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals"

For all matters related to remuneration to directors, the Parent Company/GIM Center may make suggestions from time to time, to Chairman, NRC or to representative of the Parent Company, who may incorporate the same while recommending to the Board.

Key principles governing this remuneration policy are as follows:

1. Remuneration for independent directors and non-independent non-executive directors

1.1. Overall remuneration should be reflective of the size of the company, complexity of the sector/ industry/ company's operations and the company's capacity to pay the remuneration.

1.2. Independent directors ("ID") and non-independent non-executive directors ("NED") may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members). Quantum of sitting fees and NED Commission may be subject to review on a periodic basis, as required.

1.3. Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the NRC and approved by the Board.

1.4. Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the company (taking into consideration the challenges faced by the company and its future growth imperatives).

1.5. Overall remuneration practices should be consistent with recognized best practices.

1.6. The aggregate commission payable to all the NEDs and IDs will be recommended by the NRC to the Board, based on company's performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board.

1.7. The NRC will recommend to the Board, , the quantum of commission for each director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and committee meetings, individual contributions at the meetings and contributions made by directors other than in meetings.

1.8. In addition to the sitting fees and commission, the company may pay to any director such fair and reasonable expenditure, as may have been incurred by the director while performing his/ her role as a director of the company,. This could include reasonable expenditure incurred by the director for attending Board/ Board committee meetings, general meetings, court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training (organized by the company for directors) and in obtaining professional advice from independent advisors in the furtherance of his/ her duties as a director.

2. Remuneration for managing director ("MD")/ executive directors ("EDs")/ KMP/ rest of the employees

2.1. The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be

2.1.1. Market competitive (market for every role is defined as companies from which the company attracts talent or companies to which the company loses talent)

2.1.2. Driven by the role played by the individual,

2.1.3. Reflective of size of the company, complexity of the sector/ industry/ company's operations and the company's capacity to pay,

2.1.4. Consistent with recognized best practices and

2.1.5. Aligned to any regulatory requirements.

2.2. In terms of remuneration mix or composition,

2.2.1. The remuneration mix for the MD/ EDs is as per the contract approved by the shareholders. In case of any change, the same would require the approval of the shareholders

2.2.2. Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.

2.2.3. In addition to the basic/ fixed salary, the company may provide employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where possible. The company may also provide all employees with a social security net (subject to limits) by covering medical expenses and hospitalization through re- imbursements or insurance cover and accidental death and dismemberment through personal accident insurance.

2.2.4. The company provides retirement benefits as applicable.

2.2.5. In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the company may provide MD/ EDs such remuneration by way of bonus/performance linked incentive and/or commission calculated with reference to the net profits of the company in a particular financial year, as may be determined by the Board, , subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the MD/ EDs would be based on performance as evaluated by the Board or the NRC and approved by the Board.

2.2.6. The company may provide the rest of the employees a performance linked bonus and/or performance linked incentive. The performance linked bonus/performance linked incentive would be driven by the outcome of the performance appraisal process and the performance of the company.

3. Remuneration payable to Director for services rendered in other capacity

The remuneration payable to the Directors shall be inclusive of any remuneration payable for services rendered by such director in any other capacity unless:

3.1 The services rendered are of a professional nature; and

3.2 The NRC is of the opinion that the director possesses requisite qualification for the practice of the profession.

4. Premium on Insurance policy

4.1. Where any insurance is taken by the Parent Company or by the company on behalf of the Company's NEDs, for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration.

4.2. Where any insurance is taken by the Parent Company or by the company on behalf of the Company's MD/EDs, KMP and any other employees for indemnifying them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the company, the premium paid on such insurance shall not be treated as part of the remuneration. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

Policy implementation

The NRC is responsible for recommending the remuneration policy to the Board. The Board is responsible for approving and overseeing implementation of the remuneration policy.

Review of the Policy

This Policy will be reviewed and reassessed by the NRC as and when required and appropriate recommendations shall be made to the Board to update this Policy based on changes that may be brought about due to any regulatory amendments or otherwise.

Applicability to subsidiaries, associates and joint venture companies

This policy may be adopted by the company's subsidiaries, associates and joint venture companies, if any, subject to suitable modifications and approval of the board of directors of the respective companies.

Compliance Responsibility

Compliance of this policy shall be the responsibility of the Company Secretary of the company who shall have the power to ask for any information or clarification from the management in this regard.

ANNEXURE C

ANNUAL REPORT ON CSR ACTIVITIES 2018-19

1. TSPDL Corporate Social Responsibility Policy 2018-19: A brief outline

Tata Group Core Purpose:

To improve the quality of life of the communities we serve globally through long-term stakeholder value creation based on leadership with trust

Our Philosophy:

Our Corporate Social Responsibility (CSR) activities will be designed to:

- Create a significant and sustained impact on the society and the communities where we operate.
- Provide opportunities for our employees to contribute to these efforts through volunteering and engagement.
- Provide our workforce with a larger purpose beyond the economic activity of the Company that will bring greater meaning and fulfillment to their work and life.

TSPDL Focus Areas:

TSPDL focuses on lower income groups with particular emphasis on women & children. Preference would be given to communities in the geographies where we operate and to Scheduled Castes and Scheduled Tribes. TSPDL will also keep focus for betterment of persons with disability.

Approach:

- Identification of Key Communities
- Need Identification of key communities
- Affirmative Action (AA) Focus
- Preparation of Annual Plan in alignment with Schedule VII of the Companies Act, 2013.
- Building partnerships with non-profits.
- Training of company personnel for capability enhancement on CSR
- Building Awareness among stakeholders.
- Focus on Sustainable Development Goals, as declared by the United Nations

Overview of projects or programmes proposed to be undertaken during 2018-19:

The focus areas for TSPDL's CSR activities, including its Affirmative Action Initiatives for 2018- 19 are:

- Addressing the issue of Malnutrition, providing preventive health care & sanitation and safe drinking water.
- Promoting education, infrastructural support to schools, providing scholarships
- Promoting employment-enhancing vocation skills, employability initiatives
- Empowering women
- Ensuring environmental sustainability

Reference to the web link to the CSR policy and projects or programs:

https://www.tspdl.com/pdf/CSR-Policy-2018-19.pdf

2. Composition of the CSR Committee:

The composition of the CSR Committee of the Board is as below:

Name of the Member	Category
Dr. (Mrs.) Rupali Basu	Non-Executive, Independent-Chairman
Mr. Rajiv Kumar, Member	Non-Executive, Non-Independent Member
Mr. Peeyush Gupta, Member	Non-Executive, Non-Independent-Member
Mr. Abraham G. Stephanos, Member	Executive, Non-Independent-Member

3. Average Net Profit:

The average net profit of the company for last three financial years as per Section 198 of the Companies' Act, 2013 is ₹7529 Lakhs.

4. Prescribed CSR Expenditure (as per 2% of Average Net Profit):

The prescribed CSR expenditure for 2018-19 is ₹150.58 Lakhs.

5. Details Of CSR Spent during The Financial Year:

(a) Total amount to be spent for 2018-19: ₹150.58 Lakhs

(b) Amount actually spend during 2018-19: ₹150.62 Lakhs

(c) Amount unspent: Nil

(d) Manner in which the amount spent during the financial year is detailed in Enclosure I.

6. Reasons for failure of spending the two percent of the average net profit:

Not applicable.

7. Responsibility statement of the CSR Committee:

The CSR committee hereby states that the implementation and monitoring of the CSR policy is in compliance with CSR objectives and Policy of the company.

Abraham G Stephanos
Managing Director

Dr. (Mrs.) Rupali Basu
Chairperson CSR Committee

Enclosure I - Detailed Report on Amount Spent during 2018-19

(All amount in ₹ Lakhs)

S No	CSR Project	Sector	Clause Ref of Schd. VII	Location	Budget	Amount Spent	Cumulative Expenditure	Mode of Implementation
1	Providing Tata Swach bottles across all school in different locations	Nutrition & Healthcare	(i)	KOL	5.50	5.40	5.40	TSPDL Managed
2	Providing nutritional support to students/ children (Jhamapukur)		(i)	KOL	0.76	0.76	0.76	TSPDL Funded
3	Organising Medical Camp for Sukhtara & JAP School students		(i)	JSR	0.20	0.20	0.20	TSPDL Managed
4	Digital surveillance System in Hospital		(i)	KOL	6.00	6.00	6.00	TSPDL Funded
5	Providing nutritional support to students/children from neighbourhood - ISKCON		(i)	JSR	6.32	6.32	6.32	TSPDL Funded
6	Promoting Support to Orphanage / Child home		(i)	PUN	1.92	1.92	1.92	TSPDL Funded
7	Infrastructural support to Orphan Children (providing beds)		(i)	KLNR	1.43	1.55	1.55	TSPDL Funded
8	Manufacturing & Distribution of Sanitary pads to Rural Women and counselling / educating them on menstrual health issues		(i)	PUN	4.00	4.08	4.08	TSPDL Supported
9	Toilets Arrangement at Govt. High School Vepampattu & Thiruninravur		(i)	CHEN	3.60	3.50	3.50	TSPDL Managed
10	Construction of Nest-In Toilets at Rajkiya High School		(i)	PNT	1.50	1.50	1.50	TSPDL Managed
11	Scholarship to underprivileged students	Education	(ii)	KOL	0.50	0.50	0.50	TSPDL Funded
12	Support to education for children with disability (Cheshire Homes)		(ii)	KOL	5.50	5.50	5.50	TSPDL Supported
13	Providing Tata Class Edge Smart Classroom to IICP		(ii)	KOL	5.00	5.00	5.00	TSPDL Supported
14	Special Scholarships/ Educational Support for girl children - Medhavini - Kalamandir		(ii)	JSR	4.80	4.80	4.80	TSPDL Supported
15	Running, promoting and infrastructure upgrading pre school training set up eg Sukhtara		(ii)	JSR	2.05	2.05	2.05	TSPDL Managed
16	Infrastructural support in JAP School		(ii)	JSR	1.00	1.00	1.00	TSPDL Managed
17	Pre-Matric Coaching Classes		(ii)	JSR	2.16	2.16	2.16	TSPDL Managed
18	Toilets Arrangement for Students		(ii)	TAD	1.00	0.90	0.90	TSPDL Managed
19	Support to Specially challenged Children -Faith Special School		(ii)	CHEN	1.50	1.50	1.50	TSPDL Managed
20	Promoting Educational support to orphan children		(ii)	PUN	0.58	0.29	0.29	TSPDL Supported
21	Scholarships to 5 SC/ST Students - Chinnamambattu		(ii)	TAD	0.25	0.25	0.25	TSPDL Managed
22	Sponsoring 1 or 2 Girl students to continue their Higher Studies		(ii)	CHEN	0.25	0.25	0.25	TSPDL Managed
23	Pre-Matric Coaching Classes		(ii)	KLNR	10.00	10.00	10.00	TSPDL Supported
24	Scholarship to students (Gurukul Dance Academy)		(ii)	KOL	6.00	6.00	6.00	TSPDL Funded
25	Setting up of Computer lab cum online exam centre at school located at Bolpur		(ii)	KOL	4.00	4.00	4.00	TSPDL Funded
26	Support to education of children (SOS Village)		(ii)	FBD	5.40	5.40	5.40	TSPDL Funded
27	Infrastructural support in Niwasi Mukbadhir School at Shirur		(ii)	PUN	2.40	2.79	2.79	TSPDL Funded
28	Sponsoring Vidya volunteer Expenses - N.M.Kandriga School		(ii)	TAD	0.33	0.03	0.03	TSPDL Managed
29	Cement Flooring - Elementary School -Gollalmaluru		(ii)	TAD	0.30	0.35	0.35	TSPDL Managed
30	Support for the Computer Lab		(ii)	PNT	2.80	2.80	2.80	TSPDL Supported
31	Infrastructural Support for safety		(ii)	PNT	0.70	0.70	0.70	TSPDL Supported

S No	CSR Project	Sector	Clause Ref of Schd. VII	Location	Budget	Amount Spent	Cumulative Expenditure	Mode of Implementation
32	Swabhimaan- Sanitary Napkin Project for Rural Women	Women Empowerment	(iii)	JSR	5.00	5.00	5.00	TSPDL Managed
33	Tailoring Skill Development - Kondur		(iii)	TAD	0.90	0.90	0.90	TSPDL Funded
34	Training on Kapoor making machine & production	Women Empowerment		PNT	2.55	2.30	2.30	TSPDL Supported
35	Training on cardboard packaging & production		(iii)	JSR	4.00	4.00	4.00	TSPDL Supported
36	Training on tailoring and stitching		(iii)	KOL	9.66	9.66	9.66	TSPDL Funded
37	Swabhiman- Sanitary Napkin distribution	Employability	(iii)	JSR	1.08	1.08	1.08	TSPDL Managed
38	Vocational Training to the visually impaired women on Home Science		(iii)	FBD	4.00	4.20	4.20	TSPDL Supported
39	Computer education training for visually impaired students		(iii)	KOL	10.00	10.00	10.00	TSPDL Supported
40	Water provision to Konduru, Sundarapuram, Narayanapuram & Pulivendra Villages		(iii)	TAD	3.50	3.85	3.85	TSPDL Managed
41	Green Rhinos Project - Girl Students as Nature Conservation Leaders (ASED)	Environmental Sustainability	(iv)	KOL	3.00	3.00	3.00	TSPDL Funded
42	Dharo Haath Project for promoting checkdams - Kalamandir		(iv)	JSR	4.00	4.00	4.00	TSPDL Supported
43	Incubating and Scaling Micro Entrepreneurs (Total Start)	Entrepreneurship	(vii)	JSR	14.14	14.13	14.13	TSPDL Supported
44	Handholding of a vendor to develop him for pallet transportation		(vii)	PNT	1.00	1.00	1.00	TSPDL Managed
					150.58	**150.62**	**150.62**	

Form No. MR - 3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

To

The Members,

Tata Steel Processing and Distribution Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Tata Steel Processing and Distribution Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of Tata Steel Processing and Distribution Limited'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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 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.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made there under;

(ii) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under relating to External Commercial Borrowings of the Company. The Company did not have any Foreign Direct Investment or Overseas Direct Investment during the financial year.

(iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;

(iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.

The Laws mentioned at no. (iii) and (iv) above were applicable to the extent of continuation of tripartite agreements entered into by the Company with the depositories for admitting the equity shares for dematerialization only. Other rules, regulations and bye-laws were not applicable.

We have also examined compliance with the applicable clauses of Secretarial Standards issued by the Council of the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013.

The Company complies with statutory Tax Audit requirement under section 44AB of the Income Tax Act, 1961 which is done by Tax Auditors and GST Audit requirement under respective State GST / CGST / IGST Laws by GST Auditors, wherever applicable. So we have not reviewed compliance of applicable Income Tax Laws / respective State GST / CGST / SGST Laws to the Company.

The management has given us a written representation that there is no particular legislation or statute that is specifically applicable to the Company, considering the nature of its business.

The management has also represented and we have also checked that the Company being an unlisted Public Limited Company the following Acts, Regulations, Guidelines, Agreements etc. as specified in the prescribed MR-3 Form were not applicable to the Company:

(i) 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 (Issue of Capital and Disclosure Requirements) Regulations, 2009;

  (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

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

  (f) 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;

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

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(ii) Listing Agreements with Stock Exchanges read with The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines etc. mentioned above and has generally adhered to the secretarial standards.

We further report that:

(a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

However, with effect from 05th July, 2017 pursuant to the amended provisions of Rule 4(2) of the Companies (Appointment and Qualifications) of Directors Rules, 2014 the company being an unlisted public company and a wholly-owned subsidiary of Tata Steel Limited, it is not required to have any independent director.

There was no change in the composition of the Board of Directors during the period under review.

(b) Adequate notice was given to all the directors to schedule the Board / Committee Meetings. The venue and time of Board / Committee meetings were finalised in consultation with all the Board / Committee Members Notices and Agenda of all the Board / Committee Meetings were sent over email at least seven days in advance and the same with detailed notes on agenda were also uploaded in the DESS Digital Meetings Application. Access to such application has been provided to all the Directors for Board Meetings and to the respective members of different committees for various Committee Meetings.

A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

(c) Views of the Directors on all important matters have been captured and recorded in the Minutes and majority decision is carried through. There has not been any dissent among the directors on any matter dealt with by the Board.

We further report that based on review of compliance mechanism established by the Company and on the basis of the Status of Statutory Compliances and Reports by the Managing Director and other Key Managerial Personnel circulated amongst the Directors and taken on record by the Board of Directors at their meeting(s), we are of the opinion that there are adequate systems and processes in place in the Company which is commensurate with the size, scale, complexity and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We have been informed that the Company has appropriately responded to notices for demands, claims, dues, fines, penalties etc. received from various statutory / regulatory authorities and initiated actions for corrective measures, wherever necessary.

We further report that there are no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above.

For D. DUTT & CO.
Company Secretaries
UNIQUE CODE NUMBER: I2001WB209400

DEBABRATA DUTT
Proprietor
FCS-5401
C.P. No.-3824

Place: Kolkata
Date: April 12, 2019

This report is to be read with our letter of even date which is annexed as **Annexure – A** and forms an integral part of this report.

ANNEXURE – A

To

The Members,

Tata Steel Processing and Distribution Limited

Our report 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. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We 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 are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Wherever required, we have obtained the management representation about the compliance of laws, rules, regulations, guidelines, standards and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our 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.

For D. DUTT & CO.
Company Secretaries
UNIQUE CODE NUMBER: I2001WB209400

DEBABRATA DUTT
Proprietor
FCS-5401
C.P. No.-3824

Place: Kolkata
Date : April 12, 2019

ANNEXURE E

MGT -9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2019

[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	:	**U27109WB1997PLC084005**
ii) Registration Date	:	**17th April 1997**
iii) Name of the Company	:	**TATA STEEL PROCESSING AND DISTRIBUTION LIMITED**
iv) Category/ Sub-Category of the Company	:	**Unlisted Public Company Limited by Shares**
v) Address of the Registered office & contact details	:	**Tata Centre, 43, Jawaharlal Nehru Road, Kolkata 700071**
vi) Whether listed company (Y/ N)	:	**No**
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	:	**NA**

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Processing of Finished HR and CR Coils (hot-rolled and cold-rolled products of steel)	**24105**	**100%**

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	Name	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	TATA STEEL LIMITED 4, Homi Modi Street, Fort, Mumbai-400001	L27100MH190 7PLC000260	Holding Company	100%	2(46)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i. Category wise shareholding

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2018				No. of Shares held at the end of the year 31.03.2019				% Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Share	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2018				No. of Shares held at the end of the year 31.03.2019				% Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Share	
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	68,250,000	68,250,000	100%	-	68,250,000	68,250,000	100%	-
e) Banks/FIs	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total: (A)(1)	-	68,250,000	68,250,000	100%	-	68,250,000	68,250,000	100%	-

(*) All shares are held by Tata Steel Limited and its Representatives to have minimum seven shareholders

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2018				No. of Shares held at the end of the year 31.03.2019				% Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Share	
(2) Foreign									
a) NRIs –	-	-	-	-	-	-	-	-	-
b) Other	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-								-
d) Banks/FIs	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total: (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter									
(A)= (A)(1) + (A)(2)	-	68,250,000	68,250,000	100%	-	68,250,000	68,250,000	100%	-
B. Public									
Shareholding									
(1) Institutions									
i. Mutual Funds	-	-	-	-	-	-	-	-	-
ii. Banks/FIs	-	-	-	-	-	-	-	-	-
iii. Central Govt.	-	-	-	-	-	-	-	-	-
iv. State Govt.(s)	-	-	-	-	-	-	-	-	-
v. Venture Capital Funds	-	-	-	-	-	-	-	-	-
vi. Insurance Companies	-	-	-	-	-	-	-	-	-
vii. FIIs	-	-	-	-	-	-	-	-	-
viii. Foreign									
Venture Capital Funds	-	-	-	-	-	-	-	-	-
x. Others									
(Specify)	-	-	-	-	-	-	-	-	-
Sub-total: (B)(1)	-	-	-	-	-	-	-	-	-
(2) Non-									
Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i. Indian									
ii. Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i. Individual shareholders holding nominal share									
capital upto ₹1 lakh	-	-	-	-	-	-	-	-	-
ii. Individual									
shareholders holding nominal share capital in excess of ₹	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2018				No. of Shares held at the end of the year 31.03.2019				% Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Share	
c) Others									
(specify)	-	-	-	-	-	-	-	-	-
Sub-total: (B)(2)	-	-	-	-	-	-	-	-	-
Total public shareholding (B) = (B)+(1) + (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by custodian for GDRs &	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**-**	**68,250,000**	**68,250,000**	**100%**	**-**	**68,250,000**	**68,250,000**	**100%**	**-**

ii. Shareholding of Promoters

Shareholder's Name	Shareholding at the beginning of the year 01.04.2018			Shareholding at the end of the year 31.03.2019			% change in share- holding during the year
	No. of Shares	% of total Shares of the compa ny	% of Shares Pledged/ encumber ed to total shares	No. of Shares	%of total Shares of the company	% of Shares Pledged/ encumbere d to total shares	
Tata Steel Limited	68,250,000	100%	-	68,250,000	100%	-	-

iii. Change in Promoters' Shareholding

There was no change in Promoter's Shareholding during the Financial Year.

Sl. No.	Particulars	Shareholding at the beginning of the year 01.04.2018		Cumulative Shareholding during the year 31.03.2019	
		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	-	-	-	-
2.	Date-wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	-	-	-	-
3.	At the end of the year	-	-	-	-

iv. Shareholding pattern of top ten shareholders (other than Directors, Promoters and holders of GDRs and ADRs)

Entire shares are held by Promoter Company. So there is no information to be given in this part.

Sl. No.	Particulars	Shareholding at the beginning of the year 01.04.2018		Cumulative Shareholding during the year 31.03.2019	
		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	-	-	-	-
2.	Date-wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)				
3.	At the end of the year (or on the date of separation, if separated during the year)				

v. Shareholding of Directors and Key Managerial Personnel

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year 01.04.2018		Cumulative Shareholding during the year 31.03.2019	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Name of the Director or KMP: MR. ABRAHAM GEORGE STEPHANOS					
1.	**At the beginning of the year**	Nil		Nil	
2.	Date-wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	Nil		Nil	
3.	At the end of the year	Nil		Nil	

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year 01.04.2018		Cumulative Shareholding during the year 31.03.2019	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Name of the Director or KMP: MS. SWAPNA NAIR					
1.	**At the beginning of the year**	**Nil**		**Nil**	
2.	Date-wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	Nil		Nil	
3.	At the end of the year	Nil		Nil	
Name of the Director or KMP: MR. ASIS MITRA					
1.	**At the beginning of the year**	**Nil**		**Nil**	
2.	Date-wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	Nil		Nil	
3.	At the end of the year	Nil		Nil	
Name of the Director or KMP: MR. ANAND SEN					
1.	**At the beginning of the year**	**Nil**		**Nil**	
2.	Date-wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	Nil		Nil	
3.	At the end of the year	Nil		Nil	
Name of the Director or KMP: MR. PEEYUSH GUPTA					
1.	**At the beginning of the year**	**Nil**		**Nil**	
2.	Date-wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	Nil		Nil	
3.	At the end of the year	Nil		Nil	
Name of the Director or KMP: MR. RAJIV KUMAR					
1.	**At the beginning of the year**	**Nil**		**Nil**	
2.	Date-wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	Nil		Nil	
3.	At the end of the year	Nil		Nil	
Name of the Director or KMP: DR. (Mrs.) RUPALI BASU					
1.	**At the beginning of the year**	**Nil**		**Nil**	
2.	Date-wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	Nil		Nil	
3.	At the end of the year	Nil		Nil	
Name of the Director or KMP: SRIKUMAR MENON					
1.	**At the beginning of the year**	**Nil**		**Nil**	
2.	Date-wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	Nil		Nil	
3.	At the end of the year	Nil		Nil	

Name of the Director or KMP: MR. CHACKO JOSEPH					
1.	**At the beginning of the year**	1 (held jointly with Tata Steel Ltd., being a nominee shareholder with no beneficial interest)	0%	1 (held jointly with Tata Steel Ltd., being a nominee shareholder with no beneficial interest)	0%
2.	Date-wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	Nil		Nil	
3.	At the end of the year	1 (held jointly with Tata Steel Ltd., being a nominee shareholder with no beneficial interest)	0%	1 (held jointly with Tata Steel Ltd., being a nominee shareholder with no beneficial interest)	0%

V. Indebtedness:

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(All amount in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2018)				
i) Principal Amount	2,45,53,23,461	2,34,75,61,095	-	4,80,28,84,556
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not Due	-	1,78,09,346	-	1,78,09,346
Total (i)+(ii)+(iii)	**2,45,53,23,461**	**2,36,53,70,441**		**4,82,06,93,902**
Change in Indebtedness during FY 18- 19				
• Addition (i)	-	98,32,04,250	-	98,32,04,250
• Reduction (ii)	-33,96,22,872	-55,00,00,000	-	-88,96,22,872
• Other adjustments (iii)	-1,05,90,959	-43,52,536	-	-1,49,43,495
Net Change [(i) – (ii) + (iii)]	**-35,02,13,831**	**42,88,51,714**	**-**	**7,86,37,883**
Indebtedness at the end of the financial year (31.03.2019)				
i) Principal Amount	2,10,51,09,630	2,79,42,22,155	-	4,89,93,31,786
ii) Interest accrued but not due	1,05,90,959	1,57,41,068	-	2,63,32,027
iii) Interest due but not paid				
Total (i)+(ii)+(iii)	**2,11,57,00,589**	**2,80,99,63,223**	**-**	**4,92,56,63,813**

VI. Remuneration of Directors and Key Managerial Personnel

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

(All amount in ₹)

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager	
		Abraham G Stephanos	Total
1.	Gross salary	2,38,95,303	2,38,95,303
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income- tax Act, 1961	6,62,340	6,62,340
	(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	-	-
	Total (A)	**2,45,57,643**	**2,45,57,643**
	Ceiling under the Act		**6,18,30,064**

B. Remuneration to other Directors

(All amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Other Directors				Total
1.	Independent Directors	Dr. Rupali Basu	Mr. Srikumar Menon			
	• Fee for attending Board / Committee meetings	1,80,000	1,45,000			3,25,000
	• Commission	6,40,244	4,57,317			10,97,561
	• Others, please specify					
	Total (1)	**8,20,244**	**6,02,317**			**14,22,561**
2.	**Other Non-Executive Directors**	**Mr. Anand Sen**	**Mr. Peeyush Gupta**	**Mr. Rajiv Kumar**	**Mr. Chacko Joseph**	-
	• Fee for attending Board / Committee meetings					
	• Commission		-	-	-	-
	• Others, please specify		-	-	-	-
	Total (2)					
	Total (B)=(1+2)					**14,22,561**
	Total Managerial Remuneration	-	-	-	-	**2,59,80,204**
	Overall ceiling as per the Act	-	-	-	-	-

C. Remuneration to Key Managerial Personnel other than Managing Director/Manager/Whole- time Director

(All amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	-	31,16,000	55,43,860	86,59,860
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	55,900	-	55,900
	(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 (Medical taxable)	-	30,000	-	30,000
Total		**-**	**32,01,900**	**55,43,860**	**87,45,760**

VII. Penalties/ Punishment/ Compounding of Offences

No penalties/punishment/compounding of offences has been imposed on the Company by any government authorities during the year under review.

A. Board and Committee meetings held during the year

Dates on which the Board and Committee Meetings were held during FY 18-19

Board Meetings

Date of the Meeting	Total Strength of the Board	No. of Directors Present
27-Apr-18	7	6
25-Jul-18	7	6
25-Oct-18	7	7
15-Jan-19	7	6
18-Mar-19	7	6

Audit Committee Meetings

Date of the Meeting	Total Strength of the Committee	No. of Directors Present
18-Apr-18	3	3
23-Jul-18	3	2
23-Oct-18	3	3
11-Jan-19	3	3

Corporate Social Responsibility Committee Meetings

Date of the Meeting	Total Strength of the Committee	No. of Directors Present
27-Apr-18	4	4
20-Jul-18	4	4
24-Oct-18	4	3
15-Jan-19	4	3

Nomination and Remuneration Committee Meetings

Date of the Meeting	Total Strength of the Committee	No. of Directors Present
27-Apr-18	4	4
25-Jul-18	4	3
25-Oct-18	4	4

SHE Committee Meetings

Date of the Meeting	Total Strength of the Committee	No. of Directors Present
27-Apr-18	3	3
20-Jul-18	3	3
24-Oct-18	3	3
11-Jan-19	3	3

For and on behalf of the Board of Directors

Anand Sen
Chairman
DIN: 00237914

Abraham G Stephanos
Managing Director
DIN: 06618882

Place: Kolkata
Date: April 12, 2019

ANNEXURE F

The particulars of employees as required under Section 197 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the Financial Year ended March 31, 2019.

Sl. No	Name	Designation / Nature of duties	Gross Remune ration (₹in lakhs)	Qualification	Age (Yrs)	Experience (Yrs)	Date of Commence ment of employment	Previous employment/ Position held
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1.	Abraham G Stephanos	Managing Director	245.58	PGDBM (Mktg. & Strategic Mgmt.); B.Sc.Engg. (Mech.)	56	33	01.08.97	Manager (Mktg.), Foil & Packaging Division, Indian Aluminium Company Ltd.

Notes: (1) Gross Remuneration comprises salary, allowances, monetary value of perquisites and excludes the Company's contribution to Provident Fund, Superannuation Fund and Gratuity Fund.
(2) The Nature of Employment in all cases are contractual.
(3) The above official does not hold any share in the Company
(4) The above official is not a relative of any Director of the Company.

For and on behalf of the Board of Directors

Anand Sen
Chairman
DIN: 00237914

Abraham G Stephanos
Managing Director
DIN: 06618882

Place: Kolkata
Date: April 12, 2019

INDEPENDENT AUDITORS' REPORT

To the Members of Tata Steel Processing and Distribution Limited

Report on the audit of the financial statements

OPINION

1. We have audited the accompanying financial statements of Tata Steel Processing and Distribution Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019 and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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, 2019 and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

BASIS FOR OPINION

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OTHER INFORMATION

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information in the Integrated Report and the Statutory Section included in the Company's Annual Report (titled as ' Integrated Report & Annual Accounts 2018-19'), but does not include the financial statements and our auditor's report thereon.

   Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

5. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting

   To the Members of Tata Steel Processing and Distribution Limited Report on the audit of the Financial Statements Page 2 of 3 records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or

has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

7. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

8. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances; under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

   - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

10. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

    To the Members of Tata Steel Processing and Distribution Limited
    Report on the audit of the Financial Statements Page 3 of 3

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

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

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

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

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

(e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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".

(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, 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 financial statements – Refer Note 29 to the financial statements.

ii. The Company has long-term contracts including derivative contracts as at March 31, 2019 for which there were no material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.

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

Sd/-
Dhiraj Kumar
Partner
Membership No. 060466

Place: Kolkata
Date: April 12, 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 12(f) of the Independent Auditors' Report of even date to the members Tata Steel Processing and Distribution Limited on the financial statements for the year ended March 31, 2019 Page 1 of 2

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT

1. We have audited the internal financial controls with reference to financial statements of Tata Steel Processing and Distribution Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

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

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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.

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

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements 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 WITH REFERENCE TO FINANCIAL STATEMENTS

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sd/-
Dhiraj Kumar
Partner
Membership No. 060466

Place: Kolkata
Date: April 12, 2019

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Tata Steel Processing and Distribution Limited on the financial statements as of and for the year ended March 31, 2019

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

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

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

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

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

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

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

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products.

We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise , value added tax, cess , goods and service tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 29 to the financial statements regarding management's assessment on certain matters relating to provident fund.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of duty of customs , income tax and goods and service tax which have not been deposited on account of any dispute. The particulars of dues of value added tax, sales tax, service tax and duty of excise as at March 31, 2019 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in Lakhs)	Period to which the amount relates (Financial Year)	Forum where the dispute is pending
Central Excise Act	Excise Duty	27.82	2007-08	Central Excise & Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	24.05	2009-10 to 2013-14	Central Excise & Service Tax Appellate Tribunal
Value Added Tax	West Bengal VAT	59.25	2010-11	West Bengal Commercial Taxes and Appellate and Revisional Board
Value Added Tax	Jharkhand VAT	5.72	2007-08	Appellate Tribunal, Ranchi
		66.11	2008-09	
Value Added Tax	Jharkhand VAT	3.05	2011-12	Joint Commissioner of Commercial Taxes, Jamshedpur
		3.57	2012-13	
		6.29	2013-14	

Value Added Tax	Jharkhand VAT	161.40	2014-15	Deputy Commissioner of Commercial Taxes, Jamshedpur
Value Added Tax	Maharashtra VAT	5.93	2009-10	Joint Commissioner Sales Tax
Central Sales Tax	Sales Tax	13.95	2006-07	Joint Commissioner of Commercial Taxes / Sales Tax (Appeals)
		68.73	2007-08	
		173.82	2008-09	
Central Sales Tax	Sales Tax	19.72	1998-99	Bombay High Court
Central Sales Tax	Sales Tax	14.88	2003-04	Mumbai Sales Tax and Appellate Tribunal
		15.82	2004-05	

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

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

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

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

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

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

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

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

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

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

Sd/-
Dhiraj Kumar
Partner
Membership No. 060466

Place: Kolkata
Date: April 12, 2019

BALANCE SHEET as at March 31, 2019

(All amount in ₹ Lakhs, unless stated otherwise)

	Notes	As at March 31, 2019	As at March 31, 2018
I. ASSETS			
(1) Non current assets			
(a) Property, plant and equipment	2	41,248.45	36,524.69
(b) Capital work in progress	2	10,166.00	11,745.38
(c) Other intangible assets	2	127.32	150.09
(d) Financial assets			
(i) Other financial assets	3	218.50	218.29
(e) Non current tax assets (net)	20	258.58	280.04
(f) Other non-current assets	4	5,939.16	4,145.92
Total non-current assets		**57,958.01**	**53,064.41**
(2) Current assets			
(a) Inventories	5	50,781.43	35,372.63
(b) Financial assets			
(i) Investments	6	-	281.23
(ii) Trade receivables	7	35,415.54	32,741.68
(iii) Cash and cash equivalents	8	842.40	2,922.46
(c) Other current assets	9	6,264.69	8,313.69
Total current assets		**93,304.06**	**79,631.69**
Total Assets		**1,51,262.07**	**1,32,696.10**
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	10	6,825.00	6,825.00
(b) Other equity	11	61,318.30	53,479.91
Total equity		**68,143.30**	**60,304.91**
(2) Non current liabilities			
(a) Financial liabilities			
Borrowings	12	18,077.47	20,415.67
(b) Provisions	14	1,912.94	1,968.59
(c) Deferred tax liabilities (net)	35	3,373.51	2,400.68
(d) Other non-current liabilities	15	366.21	408.65
Total non-current liabilities		**23,730.13**	**25,193.59**
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	28,470.01	24,695.51
(ii) Trade payables	16		
(a) Total dues of micro enterprise and small enterprise		45.54	155.96
(b) Total outstanding dues to other than (ii) (a) above		23,146.23	14,623.96
(iii) Other financial liabilities	17	4,676.05	5,005.95
(b) Provisions	14	78.76	89.91
(c) Current tax liabilities (net)	19	1,532.63	1,326.06
(d) Other current liabilities	18	1,439.42	1,300.25
Total current liabilities		**59,388.64**	**47,197.60**
Total liabilities		**83,118.77**	**72,391.19**
Total Equity & Liabilities		**1,51,262.07**	**1,32,696.10**
The above Balance Sheet should be read in conjunction with the accompanying notes	1-45		

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

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

Dhiraj Kumar
Partner
Membership No. 060466

Place: Kolkata
Date: April 12, 2019

For and on behalf of the Board of Directors

Sd/-
Anand Sen
Chairman
DIN: 00237914

Sd/-
Abraham G Stephanos
Managing Director
DIN: 06618882

Sd/-
Swapna Nair
Chief Financial Officer

Sd/-
Asis Mitra
Company Secretary

STATEMENT OF PROFIT & LOSS for the year ended March 31, 2019

(All amount in ₹ Lakhs, unless stated otherwise)

	Notes	Year ended March 31, 2019	Year ended March 31, 2018
I. Revenue from operations	21	4,28,092.42	3,19,645.48
II. Other income	22	124.45	128.81
III.Total Income (I +II)		**4,28,216.87**	**3,19,774.29**
IV. Expenses			
(a) Cost of materials consumed	23	3,58,149.35	2,57,517.12
(b) Purchase of stock-in-trade	24	24,095.86	21,515.03
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade"	25	(1,397.37)	(1,122.59)
(d) Employee benefits expense	26	8,091.51	6,797.98
(e) Finance costs	27	3,396.99	2,708.49
(f) Depreciation and amortisation expense	2	2,801.94	2,470.85
(g) Other expenses	28	21,388.01	20,271.50
		4,16,526.29	**3,10,158.38**
Less : Expenditure (other than interest) transferred to capital and other accounts		87.07	116.01
		4,16,439.22	**3,10,042.37**
V. Profit before exceptional items and Tax (III - IV)		**11,777.65**	**9,731.92**
VI. Exceptional items	40		
(a) Provision for loss on Impairment of non-current assets.		-	167.71
VII. Profit before tax (V - VI)		**11,777.65**	**9,564.21**
VIII. Tax expense	35		
(a) Current tax		3,318.00	2,170.00
(b) MAT Credit		173.00	(173.00)
(c) Deferred tax		676.97	1,177.85
		4,167.97	**3,174.85**
IX. Profit for the year (VII-VIII)		**7,609.68**	**6,389.36**
Other comprehensive income			
(A) Items that will not be reclassified to profit or loss			
(i) Remeasurements of the defined benefit plan		351.56	367.57
(ii) Income tax relating to items that will not be reclassified to profit or loss		122.85	128.44
X. Total other comprehensive income		**228.71**	**239.13**
XI. Total comprehensive income for the year (IX+X)		**7,838.39**	**6,628.49**
Profit for the year attributable to:			
Owners of the Company		7,609.68	6,389.36
Other comprehensive income for the year attributable to:			
Owners of the Company		228.71	239.13
Total comprehensive income for the year attributable to:			
Owners of the Company		7,838.39	6,628.49
XII. Earnings Per share of ₹10 each	32		
Basic and Diluted (₹)		**11.15**	**9.36**
The above Statement of Profit and Loss should be read in conjunction with the accompanying notes	1-45		

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

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

Dhiraj Kumar
Partner
Membership No. 060466

Place: Kolkata
Date: April 12, 2019

For and on behalf of the Board of Directors

Anand Sen
Chairman
DIN: 00237914

Abraham G Stephanos
Managing Director
DIN: 06618882

Swapna Nair
Chief Financial Officer

Asis Mitra
Company Secretary

STATEMENT OF CASH FLOW for the year ended March 31, 2019

(All amount in ₹ Lakhs, unless stated otherwise)

	Year ended March 31, 2019		Year ended March 31, 2018	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit Before Tax		**11,777.65**		**9,564.21**
Adjustments for :				
Depreciation and amortisation expense	2,801.94		2,470.85	
Amortisation of lease payments	45.34		50.44	
Interest income recognised in profit or loss	(79.40)		(59.82)	
Deferred income-government subsidy	(42.44)		(52.54)	
Finance costs	3,396.99		2,708.49	
Unrealised (gain)/ Loss on foreign exchange	(5.66)		166.75	
Difference in derivatives (MTM) loss / (gain)	(130.14)		(201.21)	
Gain on disposal of property, plant and equipment	(5.05)		(9.94)	
Provision for doubtful trade receivables and advances	388.55		150.86	
Net (gain)/loss arising on financial assets designated as at FVTPL	2.44		(6.51)	
Provision for loss on impairment of non current assets			167.71	
		6,372.57		5,385.08
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		18,150.22		14,949.29
Adjustments for :				
(Increase)/Decrease in trade and other receivables	(3,053.40)		(2,673.39)	
(Increase)/Decrease in inventories	(15,408.78)		(5,835.61)	
Increase/(Decrease) in trade and other payables	8,840.00		(1,495.00)	
(Increase)/Decrease in other assets	(68.58)	(9,690.76)	(5,048.04)	(15,052.04)
CASH GENERATED FROM OPERATIONS		8,459.46		(102.75)
Income taxes paid (net)		(3,089.97)		(2,002.65)
NET CASH (USED IN)/GENERATED BY OPERATING ACTIVITIES		**5,369.49**		**(2,105.40)**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Payments for property, plant and equipment	(4,676.92)		(5,651.98)	
Proceeds from disposal of property, plant and equipment	24.52		65.77	
Proceeds on sale of financial assets	278.79		-	
Interest received	79.40		59.82	
NET CASH (USED IN) INVESTING ACTIVITIES		**(4,294.21)**		**(5,526.39)**
C. CASH FLOW FROM FINANCIAL ACTIVITIES:				
Proceeds from Long Term Borrowings			14,477.58	
Repayment of Long Term borrowings	(3,036.76)		(2,973.15)	
Proceeds from Short Term borrowings	4,322.26		4,317.82	
Repayment of Short Term borrowings	(547.76)		(3,785.05)	
Finance costs	(3,893.08)		(2,952.88)	
NET CASH (USED IN)/GENERATED BY FINANCING ACTIVITIES		**(3,155.34)**		**9,084.32**
Net Increase in Cash and Cash equivalents (A+B+C)		**(2,080.06)**		**1,452.53**
Cash and cash equivalents at the beginning of the year		2,922.46		1,469.93
Cash and cash equivalents at the end of the year (Refer Note 8)		842.40		2,922.46

The above Statement of Cash flow should be read in conjunction with the accompanying notes

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

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

Dhiraj Kumar
Partner
Membership No. 060466

Place: Kolkata
Date: April 12, 2019

For and on behalf of the Board of Directors

Sd/-
Anand Sen
Chairman
DIN: 00237914

Sd/-
Abraham G Stephanos
Managing Director
DIN: 06618882

Sd/-
Swapna Nair
Chief Financial Officer

Sd/-
Asis Mitra
Company Secretary

STATEMENT OF CHANGES IN EQUITY for the year ended March 31, 2019

(All amount in ₹ Lakhs, unless stated otherwise)

A. Equity Share Capital	As at March 31, 2019	As at March 31, 2018
(i) Authorised		
75,000,000 equity shares of ₹10 each	7,500.00	7,500.00
(ii) Issued, Subscribed and paid up		
68,250,000 equity shares of ₹10 each fully paid [100% share capital of the company is held by Tata Steel Limited, The Holding Company and its nominees]	6,825.00	6,825.00
Total issued, subscribed and fully paid up share capital	**6,825.00**	**6,825.00**

B. Reconciliation of number of shares	As at March 31, 2019	As at March 31, 2018
	Number of shares	**Number of shares**
Opening balance	68,250,000	68,250,000
Issued during the year		
Closing balance	68,250,000	68,250,000

(All amount in ₹ Lakhs, unless stated otherwise)

B. Other equity	Reserves and Surplus		Total
	General Reserve	Retained Earnings	
Balance as at 01.04.2017	373.77	46,477.65	46,851.42
Profit for the year		6,389.36	6,389.36
Other comprehensive income for the year, net of income tax		239.13	239.13
Balance as at 31.03.2018	373.77	53,106.14	53,479.91
Balance as at 01.04.2018	373.77	53,106.14	53,479.91
Profit for the year		7,609.68	7,609.68
Other comprehensive income for the year, net of income tax		228.71	228.71
Balance as at 31.03.2019	**373.77**	**60,944.53**	**61,318.30**

The above Statement of equity should be read in conjunction with the accompanying notes 1-45

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

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

Dhiraj Kumar
Partner
Membership No. 060466

Place: Kolkata
Date: April 12, 2019

For and on behalf of the Board of Directors

Anand Sen
Chairman
DIN: 00237914

Abraham G Stephanos
Managing Director
DIN: 06618882

Swapna Nair
Chief Financial Officer

Asis Mitra
Company Secretary

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

A. General information

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

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

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

The Company is a 100% subsidiary of Tata Steel Limited

B. Significant accounting policies

(1) Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India.

(2) Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(3) Use of estimates and critical accounting judgments

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

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

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

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

(4) Intangible assets

Intangible assets acquired separately

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

Derecognition of intangible assets

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

Useful lives of intangible assets

Estimated useful life of the software is 5 years.

(5) Property, plant and equipment

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the Statement of Profit and Loss as incurred. When a replacement occurs, the carrying amount of the replaced part is derecognised. Where a property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Trial run expenses (net of revenue) are capitalised. Borrowing costs during the period of construction is added to the cost of eligible property, plant and equipment.

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

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

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

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

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

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

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

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

(7) Impairment of tangible and intangible assets

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

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

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

(8) Leases

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

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

The Company as lessee

i) Operating lease

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

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

ii) Finance lease

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

The Company as lessor

(i) Operating lease

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

(ii) Finance lease

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

(9) Financial instruments

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

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

a) Financial assets

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

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

Effective interest method

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

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

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

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

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

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

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

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

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

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

Impairment of financial assets

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

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit -adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

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

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

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

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

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

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

Derecognition of financial assets

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

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

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

Foreign exchange gains or losses

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

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

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

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

b) Financial liabilities and equity instruments

Equity instruments

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

Financial Liabilities

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

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

Derecognition of financial liabilities

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

Foreign exchange gains and losses

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

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

Derivative financial instruments

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

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

(10) Employee benefits

Defined contribution plans

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

Defined benefit plans

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

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

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

Compensated absences

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

Short-term and other long-term employee benefits

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

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

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

(11) Taxation

Tax expense for the period comprises current and deferred tax**.**

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

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

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

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

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

Deferred tax liabilities are recognised for all taxable timing differences.

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

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

(12) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value is the price at which the inventories can be realised in the normal course of business after allowing for the cost of conversion from their existing state to a finished condition and for the cost of marketing, selling and distribution.

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

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

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

(13) Cash and cash equivalents

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

(14) Provisions

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

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

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

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

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

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

(15) Government grants

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

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

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

(16) Revenue

Reenue is measured at fair value of consideration received or receivable, net of discounts and taxes and duties collected on behalf of the government, taking into account the contractually defined terms.

Sale of goods

The Company is in the business of production/manufacture of processed coils and sheets including corrugation of processed sheets and complex fabrication of plates and manufacture of components for heavy earth moving equipments and small car segment. Revenue from sale of goods are recognised when control of the products has transferred, being when the products are delivered to the customer. Delivery occurs when the products have been shipped or delivered to the specific location as the case may be, the risks of obsolescence and loss have been transferred, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.

No element of financing is deemed present as the sales are made with a credit term which is consistent with market practice for the industry.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

The Company does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

Sale of services

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

Interest income

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

Dividend income

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

(17) Foreign currency transactions and translation

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

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

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

(18) Borrowing Costs

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

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

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

(19) Earnings per share

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

C. Recent Accounting Pronouncements

The Ministry of Corporate Affairs (MCA) has issued Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2019 on 30 March 2019. The rules among other key amendments to Ind AS 12 - Income Taxes, Ind AS 23 - Borrowing Costs, Ind AS 19 - Employee Benefits and notified Ind AS 116 - Leases. These rules come into force from April 1, 2019. The Company is evaluating the requirements of the amendments and the effect on the financial statements is being evaluated.

NOTE 2 : PROPERTY, PLANT AND EQUIPMENT

(All amount in ₹ Lakhs)

	Freehold land	Building	Plant and equipment	Electrical installations	Furniture and fixtures	Office equipment	Vehicles	Computers	Total tangible assets	Computer software	Total intangible assets	Total assets
Gross Block as at 01.04.2017	164.83	10,967.83	19,373.96	1,626.02	249.59	187.21	140.82	376.39	33,086.65	307.11	307.11	33,393.76
Additions/ transfers during the year	-	134.80	9,782.31	72.10	29.36	33.44	54.78	35.88	10,142.67	41.23	41.23	10,183.90
Adjustment for foreign exchange fluctuation (gain)/loss	-	(0.11)	(16.66)	(0.02)	-	-	-	-	(16.79)	-	-	(16.79)
Deletions/ transfers during the year	-	70.22	55.23	12.19	7.76	2.00	18.43	0.50	166.33	-	-	166.33
Gross Block as at 31.03.2018	**164.83**	**11,032.30**	**29,084.38**	**1,685.91**	**271.19**	**218.65**	**177.17**	**411.77**	**43,046.20**	**348.34**	**348.34**	**43,394.54**
Additions/ transfers during the year	-	924.94	6,116.29	109.41	28.99	43.20	33.23	51.57	7,307.63	39.06	39.06	7,346.69
Adjustment for foreign exchange fluctuation (gain)/loss	-	32.74	138.49	4.47	-	-	-	-	175.70	-	-	175.70
Deletions/ transfers during the year	-	4.84	12.99	3.34	3.54	4.45	-	9.60	38.76	-	-	38.76
Gross block as at 31.03.2019	**164.83**	**11,985.14**	**35,326.17**	**1,796.45**	**296.64**	**257.40**	**210.40**	**453.74**	**50,490.77**	**387.40**	**387.40**	**50,878.17**
Impairment as at 01.04.2017	-	-	143.45	0.14	-	0.03	-	-	143.62	-	-	143.62
Impairment during the year	-	-	130.94	0.47	-	-	-	-	131.41	-	-	131.41
Impairment reversed during the year	-	-	-	-	-	-	-	-	-	-	-	-
Impairment as at 31.03.2018	**-**	**-**	**274.39**	**0.61**	**-**	**0.03**	**-**	**-**	**275.03**	**-**	**-**	**275.03**
Impairment during the year	-	-	-	-	-	-	-	-	-	-	-	-
Impairment reversed during the year	-	-	-	-	-	-	-	-	-	-	-	-
Impairment as at 31.03.2019	**-**	**-**	**274.39**	**0.61**	**-**	**0.03**	**-**	**-**	**275.03**	**-**	**-**	**275.03**
Accumulated Depreciation as at 01.04.2017	-	1,023.12	2,251.30	262.76	64.75	66.89	57.66	144.77	3,871.25	129.16	129.16	4,000.41
Depreciation during the year	-	514.68	1,599.41	109.33	38.84	29.51	34.03	75.96	2,401.76	69.09	69.09	2,470.85
Deductions/ transfers during the year	-	3.11	0.34	-	7.36	1.36	14.20	0.16	26.53	-	-	26.53
Accumulated Depreciation as at 31.03.2018	**-**	**1,534.69**	**3,850.37**	**372.09**	**96.23**	**95.04**	**77.49**	**220.57**	**6,246.48**	**198.25**	**198.25**	**6,444.73**
Depreciation during the year	-	531.11	1,931.03	105.14	35.28	29.59	34.61	73.35	2,740.11	61.83	61.83	2,801.94
Adjustment with reserve during the year	-	-	-	-	-	-	-	-	-	-	-	-
Deductions/ transfers during the year	-	0.60	2.06	0.53	2.34	4.24	-	9.53	19.30	-	-	19.30
Accumulated Depreciation as at 31.03.2019	**-**	**2,065.20**	**5,779.34**	**476.70**	**129.17**	**120.39**	**112.10**	**284.39**	**8,967.29**	**260.08**	**260.08**	**9,227.37**
Net Block as at 31.03.2017	**164.83**	**9,944.71**	**16,979.21**	**1,363.12**	**184.84**	**120.29**	**83.16**	**231.62**	**29,071.78**	**177.95**	**177.95**	**29,249.73**
Net Block as at 31.03.2018	**164.83**	**9,497.61**	**24,959.62**	**1,313.21**	**174.96**	**123.58**	**99.68**	**191.20**	**36,524.69**	**150.09**	**150.09**	**36,674.78**
Net Block as at 31.03.2019	**164.83**	**9,919.94**	**29,272.44**	**1,319.14**	**167.47**	**136.98**	**98.30**	**169.35**	**41,248.45**	**127.32**	**127.32**	**41,375.77**
Net Capital Work in Progress as at 01.04.2017												16,056.83
Adjustments during the year												(4,311.45)
Gross Capital Work in Progress as at 31.03.2018												**11,745.38**
Adjustments during the year												(1,579.38)
Capital Work in Progress as at 31.03.2019												**10,166.00**

Notes annexed to and forming part of financial statements

(All amount in ₹ Lakhs)

NOTE 3 : OTHER FINANCIAL ASSETS	As at March 31, 2019	As at March 31, 2018
Non-current		
Security deposits	218.50	218.29
	218.50	**218.29**

(All amount in ₹ Lakhs)

NOTE 4 : OTHER NON-CURRENT ASSETS	As at March 31, 2019	As at March 31, 2018
(a) Unsecured, considered good		
(i) Capital advances	1,065.97	1,339.14
(ii) Prepaid expenses	19.79	18.93
(iii) Prepayment for leasehold land	892.37	937.71
(iv) Advance sales tax	186.03	158.05
(v) Balance with GST authorities	2,091.82	-
(vi) Balance with Indirect tax authorities	1,683.18	1,692.09
(b) Unsecured, considered doubtful		
Capital advances	55.09	55.09
	5,994.25	**4,201.01**
Less: Provision for doubtful capital advances	55.09	55.09
	5,939.16	**4,145.92**

(All amount in ₹ Lakhs)

NOTE 5: INVENTORIES (valued at lower of cost or net realisable value)	As at March 31, 2019	As at March 31, 2018
(a) Raw materials (Refer Note (ii))	42,210.86	28,296.79
(b) Work-in-Progress	418.14	276.40
(c) Finished goods (including scrap) (Refer Note (iii))	5,619.88	5,381.60
(d) Stock-in-trade	1,957.70	940.35
(e) Stores and spares	574.85	477.49
	50,781.43	**35,372.63**

Notes:

(i) The cost of inventories recognised as an expense during the year was ₹3,58,149.34 lakhs, (31.03.2018 ₹2,77,909.57 lakhs).

(ii) Raw materials include Goods in transit ₹9,441.02 lakhs, (31.03.2018 ₹5,076.82 lakhs)

(iii) Finished goods include Scrap of ₹198.62 lakhs, (31.03.2018 ₹256.31 lakhs)

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

(v) There is a write down of inventories to it's net realisable value for an amount of ₹481.46 lakhs (31.03.2018 ₹Nil).

Notes annexed to and forming part of financial statements

(All amount in ₹ Lakhs)

NOTE : 6: INVESTMENTS	Balance As at March 31, 2019		Balance As at March 31, 2018	
	No. of Units	₹In lakhs	No. of Units	₹In lakhs
NON - CURRENT INVESTMENTS				
Unquoted investments (fully paid)				
Investment in Equity Instruments at FVTOCI - -Nicco Jubilee Park Limited	10,000.00	1.00	10,000.00	1.00
(Book Value: Re 1)				
Less: Provision for impairment in value		(1.00)		(1.00)
Total aggregate unquoted investments	**10,000.00**	-	**10,000.00**	-
Aggregate amount of impairment in value of investments		1.00		1.00
CURRENT INVESTMENTS				
Investments in mutual fund schemes				
IDFC Dynamic Bond Fund - Growth - Regular Plan	-	-	13,62,490.00	200.00
Total	-	-	**13,62,490.00**	**200.00**
Add/(less): Change in fair value		-		81.23
GRAND TOTAL		-		**281.23**
Aggregate carrying value of unquoted investments		-		**281.23**
Category wise investment				
Financial assets carried at fair value through profit or loss (FVTPL) - Unquoted mutual fund schemes		-		**281.23**

(All amount in ₹ Lakhs)

NOTE 7 : TRADE RECEIVABLES	As at March 31, 2019	As at March 31, 2018
Current		
(a) Considered good - Unsecured	35,415.54	32,741.68
(b) Credit impaired	2,398.11	2,018.58
	37,813.65	**34,760.26**
Less: Allowances for credit impaired	2,398.11	2,018.58
	35,415.54	**32,741.68**

Trade receivables

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

The Company uses an internal customer credit analysis to assess the existing and potential customer's credit quality and defines the credit limits by customer. Of the trade receivables balance as on March 31, 2019 of ₹2,919.34 lakhs (as at March 31, 2018 of ₹3,281.74 lakhs) is due from Tata Steel Limited, the Company's largest customer (see note 33). There are no other customers who represent more than 5% of the total balance of trade receivables.

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

Notes annexed to and forming part of financial statements

(All amount in ₹ Lakhs)

	As at March 31, 2019	
Ageing	**Gross Receivables**	**Expected credit loss**
0-90 days due	34,946.46	-
91-180 days due	465.52	-
181-365 days due	181.56	178.00
More than 365 days due	2,220.11	2,220.11
Total	**37,813.65**	**2,398.11**

(All amount in ₹ Lakhs)

	As at March 31, 2018	
Ageing	**Gross Receivables**	**Expected credit loss**
0-90 days due	31,324.07	-
91-180 days due	922.79	-
181-365 days due	139.33	-
More than 365 days due	2,374.07	2,018.58
Total	**34,760.26**	**2,018.58**

(All amount in ₹ Lakhs)

Movement in the expected credit loss allowance	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	2,018.58	1,975.06
Bad debts written off	(20.58)	(107.34)
Allowance for doubtful trade receivables	400.11	150.86
Balance at end of the year	**2,398.11**	**2,018.58**

Notes:-

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

(ii) Trade receivables from related party as on March 31, 2019 amounting to ₹3,285.20 lakhs (March 31, 2018 ₹3,765.29 lakhs)

(All amount in ₹ Lakhs)

NOTE 8 : CASH AND CASH EQUIVALENTS	As at March 31, 2019	As at March 31, 2018
(a) Balances with scheduled banks :		
-In current accounts	759.75	2,912.26
(b) Cheques, drafts on hand	80.21	8.04
(c) Cash on hand	2.44	2.16
Cash and cash equivalents as per statement of cash flow	**842.40**	**2,922.46**

Notes annexed to and forming part of financial statements

(All amount in ₹ Lakhs)

NOTE 9 : OTHER CURRENT ASSETS	As at March 31, 2019	As at March 31, 2018
(a) Unsecured, considered good		
- Other advances (Refer note (i) below)	2,723.34	1,404.14
(b) Advance with Government autorities		
- Balance with GST authorities	3,017.37	6,146.04
(c) Prepaid expenses	217.32	225.56
(d) Unamortised lease payments	45.35	45.35
(e) Unbilled conversion revenue	215.05	313.20
(f) Advance Gratuity	46.26	179.40
(g) Unsecured, considered doubtful		
Other advances	26.71	17.70
	6,291.40	**8,331.39**
Less: Provision for doubtful advances	26.71	17.70
	6,264.69	**8,313.69**

Notes:-

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

(All amount in ₹ Lakhs)

NOTE 10 : EQUITY SHARE CAPITAL	As at March 31, 2019	As at March 31, 2018
(a) Authorised Share Capital		
75,000,000 fully paid up equity shares of ₹10 each	7,500.00	7,500.00
(b) Issued, Subscribed and fully paid up		
68,250,000 equity shares of ₹10 each fully paid [100% share capital of the company is held by Tata Steel Limited, Holding Company and its nominees. None of the other shareholders hold more than 5% of total shares issued]	6,825.00	6,825.00
Total issued, subscribed and fully paid up share capital	**6,825.00**	**6,825.00**

Terms and rights attached with 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. 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.

(All amount in ₹ Lakhs)

NOTE 11 : OTHER EQUITY	As at March 31, 2019		As at March 31, 2018	
(A) General reserve				
At the commencement of the year	373.77		373.77	
At the end of the year		**373.77**		**373.77**
(B) Surplus in Profit and Loss				
At the commencement of the year	53,106.14		46,477.65	
Add: Profit for the year	7,609.68		6,389.36	
Add: Other comprehensive income	228.71		239.13	
At the end of the year		**60,944.53**		**53,106.14**
		61,318.30		**53,479.91**

Notes annexed to and forming part of financial statements

Note:

The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the requirements of the Companies Act, 2013. Thus, the amounts reported above are not distributable in entirety. In respect of the financial year March 31, 2019 and March 31, 2018, the Directors in their Board meeting dated April 12, 2019 and April 27, 2018 have proposed a final dividend of ₹Nil per share and ₹Nil per share respectively.

The Nature of reserves are as follows:-

(i) General Reserves

Under the erstwhile Companies Act, 1956, general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of net profit to general reserve has been withdrawn.

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

(All amount in ₹ Lakhs)

NOTE 12 : NON-CURRENT BORROWINGS	**As at March 31, 2019**	**As at March 31, 2018**
(a) Secured borrowings		
Term loans from bank	17,437.90	19,804.77
(B) Unsecured borrowings		
Deferred payment liabilities		
-Sales tax deferment loans	639.57	610.90
Total non current borrowings	**18,077.47**	**20,415.67**

Notes: Additional information on borrowings

	Particulars of Loan	Amount outstanding as on 31.03.2019	Amount outstanding as on 31.03.2018	Terms of Repayment	Security
[A]	**Term loan from Banks**	**(₹in lakhs)**	**(₹in lakhs)**		
i.	Rupee Loan	4,125.00	5,625.00	Quarterly repayments starting from 31.03.2017 till 31.12.2021 Interest rate of 1 yr MCLR + 1.10% per annum is charged on the outstanding loan amount.	Primary charge Fixed assets of Chennai Service Centre, Thiruninravur
ii.	ECB loan-USD Nil (31.03.2018 - USD 1.44 mn)	-	944.64	Quarterly repayments starting 31.03.2014 till 31.12.2018 Interest rate of 3 months LIBOR + 1.95% per annum is charged on the outstanding loan amount. Refer note (iii) below	Fixed assets at Tubes Division (Demag Project) Jamshedpur
iii	ECB loan-USD 1.88 mn (31.03.2018 - USD 2.62 mn)	1,305.56	1,722.00	Quarterly repayments starting 31.12.2017 till 30.09.2021 Interest rate of 3 months LIBOR + 1.50% per annum is charged on the outstanding loan amount. Refer note (iii) below	Fixed assets at CR Works (JCAPCPL* Slitting Facility) Jamshedpur
iv	Rupee Loan	14,500.00	14,500.00	Quarterly repayments starting from 14.11.2019 till 14.08.2027 Interest rate of 1 month MCLR + 0.25% per annum is charged on the outstanding loan amount.	Fixed assets at HR Coil Processing Facility at Kalinganagar
	Total	**19,930.56**	**22,791.64**		
	Less: current maturities of long term debt (Refer Note 17)	2,445.85	2,917.67		
	Less: borrowing cost adjusted	46.81	69.20		

Notes annexed to and forming part of financial statements

Notes: Additional information on borrowings

	Particulars of Loan	Amount outstanding as on 31.03.2019	Amount outstanding as on 31.03.2018	Terms of Repayment	Security
	Non-current borrowings-Secured	**17,437.90**	**19,804.77**		
[B]	**Sales tax deferment loan**	**639.57**	**610.90**	Repayable in five equal annual instalments after a period of 10 years from the end of the month of collection of sales tax (during the period from 2013-14 to 2022-23)	Unsecured

* Jamshedpur Continuous Annealing and Processing Company Private Limited

i) Loan guaranteed by the directors as on March 31, 2019 - ₹Nil (March 31, 2018-₹Nil).

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

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

iv) The interest rates for the above loans as mentioned in [a] above are linked to LIBOR/MCLR and range between 3.00% to 9.55% p.a.

(All amount in ₹ Lakhs)

DEBT RECONCILIATION	As at March 31, 2019	As at March 31, 2018
(i) Non current borrowings (including current maturities of long term borrowings)	(20,523.32)	(23,333.34)
(ii) Current borrowings	(28,470.01)	(24,695.51)
(iii) Cash and cash equivalents	842.40	2,922.46
	(48,150.93)	**(45,106.39)**

(All amount in ₹ Lakhs)

MOVEMENTS IN BORROWINGS	Current Borrowings	Non current borrowings (including current maturities of long term borrowings)
As at 31.03.2019		
At beginning of year	24,695.51	23,333.34
New loans / Drawals	4,322.26	-
Repayments	(547.76)	(3,036.76)
Exchange differences taken to Statement of Profit and Loss	-	-
Exchange differences taken to Property, Plant and Equipment	-	175.70
Other adjustments	-	51.04
At the end of the year	**28,470.01**	**20,523.32**

(All amount in ₹ Lakhs)

NOTE 13 : CURRENT BORROWINGS	As at March 31, 2019	As at March 31, 2018
Secured		
Loan repayable on demand		
(i) Cash credit from bank	613.31	1,161.07
(ii) Short term loan against customer bills	659.94	669.72
Unsecured		
(i) Loan repayable on demand	10,000.00	15,500.00
(ii) Commercial paper	17,196.76	7,364.72
Total current borrowings	**28,470.01**	**24,695.51**

Note:

i) Cash credit from bank is secured against first charge on inventories and trade receivables. This carries a fixed interest rate of 8.7% per annum. This is payable on demand.

ii) There is no default in repayment of borrowings and interest as on March 31, 2019 and March 31, 2018.

iii) The loan is repayable on demand and carries MCLR linked interest rate in the range of 8.55% to 8.60% per annum.

iv) The Commercial Papers carries a discount rate of 7.80% per annum is repayable on 3 June, 2019 and another at the discount rate of 8.10% per annum is repayable on 28 May, 2019.

Notes annexed to and forming part of financial statements

(All amount in ₹ Lakhs)

NOTE 14 : PROVISIONS	As at March 31, 2019	As at March 31, 2018
Non-current provisions		
Provision for employee benefits		
(i) Compensated absences	806.83	772.12
(ii) Post retirement medical benefits	479.92	541.63
(iii) Post retirement benefits	626.19	654.84
Total non-current provisions (A)	**1,912.94**	**1,968.59**
Current provisions		
(i) Provision for employee benefits		
(a) Compensated absences	31.81	19.91
(b) Post retirement medical and pension benefits	46.95	47.39
(ii) Provision for contingencies-sales tax	-	22.61
Total current provisions (B)	**78.76**	**89.91**
Total provisions (A+B)	**1,991.70**	**2,058.50**

(All amount in ₹ Lakhs)

NOTE 15 : OTHER NON-CURRENT LIABILITIES	As at March 31, 2019	As at March 31, 2018
Unamortised deferred income	366.21	408.65
	366.21	**408.65**

Notes:

(i) Includes ₹10.50 lakhs of capital subsidy received from State Industrial Development Corporation of Uttarakhand Limited for investments in plant and equipment at Pantnagar unit, Uttarakhand. The amount has been recognised as deferred income, being a grant against plant and equipment, and is being amortised equally over the estimated useful life of plant and equipment and credited to the Statement of Profit and Loss.

(ii) Includes ₹355.71 lakhs of Government grant recognised as deferred income with respect to sales tax deferral loan scheme received from Government of Maharashtra for the unit at Ranjangaon Pune. The grant is recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the company recognises as expenses the related costs for which the grant is intended to compensate.

(All amount in ₹ Lakhs)

NOTE 16 : TRADE PAYABLES	As at March 31, 2019	As at March 31, 2018
Current		
Trade payables for supplies and/or services		
(i) Total outstanding dues of micro enterprises and small enterprises	45.54	155.96
(ii) Trade payables others	8,687.89	7,447.22
(iii)Trade payables to related parties (Refer Note 33)	14,458.34	7,176.74
	23,191.77	**14,779.92**

(All amount in ₹ Lakhs)

NOTE 17 : OTHER FINANCIAL LIABILITIES	As at March 31, 2019	As at March 31, 2018
(a) Current maturity of long-term debt		
- Term loan from bank (Secured) - Refer note 12	2,445.85	2,917.67
(b) Interest accrued but not due on borrowings	263.32	178.09
(c) Interest accrued on trade payables	26.57	22.35
(d) Payables for purchase for property, plant and equipment	1,946.69	1,764.08
(e) Financial derivative liability/(asset)	(6.38)	123.76
	4,676.05	**5,005.95**

(All amount in ₹ Lakhs)

NOTE 18 : OTHER CURRENT LIABILITIES	As at March 31, 2019	As at March 31, 2018
(a) Statutory dues (Contribution to PF, ESIC, withholding taxes, CST/VAT, Service tax, etc.)	424.00	443.76
(b) Advance from customers	972.98	814.05
(c) Unamortised deferred income	42.44	42.44
	1,439.42	**1,300.25**

(All amount in ₹ Lakhs)

NOTE 19 : CURRENT TAX LIABILITIES (NET)	As at March 31, 2019	As at March 31, 2018
Current tax liabilities		
Provision for tax	19,667.00	15,939.00
Less: Advance tax	18,134.37	14,612.94
	1,532.63	**1,326.06**

(All amount in ₹ Lakhs)

NOTE 20 : NON CURRENT TAX ASSETS (NET)	As at March 31, 2019	As at March 31, 2018
Non-Current tax assets		
Advance tax	7,363.37	7,794.83
Less: Provision for tax	7,104.79	7,514.79
	258.58	**280.04**

(All amount in ₹ Lakhs)

NOTE 21 : REVENUE FROM OPERATIONS	As at March 31, 2019	As at March 31, 2018
(a) Sales of products (including excise duty)	4,01,759.57	2,97,243.17
(b) Sale of services [Refer note (iii)]	21,922.88	19,120.32
(c) Other operating revenues [Refer note (iv)]	4,409.97	3,281.99
	4,28,092.42	**3,19,645.48**

Note:

(i) Details of sale of products		
(1) Steel coils and sheets	389,523.46	289,559.31
(2) Others (Long products and components)	12,236.11	7,683.86
	4,01,759.57	**2,97,243.17**
(ii) Detail of sale of services		
Processing of steel coils/ sheets, longs and plates	21,922.88	19,120.32
	21,922.88	**19,120.32**

(iii) Includes compensation for shortfall in guaranteed volumes ₹571.32 lakhs [Previous year ₹621.62 lakhs]

(iv) Includes scrap sales of ₹4,371.18 lakhs [Previous year ₹3,102.61 lakhs]

(v) The company has adopted “IND AS 115 - Revenue from contracts with customers” from April 1, 2018 which resulted in change in accounting policies. In accordance with the transition provision in IND AS 115, the group has adopted the new rules retrospectively. The adoption of IND AS 115 did not have any significant impact on the financial statements of the company.

(All amount in ₹ Lakhs)

NOTE 22 : OTHER INCOME	As at March 31, 2019	As at March 31, 2018
(a) Interest income	79.40	59.82
(b) Gain on sale/discard of Property, Plant & Equipment	5.05	9.94
(c) Net gain/(loss) arising on financial assets designated as at FVTPL	(2.44)	6.51
(d) Deferred income-government subsidy	42.44	52.54
	124.45	**128.81**

Notes annexed to and forming part of financial statements

(All amount in ₹ Lakhs)

NOTE 23: COST OF RAW MATERIALS CONSUMED	As at March 31, 2019	As at March 31, 2018
(a) Opening Stock	28,296.79	23,641.91
(b) Add : Purchases	372,063.42	262,172.00
	4,00,360.21	**2,85,813.91**
(c) Less : Closing stock	42,210.86	28,296.79
	3,58,149.35	**2,57,517.12**
Details of raw materials consumed		
(i) Steel coils	347,561.35	251,691.84
(ii) Others	10,588.00	5,825.28
	3,58,149.35	**2,57,517.12**

NOTE: 24 PURCHASE OF STOCK-IN-TRADE	As at March 31, 2019	As at March 31, 2018
(ii) Steel sheets	23,772.19	21,340.26
(ii) Others	323.67	174.77
	24,095.86	**21,515.03**

NOTE 25: CHANGES IN INVENTORIES	As at March 31, 2019	As at March 31, 2018
Work-In-Progress		
Opening stock	276.40	125.45
Less: Closing stock	418.14	276.40
	(141.74)	**(150.95)**
Finished Goods		
Opening stock	5,381.60	3,263.95
Less: Closing stock	5,619.88	5,381.60
	(238.28)	**(2,117.65)**
Stock-In-Trade		
Opening stock	940.35	2,086.36
Less: Closing stock	1,957.70	940.35
	(1,017.35)	**1,146.01**
	(1,397.37)	**(1,122.59)**

(All amount in ₹ Lakhs)

NOTE: 26 EMPLOYEE BENEFITS EXPENSE	As at March 31, 2019	As at March 31, 2018
(i) Salaries and wages	6,966.69	5,804.28
(ii) Company's contribution to provident and other funds	688.14	616.87
(iii) Staff welfare expenses	436.68	376.83
	8,091.51	**6,797.98**

Note:

During the year, the company recognised an amount of ₹268.03 lakhs (2017-18 ₹198.26 lakhs) as remuneration to key managerial personnel. The details of such remuneration is as below:

Notes annexed to and forming part of financial statements

(All amount in ₹ Lakhs)

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
(a) Short term employee benefits	259.49	168.55
(b) Post employment benefits	7.10	23.26
(c) Other long term employment benefits	1.44	6.45
	268.03	**198.26**

(All amount in ₹ Lakhs)

NOTE 27 : FINANCE COST	**As at March 31, 2019**	**As at March 31, 2018**
(a) Interest expense		
(i) On term loans	1,865.27	1,498.82
(ii) Trade payables	4.21	4.67
(iii) Others	2,137.49	1,576.16
(b) Other borrowing costs	18.97	17.74
	4,025.94	**3,097.39**
Less: Interest capitalised	628.95	388.90
	3,396.99	**2,708.49**

Note:

The capitalisation rate used to determine the amount of borrowing cost to be capitalised is the weighted average interest rate applicable to the entity's borrowings during the year, in this case it is in the range of 8.30% p.a. to 8.60% p.a. (March 31, 2018: 7.95% p.a. to 8.25% p.a.)

(All amount in ₹ Lakhs)

NOTE 28: OTHER EXPENSES	**As at March 31, 2019**	**As at March 31, 2018**
Consumption of stores and spares	5,761.73	5,179.13
Packing expenses	504.40	522.60
Excise duties on sale of goods	-	76.83
Increase / (decrease) in excise duty on change in inventories	-	(11.89)
Power and fuel	1,374.08	1,375.27
Conversion charges	2,352.13	2,085.64
Rent	609.46	585.92
Repairs and maintenance		
- Buildings	30.10	40.12
- Plant and equipment	1,074.63	951.92
- Others	1,156.18	1,059.28
Insurance	211.81	228.48
Rates and taxes	89.60	82.77
Postage, telegram and telephone	37.44	66.87
Travelling and conference	408.81	537.64
Vehicle running	82.28	75.42
Printing and stationery	100.83	78.18
Freight and handling charges	2,823.44	2,725.48
Legal and professional charges	466.76	641.76
Expenses on corporate social responsibility (Refer Note 38)	150.62	121.61
Directors' fees	3.30	3.27
Provision for doubtful trade receivables and advances	388.55	150.86
Net loss / (gain) on foreign currency transactions	(11.36)	123.30
Difference in derivatives (MTM) loss / (gain)	(170.18)	28.18
Contract labour charges	1,988.99	2,008.62
Miscellaneous expenses	1,954.41	1,534.24
	21,388.01	**20,271.50**

Notes annexed to and forming part of financial statements

(All amount in ₹ Lakhs)

NOTE 29: CONTINGENT LIABILITIES	As at March 31, 2019	As at March 31, 2018
Contingent Liabilities not provided for		
(a) Excise duty	56.97	450.14
(b) Sales tax/ VAT	760.64	633.61
(c) Income tax	61.91	57.10

Note:

The Company is in the process of evaluating the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir and other Vs The Regional Provident Fund Commissioner (II) West Bengal and the related circular (Circular No. C-1/1(33)2019/Vivekananda Vdiya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from te definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in these financial statement.

NOTE 30: CAPITAL COMMITMENTS

Estimated amounts of contracts remaining to be executed on capital account and not provided (net of advances) :
₹3,638.12 lakhs, (As at 31.03.2018 ₹994.86 lakhs).

(All amount in ₹ Lakhs)

NOTE 31: PAYMENT TO AUDITORS COMPRISES:	Year ended March 31, 2019	Year ended March 31, 2018
(a) To Statutory Auditors		
(i) Audit fees	14.07	19.60
(ii) Tax audit fees	2.50	2.50
(iii) Other services	13.25	10.82
(iv) Out-of-pocket expenses	6.38	7.28
	36.20	**40.20**
(b) To Cost Auditors		
(i) Cost audit	2.25	2.25
(ii) Other services	0.18	0.18
	2.43	**2.43**

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

(All amount in ₹ Lakhs)

Note 32: Earnings per share	Year ended March 31, 2019	Year ended March 31, 2018
Profit for the year (₹in lakhs)	7,609.68	6,389.36
Weighted average number of equity shares	6,82,50,000	6,82,50,000
Nominal value per equity share (₹)	10	10
Basic and diluted earnings per share (₹)	11.15	9.36

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

Notes annexed to and forming part of financial statements

NOTE 33: RELATED PARTY DISCLOSURES

List Of Related Parties And Relationship With Whom Transactions Have Taken Place In The Current Year And/Or Previous Year.

Name of the Related Party	
(i) Tata Sons Limited	Company having significant influence in the Parent Company
(ii) Tata Steel Limited	Parent Company
(iii) The Tinplate Company of India Limited	Fellow Subsidiary Company
(iv Tata Metaliks Limited	Fellow Subsidiary Company
(v) Jamshedpur Utilities & Services Company Limited	Fellow Subsidiary Company
(vi) T S Alloys Limited	Fellow Subsidiary Company
(vii) Tata Steel Special Economic Zone Limited	Fellow Subsidiary Company
(viii) TM International Logistics Limited	Fellow Subsidiary Company
(ix) Tata Steel BSL Limited (w.e.f. May 18, 2018)	Fellow Subsidiary Company
(x) Jamshedpur Continuous Annealing and Processing Company Private Limited	Joint Venture of Parent Company
(xi) TKM Global Logistics Limited	Joint Venture of Parent Company
(xii) Tata Bluescope Steel Limited	Joint Venture of Parent Company
(xiii) Mjunction Services Limited	Joint Venture of Parent Company
(xiv) TRF Limited	Associate of Parent Company
(xv) Tata Ryerson Limited Officer's Superannuation Fund	Employee Benefit Fund
(xvi) Tata Ryerson Ltd Gratuity Fund	Employee Benefit Fund
(xvii) Abraham G Stephanos (Managing Director)	Key Management Personnel
(xviii) Dr. Rupali Basu (Independent Director)	Key Management Personnel
(xix) Mr. Srikumar Menon (Independent Director)	Key Management Personnel

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

The following table summarises related party transactions and balances included in the financial statements for the year ended and as at March 31, 2019.

(All amount in ₹ Lakhs)

Transaction	Period	Company having significant influence	Parent Company	Fellow Subsidiary Company	Joint Venture of Holding Company	Associate of Holding Company	Key Management Personnel (KMP) & Others
Sale of products							
Tata Metaliks Limited	Year ended 31.03.2019	-	-	40.40	-	-	-
	Year ended 31.03.2018	-	-	-	-	-	-
T S Alloys Limited	Year ended 31.03.2019	-	-	37.12	-	-	-
	Year ended 31.03.2018	-	-	20.24	-	-	-
Tata Steel Special Economic Zone Limited	Year ended 31.03.2019	-	-	1.78	-	-	-
	Year ended 31.03.2018	-	-	29.95	-	-	-
TRF Limited	Year ended 31.03.2019	-	-	-	-	-	-
	Year ended 31.03.2018	-	-	-	-	596.31	-
Total	**Year ended 31.03.2019**	-	-	**79.30**	-	-	-
	Year ended 31.03.2018	-	-	**50.19**	-	**596.31**	-

Notes annexed to and forming part of financial statements

(All amount in ₹ Lakhs)

Transaction	Period	Company having significant influence	Parent Company	Fellow Subsidiary Company	Joint Venture of Holding Company	Associate of Holding Company	Key Management Personnel (KMP) & Others
Sale of services							
Tata Steel Limited	Year ended 31.03.2019	-	19,360.43	-	-	-	-
	Year ended 31.03.2018	-	17,480.29	-	-	-	-
Jamshedpur Continuous Annealing and Processing Company Private Limited	Year ended 31.03.2019	-	-	-	1,632.27	-	-
	Year ended 31.03.2018	-	-	-	940.21	-	-
Total	**Year ended 31.03.2019**	-	**19,360.43**	-	1,632.27	-	-
	Year ended 31.03.2018	-	**17,480.29**	-	940.21	-	-

(All amount in ₹ Lakhs)

Transaction	Period	Company having significant influence	Parent Company	Fellow Subsidiary Company	Joint Venture of Holding Company	Associate of Holding Company	Key Management Personnel (KMP) & Others
Purchase of goods							
Tata Steel Limited	Year ended 31.03.2019	-	442,834.83	-	-	-	-
	Year ended 31.03.2018	-	323,872.75	-	-	-	-
Tata Steel BSL Limited	Year ended 31.03.2019	-	-	7,579.80	-	-	-
	Year ended 31.03.2018	-	-	-	-	-	-
Jamshedpur Continuous Annealing and Processing Company Private Limited	Year ended 31.03.2019	-	-	-	4,788.56	-	-
	Year ended 31.03.2018	-	-	-	1,570.97	-	-
Tata Bluescope Steel Limited	Year ended 31.03.2019	-	-	-	-	-	-
	Year ended 31.03.2018	-	-	-	119.79	-	-
Mjunction Services Limited	Year ended 31.03.2019	-	-	-	-	-	
	Year ended 31.03.2018	-	-	-	0.53	-	
Total	**Year ended 31.03.2019**	-	**442,834.83**	**7,579.80**	**4,788.56**	-	-
	Year ended 31.03.2018	-	**323,872.75**	-	**1,691.29**	-	-
Reimbursement of expenses (Paid)							
Tata Steel Limited	Year ended 31.03.2019	-	1,472.69	-	-	-	-
	Year ended 31.03.2018	-	1,511.60	-	-	-	-
The Tinplate Company of India Limited	Year ended 31.03.2019	-	-	33.55	-	-	-
	Year ended 31.03.2018	-	-	31.12	-	-	-
Total	**Year ended 31.03.2019**	-	**1,472.69**	**33.55**	-	-	-
	Year ended 31.03.2018	-	**1,511.60**	**31.12**	-	-	-
Receiving of Services							
Tata Sons Limited	Year ended 31.03.2019	520.71	-	-	-	-	-
	Year ended 31.03.2018	518.75	-	-	-	-	-
Jamshedpur Utilities & Services Company Limited	Year ended 31.03.2019	-	-	5.00	-	-	-
	Year ended 31.03.2018	-	-	-	-	-	-
TKM Global Logistics Limited	Year ended 31.03.2019	-	-	-	1.79	-	-
	Year ended 31.03.2018	-	-	-	45.27	-	-

Notes annexed to and forming part of financial statements

(All amount in ₹ Lakhs)

Transaction	Period	Company having significant influence	Parent Company	Fellow Subsidiary Company	Joint Venture of Holding Company	Associate of Holding Company	Key Management Personnel (KMP) & others
TM International Logistics Limited	Year ended 31.03.2019	-	-	-	68.12	-	-
	Year ended 31.03.2018	-	-	-	-	-	-
Tata Bluescope Steel Limited	Year ended 31.03.2019	-	-		29.63	-	-
	Year ended 31.03.2018	-	-		21.00	-	-
Mjunction Services Limited	Year ended 31.03.2019	-	-		53.64	-	-
	Year ended 31.03.2018	-	-		44.75	-	-
Total	**Year ended 31.03.2019**	**520.71**	-	**5.00**	**153.18**	-	-
	Year ended 31.03.2018	**518.75**	-	-	**111.02**	-	-
i) Employee Benefit Contribution							
Tata Ryerson Limited Officer's Superannuation Fund	Year ended 31.03.2019	-	-	-	-	-	146.83
	Year ended 31.03.2018	-	-	-	-	-	150.03
Tata Ryerson Ltd Gratuity Fund	Year ended 31.03.2019	-	-	-	-	-	-
	Year ended 31.03.2018	-	-	-	-	-	485.35
Total	**Year ended 31.03.2019**	-	-	-	-	-	**146.83**
	Year ended 31.03.2018	-	-	-	-	-	**635.38**
ii) Employee Benefit Plan Settlement							
Tata Ryerson Limited Officer's Superannuation Fund	Year ended 31.03.2019	-	-	-	-	-	108.01
	Year ended 31.03.2018	-	-	-	-	-	55.06
Tata Ryerson Ltd Gratuity Fund	Year ended 31.03.2019	-	-	-	-	-	95.12
	Year ended 31.03.2018	-	-	-	-	-	47.84
Total	**Year ended 31.03.2019**	-	-	-	-	-	**203.13**
	Year ended 31.03.2018	-	-	-	-	-	**102.90**
Managerial remuneration							
Mr. Abraham G Stephanos #	Year ended 31.03.2019	-	-	-	-	-	268.03
	Year ended 31.03.2018	-	-	-	-	-	198.25
Dr. Rupali Basu	Year ended 31.03.2019	-	-	-	-	-	8.20
	Year ended 31.03.2018	-	-	-	-	-	8.31
Mr. Srikumar Menon	Year ended 31.03.2019	-	-	-	-	-	6.02
	Year ended 31.03.2018	-	-	-	-	-	6.43
Total	**Year ended 31.03.2019**	-	-	-	-	-	**282.25**
	Year ended 31.03.2018	-	-	-	-	-	**212.99**

Managerial remuneration for KMP excludes provision for compensated absences and gratuity, as separate figures for KMP are not available.

(All amount in ₹ Lakhs)

Outstanding balances		Company having significant influence	Parent Company	Fellow Subsidiary Company	Joint Venture of Holding Company	Associate of Holding Company	Key Management Personnel (KMP) & others
Security deposits							
Tata Steel Limited	Year ended 31.03.2019	-	65.23	-	-	-	-
	Year ended 31.03.2018	-	65.23	-	-	-	-
Trade receivables							
Tata Steel Limited	Year ended 31.03.2019	-	2,919.34	-	-	-	-
	Year ended 31.03.2018	-	3,281.74	-	-	-	-

Notes annexed to and forming part of financial statements

(All amount in ₹ Lakhs)

Outstanding balances		Company having significant influence	Parent Company	Fellow Subsidiary Company	Joint Venture of Holding Company	Associate of Holding Company	Key Management Personnel (KMP) & others
Jamshedpur Continuous Annealing and Processing Company Private Limited	Year ended 31.03.2019	-	-	-	365.86	-	-
	Year ended 31.03.2018	-	-	-	343.55	-	-
T S Alloys Limited	Year ended 31.03.2019	-	-	-	-	-	-
	Year ended 31.03.2018	-	-	-	-	-	-
Tata Steel Special Economic Zone Limited	Year ended 31.03.2019	-	-	-	-	-	-
	Year ended 31.03.2018	-	-	5.11	-	-	-
Tata Bluescope Steel Limited	Year ended 31.03.2019	-	-	-	-	-	-
	Year ended 31.03.2018	-	-	-	0.21	-	-
TRF Limited	Year ended 31.03.2019	-	-	-	-	-	-
	Year ended 31.03.2018	-	-	-	-	134.68	-
Total	**Year ended 31.03.2019**	-	**2,919.34**	-	**365.86**	-	-
	Year ended 31.03.2018	-	**3,281.74**	**5.11**	**343.76**	**134.68**	-
Advances to related party							
Tata Steel Limited	Year ended 31.03.2019	-	132.55	-	-	-	-
	Year ended 31.03.2018	-	-	-	-	-	-
Tata Steel BSL Limited	Year ended 31.03.2019	-	-	113.81	-	-	-
	Year ended 31.03.2018	-	-	-	-	-	-
Total	**Year ended 31.03.2019**	-	-	**113.81**	-	-	-
	Year ended 31.03.2018	-	**132.55**	-	-	-	-
Trade payables							
Tata Steel Limited	Year ended 31.03.2019	-	14,366.38	-	-	-	-
	Year ended 31.03.2018	-	7,105.59	-	-	-	-
The Tinplate Company of India Limited	Year ended 31.03.2019	-	-	5.92	-	-	-
	Year ended 31.03.2018	-	-	7.26	-	-	-
Jamshedpur Continuous Annealing and Processing Company Private Limited	Year ended 31.03.2019	-	-	-	56.83	-	-
	Year ended 31.03.2018	-	-	-	49.29	-	-
Tata Bluescope Steel Limited	Year ended 31.03.2019	-	-	-	-	-	-
	Year ended 31.03.2018	-	-	-	9.57	-	-
T S Alloys Limited	Year ended 31.03.2019	-	-	0.02	-	-	-
	Year ended 31.03.2018	-	-	-	-	-	-
Tata Steel BSL Limited	Year ended 31.03.2019	-	-	27.82	-	-	-
	Year ended 31.03.2018	-	-	-	-	-	-
Mjunction Services Limited	Year ended 31.03.2019		-	-	1.37	-	-
	Year ended 31.03.2018		-	-	5.04	-	-
Total	**Year ended 31.03.2019**	-	**14,366.38**	**33.76**	**58.20**	-	-
	Year ended 31.03.2018	-	**7,105.59**	**7.26**	**63.90**	-	-
Advance from customers							
T S Alloys Limited	Year ended 31.03.2019	-	-	-	-	-	-
	Year ended 31.03.2018	-	-	0.07	-	-	-
Total	**Year ended 31.03.2019**	-	-	-	-	-	-
	Year ended 31.03.2018	-	**-**	**0.07**	-	-	-

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

Notes annexed to and forming part of financial statements

NOTE 34: EMPLOYEE BENEFITS

A. Defined contribution plans

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

The major defined contributions plans operated by the company are as below:
(a) Provident fund and pension

The company provides provident fund benefits for eligible employees as per applicable regulations wherein both employees and the company make monthly contributions at a specified percentage of the eligible employee's salary. Contributions under such schemes are made to Government managed funds and does not have a future obligations to make good short fall if any, are treated as a defined contribution plan.

(b) Superannuation fund

The Company has a superannuation plan for the benefit of its employees .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 contributes up to 15% of the eligible employees' basic salary to the trust every year. Such contributions are recognised as an expense as and when incurred. The Company does not have any further obligation beyond this contribution.

The Company has recognised in the Statement of Profit and Loss an amount of ₹464.22 lakhs (31.03.2018: ₹449.72 lakhs) and in Capital Work in Progress ₹0.36 lakhs (31.03.2018 ₹8.68 lakhs) respectively towards expenses under defined contribution plans. As at March 31, 2019 contributions of ₹52.31 lakhs (as at March 31, 2018: ₹54.66 lakhs) due in respect of 2018-19 (2017-18) reporting period had not been paid over to the plans. The amounts were paid subsequent to the end of the respective reporting periods.

(All amount in ₹ Lakhs)

BENEFIT (CONTRIBUTION TO)	**Year ended March 31, 2019**	**Year ended March 31, 2018**
(a) Interest expense		
(i) Provident Fund	292.57	266.73
(ii) Superannuation Fund	151.84	175.12
(iii) Employee State Insurance	20.16	16.55
	464.57	**458.40**

B. Defined Benefit Plan

The Company operated post-retirement defined plans as follows

a. Funded

(i) Post Retirement Gratuity

The Company has 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 to 15 days salary payable for each completed year of service. The Company makes annual contributions to gratuity fund with an insurance company. The Company accounts for the liability for gratuity payable in the future based on a year end actuarial valuation.

b. Unfunded

(i) Compensatory absences

The compensatory absences cover the company's liability for earned leaves.

(ii) 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 at the retirement. Employees separated from the Company under an early separation scheme, on medical grounds or due permanent disablement are also covered under the scheme. The Company accounts for the liability for Post-retirement medical scheme based on an year end actuarial valuation.

(iii) Pension to Ex-directors

Other benefits provided under unfunded schemes includes pension payable to Ex- Managing Directors of the company on their retirement.

Notes annexed to and forming part of financial statements

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

Investment risk	The present value of defined benefit plan liability (denominated in Indian Rupee) is calculated using discount rate which is determined by reference to the market yields at the end of the reporting period on goverment bonds.
Interest risk	A decrease in government bonds interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

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

In respect of post retirement benefit, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation was carried out as at March 31, 2019 by Mr. Ritobrata Sarkar, Fellow of the Institute of Actuaries of India (Empanelled Actuary of Wills Towers Watson). The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

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

	As at March 31, 2019	As at March 31, 2018
Financial assumptions		
Discount rate (s)	7.50%	7.50%
Expected rate (s) of salary increase		
- Regular	9.00%	9.00%
- Managing Director	12.00%	12.00%
Demogaphic assumptions		
Retirement age (in years)		
- Regular	60	60
- Managing Director	65	65

Mortality table	As at March 31, 2019	As at March 31, 2018
	Indian Assured Lives Mortality (2006-08) modified Ultimate	Indian Assured Lives Mortality (2006-08) modified Ultimate
Mortality table (Post retirement)	LIC Annuitants (1996-98) ultimate	LIC Annuitants (1996-98) ultimate
Withdrawal rate		
Ages from 20-25	5.00%	5.00%
Ages from 25-30	3.00%	5.00%
Ages from 30-35	2.00%	5.00%
Ages from 35-50	1.00%	2.00%
Ages from 50-55	2.00%	2.00%
Ages from 55-58	3.00%	2.00%

Note:

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

ii. The gratuity plan is funded.

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

Notes annexed to and forming part of financial statements

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

(All amount in ₹ Lakhs)

Description	Year ended March 31, 2019		Year ended March 31, 2018	
	Gratuity	Compensated absences	Gratuity	Compensated absences
1. Movements in the present value of the defined benefit obligation are as follows.				
a. Opening defined benefit obligation	1,496.50	792.03	1,478.20	1,096.41
b. Current service cost	237.01	72.58	150.71	123.73
c. Interest cost	108.67	56.54	101.98	64.67
d. Settlement cost/(credit)	-	-	-	(70.63)
e. Acquisition cost/(credit)	-	-	3.64	-
f. Actuarial (gain)/loss from changes in financial assumptions	-	-	(89.35)	(51.80)
g. Actuarial (gain)/loss from changes in demographic assumptions	-	-	(67.78)	(41.66)
h. Actuarial (gain)/loss from experience adjustments	(92.61)	(6.17)	(38.18)	16.39
i. Benefits paid	(95.12)	(76.34)	(42.72)	(345.08)
Closing defined benefit obligation	**1,654.45**	**838.64**	**1,496.50**	**792.03**
2. Movements in the fair value of plan assets are as follows.				
a. Opening fair value of plan assets	1,675.91	-	1,129.14	-
b. Interest income	122.11	-	94.22	-
c. Acquistion Adjustment	-	-	3.64	-
d. Contributions from the employer	-	-	476.53	-
e. Return on plan assets greater/(lesser) than discount rate	(2.19)	-	15.10	-
f. Benefits paid	(95.12)	-	(42.72)	-
Closing fair value of plan assets	**1,700.71**	-	**1,675.91**	-
3. Reconciliation of fair value of plan assets and obligations				
a. Fair value of plan assets	1,700.71	-	1,675.91	-
b. Present value of defined benefit obligation	(1,654.45)	(838.64)	(1,496.50)	(792.03)
Net Assets/(liability) arising from defined benefit obligation	**46.26**	**(838.64)**	**179.41**	**(792.03)**
4. Expenses recognised during the year				
A. Statement of profit and loss in respect of defined benefit plans.				
a. Current service cost	237.01	72.58	150.71	123.73
b. Net interest (income)/expense	(13.44)	56.54	7.76	64.67
c. Actuarial (gain)/loss from changes in financial assumptions	-	-	-	(51.80)
d. Actuarial (gain)/loss from changes in demographic assumptions	-	-		(41.66)
e. Actuarial (gain)/loss from experience adjustments	-	(6.17)	-	16.39
f. Settlement Cost/(Credit)	-	-		(70.63)
Cost recognised in Statement of Profit and Loss	**223.57**	**122.95**	**158.47**	**40.70**
B. Remeasurement on the net defined benefit liability:				
a. Actuarial (gain)/loss from changes in financial assumptions	-	-	(89.35)	-
b. Actuarial (gain)/loss from changes in demographic assumptions	-	-	(67.78)	
c. Actuarial (gain)/loss from experience adjustments	(92.61)	-	(38.18)	-
d. Return on plan assets (greater)/less than discount rate	2.19	-	(15.10)	-
Components of defined benefit costs recognised in other comprehensive income	**(90.42)**	-	**(210.41)**	-
5. Investment details				
a. Others (Funds with Life Insurance Corporation of India)	1,700.71	-	1,675.91	-

Notes annexed to and forming part of financial statements

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

(All amount in ₹ Lakhs)

Description	Year ended March 31, 2019		Year ended March 31, 2018	
	Gratuity	Compensated absences	Gratuity	Compensated absences
6. Assumptions				
a. Discount rate (per annum)	7.50%	7.50%	7.50%	7.50%
b. Estimated rate of return on plan assets (per annum)	9.25%		9.25%	
c. Rate of escalation in salary	9.00%	9.00%	9.00%	9.00%
d. Average duration of the benefit obligation (in years)				
- Active members	12.00		12.00	

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

i) Effect on defined benefit obligation of % change in discounting rate				
- Effect of 1% increase in discounting rate	(167.94)	(92.77)	(158.59)	(91.19)
- Effect of 1% decrease in discounting rate	196.63	109.81	186.32	108.35
ii) Effect on defined benefit obligation of 1% change in salary escalation rate				
- Effect of 1% increase in salary escalation rate	191.74	107.11	181.67	105.68
- Effect of 1% decrease in salary escalation rate	(167.16)	(92.38)	(157.85)	(90.80)

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

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

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

Non-current provisions (Refer note 14)	-	806.83	-	772.12
Current provisions (Refer note 14)	-	31.81	-	19.91

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

Notes annexed to and forming part of financial statements

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

(All amount in ₹ Lakhs)

Description	Year ended March 31, 2019		Year ended March 31, 2018	
	Medical	Pension	Medical	Pension
1. Movements in the present value of the defined benefit obligation are as follows.				
a. Opening defined benefit obligation	546.93	696.94	606.75	679.97
b. Current service cost	127.37	-	73.58	-
c. Interest cost	40.85	50.62	42.29	46.14
d. Actuarial (gain)/loss from changes in financial assumptions	-	-	(71.21)	(34.67)
e. Actuarial (gain)/loss from changes in demographic assumptions	-	-	(196.48)	-
e. Actuarial (gain)/loss from experience adjustments	(225.84)	(35.31)	97.37	47.80
f. Benefits paid	(4.44)	(44.06)	(5.37)	(42.30)
Closing defined benefit obligation	**484.87**	**668.19**	**546.93**	**696.94**
2. Reconciliation of fair value of plan assets and obligations				
a. Fair value of plan assets	-	-	-	-
b. Present value of defined benefit obligation	(484.87)	(668.19)	(546.93)	(696.94)
Net Assets/(liability) arising from defined benefit obligation	**(484.87)**	**(668.19)**	**(546.93)**	**(696.94)**
Non-current provisions (Refer Note 14)	(479.92)	(626.19)	(546.93)	(696.94)
Current provisions (Refer Note 14)	(4.95)	(42.00)	(5.30)	(42.09)
3. Expenses recognised during the year				
A. Statement of profit and loss in respect of defined benefit plans.				
a. Current service cost	127.37	-	73.58	-
b. Net interest (income)/expense	40.85	50.62	42.29	46.14
c. Actuarial (gain)/loss from changes in financial assumptions	-	-	-	-
d. Actuarial (gain)/loss from changes in demographic assumptions	-	-	-	-
e. Actuarial (gain)/loss from experience adjustments	-	-	-	-
Cost recognised in Statement of Profit and Loss	**168.22**	**50.62**	**115.87**	**46.14**
B. Remeasurement on the net defined benefit liability:				
a. Actuarial (gain)/loss from changes in financial assumptions	-	-	(71.21)	(34.67)
b. Actuarial (gain)/loss from changes in demographic assumptions	-	-	(196.48)	-
c. Actuarial (gain)/loss from experience adjustments	(225.84)	(35.31)	97.37	47.80
Components of defined benefit costs recognised in other comprehensive income	**(225.84)**	**(35.31)**	**(170.32)**	**13.13**
4. Assumptions				
a. Discount rate (per annum)	7.50%	7.50%	7.50%	7.50%
b. Estimated rate of return on plan assets (per annum)	0.00%	0.00%	0.00%	0.00%
c. Rate of escalation in pension	-	6.00%	-	6.00%

Notes annexed to and forming part of financial statements

(All amount in ₹ Lakhs)

Description	Year ended March 31, 2019		Year ended March 31, 2018	
	Medical	Pension	Medical	Pension
d. Medical cost - % of annual entitlement utilised	8.00%	-	8.00%	-
e. Average duration of the benefit obligation (in years)				
- Active members	-	9.00	-	10.00
f. Expected contribution to the defined benefit plans during the next financial year (₹in lakhs)	Not applicable	Not applicable	Not applicable	Not applicable
The Sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.				
g. Effect of 1% change (increase) in health care cost, current service and interest cost	118.12		138.94	
h. Medical inflation rate	9.00%		9.00%	
g. Closing balance of obligation - Sensitivity result Effect of 1% change (decrease) in health care cost, current service and interest cost	(88.16)		(103.36)	
i. Medical inflation rate	7.00%		7.00%	

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

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

E. Other disclosures

(All amount in ₹ Lakhs)

Net Asset/(Liability) recognised in the Balance Sheet (including experience adjustment impact)	2018-19	2017-18	2016-17	2015-16	2014-15
I. Gratuity					
a) Present value of defined benefit obligation	**1,654.45**	1,496.50	1,478.20	1,154.12	1,002.24
b) Fair value of plan assets	**1,700.71**	1,675.91	1,129.14	1,085.04	945.56
c) Surplus / (deficit) in plan assets	**46.26**	179.41	(349.06)	(69.08)	(56.68)
II. Compensated absences					
a) Present value of defined benefit obligation	**838.64**	792.03	1,096.41	875.60	750.59
b) Fair value of plan assets	**N/A**	N/A	N/A	N/A	N/A
c) Surplus / (deficit) in plan assets	**(838.64)**	(792.03)	(1,096.41)	(875.60)	(750.59)
III. Medical					
a) Present value of defined benefit obligation	**484.87**	546.93	606.75	437.35	366.98
b) Fair value of plan assets	**N/A**	N/A	N/A	N/A	N/A
c) Surplus / (deficit) in plan assets	**(484.87)**	(546.93)	(606.75)	(437.35)	(366.98)
IV. Pension					
a) Present value of defined benefit obligation	**668.19**	696.94	679.97	638.29	659.07
b) Fair value of plan assets	**N/A**	N/A	N/A	N/A	N/A
c) Surplus / (deficit) in plan assets	**(668.19)**	(696.94)	(679.97)	(638.29)	(659.07)

Notes annexed to and forming part of financial statements

(All amount in ₹ Lakhs)

NOTE 35: DEFERRED TAX LIABILITY (NET)	As at March 31, 2019	As at March 31, 2018
Deferred tax assets	1,951.81	2,002.24
Deferred tax liabilities	(5,325.32)	(4,402.92)
	(3,373.51)	**(2,400.68)**
Deferred tax assets/ liability recognised in books	**(3,373.51)**	**(2,400.68)**

Deferred tax liability reconciliation

(All amount in ₹ Lakhs)

2018-2019	Opening Balance	Recognised in Statement of Profit and Loss	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to:				
Property, plant and equipment	(4,350.81)	(958.61)	-	(5,309.42)
Fair value of investments	(32.23)	28.39	-	(3.84)
Allowance for doubtful debts and doubtful advances	737.95	102.53	-	840.48
Defined benefit obligation	603.82	137.64	(122.85)	618.61
Others financial liabilities	487.47	5.25	-	492.72
Others	(19.88)	7.83	-	(12.05)
MAT Credit	173.00	(173.00)	-	-
	(2,400.68)	**(849.97)**	**(122.85)**	**(3,373.51)**

(All amount in ₹ Lakhs)

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

Income tax expense for the year can be reconciled to the accounting profits as follows:

(All amount in ₹ Lakhs)

Details	As at March 31, 2019	As at March 31, 2018
Profit before tax	**11,777.65**	**9,564.21**
Income tax expense calculated at 34.944% (2017-18: 34.608%)	4,115.58	3,309.98
Effect of income that is exempt from taxation	(16.59)	(21.62)
Effect of expenses not deductible in determining taxable profit	68.98	285.22
Effect of change in tax rate	-	12.56
Effect of concessions and allowance deductible in determining taxable profit	-	(411.29)
Income tax expense recognised in Statement of Profit and Loss	**4,167.97**	**3,174.85**

Notes annexed to and forming part of financial statements

Income tax recognised in other comprehensive income

(All amount in ₹ Lakhs)

Details	As at March 31, 2019	As at March 31, 2018
Deferred tax		
Arising on income and expenses recognised in other comprehensive income		
Remeasurement of defined benefit obligation	(122.85)	(128.44)
Total income tax recognised in other comprehensive income	**(122.85)**	**(128.44)**
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be classified to profit or loss	(122.85)	(128.44)
Items that may be classified to profit or loss	-	-
Income tax expenses recognised in other comprehensive income	**(122.85)**	**(128.44)**

NOTE 36: SEGMENT INFORMATION

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

Geographical segment

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

Entity wide Segment disclosure

Revenue from major customer Tata Steel Limited is ₹19,360.43 lakhs (Refer Note 33) which is less than 10% of total revenue of the company, hence no seperate disclosure is required.

NOTE 37: OPERATING LEASES

The Company has cancellable operating lease agreements for office spaces and residential accommodations, the tenure of which generally vary from less than a year to 3 years. Terms of such lease include option for renewal on mutually agreed terms. Operating lease rental expenses aggregating ₹609.46 lakhs (Previous Year: ₹585.92 lakhs) have been debited to the Statement of Profit and Loss.

NOTE 38: EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY

a) Gross amount required to be spent by the Company during the year ended 31.03.2019 : ₹150.62 lakhs (Previous year ₹121.61 lakhs)

b) Amount spent during the year ended 31.03.2019 (refer note 28)

(All amount in ₹ Lakhs)

Particulars	2018-19			2017-18		
	Paid (A)	Yet to be Paid (B)	Total (A) + (B)	Paid (A)	Yet to be Paid (B)	Total (A) + (B)
(i) Construction/acquisition of any asset			-	-	-	-
(ii) On purpose other than (i) above	150.62	-	150.62	121.61	-	121.61
Total	**150.62**	**-**	**150.62**	**121.61**	**-**	**121.61**

NOTE 39: DERIVATIVE INSTRUMENTS

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

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

Notes annexed to and forming part of financial statements

As at	No. of contracts	US Dollar Notional	INR equivalent
31.03.2019	-	-	-
31.03.2018	1	$ 1.44 mn	₹ 944.64 Lakhs

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

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

As at	No. of contracts	US Dollar Notional	INR equivalent
31.03.2019	2	$ 1.87 mn	₹ 1,305.56 Lakhs
31.03.2018	2	$ 2.62 mn	₹ 1,722.00 Lakhs

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

As at	No. of contracts	US Dollar Notional	INR equivalent
31.03.2019	-	-	-
31.03.2018	3	$ 1.44 mn	₹ 944.64 Lakhs

[iii] The details of Company's foreign currency exposure as on March 31, 2019 is as follows:

Currency	As at March 31, 2019		As at March 31, 2018	
	Receivables (Payables) (FC in mn)	Rupee equivalent (₹ in lakhs)	Receivables (Payables) (FC in mn)	Rupee equivalent (₹ in lakhs)
Gross foreign exchange exposure:				
USD	(1.87)	(1305.56)	(4.06)	(2666.64)
EURO	(0.23)	(183.46)	(0.66)	(533.79)
Foreign currency hedged				
USD	(1.87)	(1305.56)	(4.06)	(2666.64)
EURO	-	-	-	-
Foreign currency unhedged				
USD	-	-	-	-
EURO	(0.23)	(183.46)	(0.66)	(533.79)

NOTE 40: EXCEPTIONAL ITEMS [ITEM NO VI OF STATEMENT OF PROFIT AND LOSS]

Exceptional items as shown in the Statement of Profit and Loss represents Allowance on other non current assets of ₹Nil (Previous Year: ₹167.71 lakhs) on account of the write down in the value of its property, plant and equipment pertaining to Roll forming line at Jamshedpur, component manufacturing unit at Pantnagar and overhead crane at Pune based on an estimation of its realisable value, assessed by an independent valuer.

NOTE 41. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES

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

Notes annexed to and forming part of financial statements

(All amount in ₹ Lakhs)

Description	Year ended March 31, 2019	Year ended March 31, 2018
a. Total amount remaining unpaid to any supplier as at the end of accounting year		
- Principal	**45.54**	155.96
- Interest due thereon	**2.30**	0.69
b. Total interest paid on all delayed payments during the year under section 16 of the Micro, Small and Medium Enterprises Development Act, 2006.	**0.00**	0.00
c. Interest due on principal amounts paid beyond the due date during the year but without the interest amounts under section 16 of the Micro, Small and Medium Enterprises Development Act, 2006.	**1.91**	3.97
d. Interest accrued and remaining unpaid	**4.21**	4.66
e. Further interest remaining due and payable even in the succeeding years for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	**26.56**	**22.35**
Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.		

NOTE 42: PROVISION FOR CONTINGENCIES

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

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

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

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

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

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

(All amount in ₹ Lakhs)

Particulars	Provision for contingencies March 31, 2019	Provision for contingencies March 31, 2018
Balance at the beginning of the year	22.61	22.61
Additional provision recognised	-	-
Amount used/adjusted during the year	22.61	-
Balance at the end of the year	-	22.61

NOTE 43: FINANCIAL INSTRUMENTS

A. Capital management

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

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

The Company's management reviews the capital structure periodically. As part of the review, the management considers the cost of capital and the associated risks. The Company has a target gearing ratio of 20% - 75% determined as the proportion of net debt to total equity. The gearing ratio at March 31, 2019 is 71%, which is within the target range of gearing ratio.

Notes annexed to and forming part of financial statements

Gearing ratio

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

(All amount in ₹ Lakhs)

Description	As at March 31, 2019	As at March 31, 2018
Debt (i)	48,993.33	48,028.85
Cash and cash equivalents (Refer note 8)	842.40	2,922.46
Net debt	**48,150.93**	**45,106.39**
Total equity	68,143.30	60,304.91
Net debt to equity ratio	**70.66%**	**74.80%**

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

B. Categories of financial instruments

(All amount in ₹ Lakhs)

Description	As at March 31, 2019	As at March 31, 2018
Financial assets		
Mandatorily measured at fair value through profit or loss (FVTPL)		
(a) Mandatorily measured at FVTPL (refer note 6)	-	281.23
Mandatorily measured at amortised cost		
(a) Cash and cash equivalents (refer note 8)	842.40	2,922.46
(b) Other financial assets at amortised cost (including trade receivables)	35,634.04	32,959.97
Mandatorily measured at FVTOCI		
(a) Investments in equity instruments designated upon initial recognition	-	-
Financial liabilities		
Mandatorily measured at fair value through profit or loss (FVTPL)		
(a) Designated as at FVTPL upon initial recognition	-	-
Measured at amortised cost		
(a) Derivative liability [Refer note 17 (e)]	(6.38)	123.76
(b) Borrowings	48,993.33	48,028.85
(c) Other financial liabilities	25,428.35	16,744.44

C. Financial risk management objectives

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

The objective of the Company's risk management framework is to manage the above risks and aims to :

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

D. Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk, including:

(i) forward foreign exchange contract to hedge the exchange rate risk arising on the foreign currency outstanding;

(ii) interest rate swaps to mitigate the risk of rising interest rates; and

(iii) cross currency interest rate swaps to mitigate the risk of rising currency and interest rates.

Notes annexed to and forming part of financial statements

E. Foreign currency risk management

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

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

	Liabilities as at (₹in lakhs)		Assets as at (₹in lakhs)	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
USD	1,305.56	2,666.64	-	-
EURO	183.46	533.79	-	-

(i) Foreign currency sensitivity analysis

The Company is mainly exposed to the fluctuations in the rates of foreign currency i.e. USD and Euro.

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

	USD impact	
	2018-19	2017-18
Impact on profit or loss for the year (i) (₹in lakhs)	130.56	266.66
Impact on total equity as the end of reporting period (₹in lakhs)	130.56	266.66

	EURO impact	
	2018-19	2017-18
Impact on profit or loss for the year (i) (₹in lakhs)	18.35	53.38
Impact on total equity as the end of reporting period (₹in lakhs)	18.35	53.38

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

(ii) Forward foreign exchange contracts

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

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

Notes annexed to and forming part of financial statements

F. Interest rate risk management

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

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

(i) Interest rate sensitivity analysis

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

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Company's profit for the year ended March 31, 2019 would decrease/increase by ₹216.70 lakhs (for the year ended March 31, 2018: decrease/increase by ₹137.87 lakhs). This is mainly attributable to the Company's exposure to interest rates in its variable borrowings.

(ii) Interest rate swap contracts

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

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

G. Price risk management

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

(All amount in ₹ Lakhs)

	Fair value as at	Fair value as at
	31.03.2019	**31.03.2018**
Investments in mutual funds	-	281.23

The sensitivity analysis below have been determined based on the exposure to NAV proce risk at the end of the reporting year.

For the year ended March 31, 2019 and March 31, 2018, every 1 percentage increase/decrease in the NAV of investments, will effect the Company's profit by ₹Nil and ₹2.81 lakhs respectively.

H. Credit risk management

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

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

Notes annexed to and forming part of financial statements

I. Liquidity risk management

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

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

(All amount in ₹ Lakhs)

	Less than 1 year	1-5 years	More than 5 years	Total	Carrying amount
31.03.2019					
Non-interest bearing	25,428.35	-	639.57	**26,067.92**	26,067.92
Variable interest rate instruments	3,517.54	12,715.97	9,647.61	**25,881.12**	18,597.11
Fixed interest rate instruments	29,086.71	841.69	-	**29,928.40**	29,756.65
	58,032.60	**13,557.66**	**10,287.18**	**81,877.44**	**74,421.68**
31.03.2018					
Non-interest bearing	16,744.44	-	610.90	**17,355.34**	17,355.34
Variable interest rate instruments	3,187.31	13,360.75	12,258.39	**28,806.45**	20,090.45
Fixed interest rate instruments	26,278.58	1,373.98	-	**27,652.56**	27,327.49
	46,210.33	**14,734.73**	**12,869.29**	**73,814.35**	**64,773.28**

(All amount in ₹ Lakhs)

Financing Facilities	As at March 31, 2019	As at March 31, 2018
Secured bank cash credit facility:	1,273.25	1,830.80
-amount used	2,226.75	1,669.20
-amount unused	**3,500.00**	**3,500.00**
Secured bank loan facilities with various maturity dates :		
-amount used	19,930.56	22,791.64
-amount unused	-	-
	19,930.56	**22,791.64**
Unsecured bank loan facilities :		
-amount used	27,196.76	22,864.72
-amount unused	-	-
	27,196.76	**22,864.72**

J. Fair value measurement

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

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

Notes annexed to and forming part of financial statements

Financial assets/ financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	March 31, 2019	March 31, 2018		
1) Foreign currency forward contract	-	Liabilities - ₹29.54 lakhs	Level 2	The fair valuation of the derivative instruments has been done based on forward exchange rates at the end of the reporting period received from the bank.
2) Interest rate swap contract	-	Assets - ₹0.52 lakhs	Level 2	The fair valuation of the derivative instruments has been done based on forward exchange rates at the end of the reporting period received from the bank.
3) Cross currency interest rate swap contract	Liabilities - ₹6.38 lakhs	Liabilities - ₹94.74 lakhs	Level 2	The fair valuation of the derivative instruments has been done based on forward exchange rates at the end of the reporting period received from the bank.
4) Investments in mutual fund at FVTPL	-	Assets - ₹281.23 lakhs	Level 2	Unquoted net asset value (NAV) received from mutual fund.
5) Investment in equity investment (unquoted)	-	-	Refer note (i) below	Refer note (i) below

Note:

(i) Includes investments whose fair value is Nil.

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

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

NOTE 44: Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are as under:

(All amount in ₹ Lakhs)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
Current			
First Charge			
Financial assets			
Trade Receivables	7	35,415.54	32,741.68
Non Financial assets			
Inventories	5	50,781.43	35,372.63
Total Current assets pledged as security		**86,196.97**	**68,114.31**
Non-Current			
First Charge			
Freehold Land & Buildings		9,631.58	9,223.70
Plant & Machinery and Electric Installations		30,460.24	26,257.54
Furnitures and other office equipments		449.66	419.21
Total Non-Current assets pledged as security		**40,541.48**	**35,900.45**
Total assets pledged as security		**1,26,738.45**	**1,04,014.76**

NOTE 45:

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

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

Dhiraj Kumar
Partner
Membership No. 060466

Place: Kolkata
Date: April 12, 2019

For and on behalf of the Board of Directors

Anand Sen
Chairman
DIN: 00237914

Abraham G Stephanos
Managing Director
DIN: 06618882

Swapna Nair
Chief Financial Officer

Asis Mitra
Company Secretary

Notes

Notes

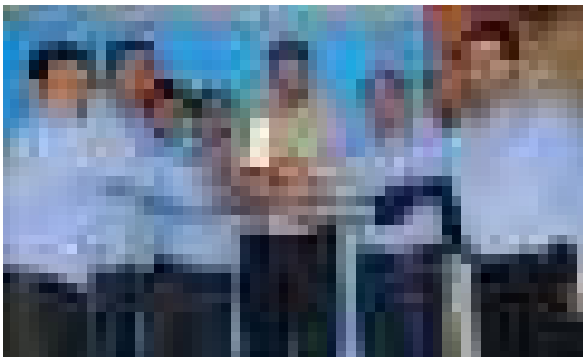
Notes

Notes

Notes

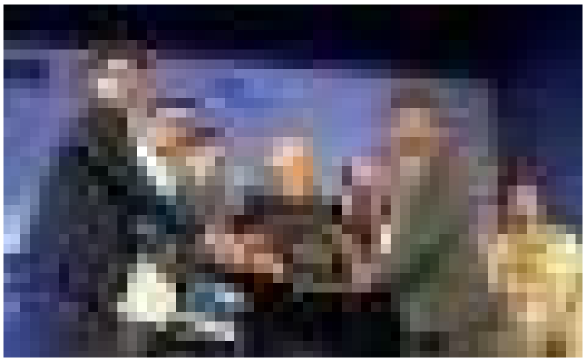
AWARDS 2018-19

TSPDL won the 1st and 3rd position in the Inter Tis-Group Companies Ethics Movie competition



TSPDL was adjudged the Best SM SPC for its best product quality in 2018

The Pune unit received the Suraksha Puraskar from National Safety Council of India in 2019



The Jamshedpur (Bara, Demag and CR) Units were rated "GreenCo Gold" in 2018 as per the GreenCo Rating System

Pune was awarded the GreenCo Gold award-2017 making it a national best

TATA STEEL PROCESSING AND DISTRIBUTION LIMITED

CIN : U27109WB1997PLC084005

Tata Centre, 43 Chowringhee Road, Kolkata 700071
Phone : (033) 6613 0600
www.tspdl.com