

SAIL REFRACTORY COMPANY LIMITED  
Balance Sheet as at 31st March, 2015

₹ in Lakhs

	Note No.	As at 31st March 2015	As at 31st March 2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders funds</b>			
(a) Share capital	1(a)	5.00	5.00
(b) Reserves and surplus	1(b)	8457.90	6629.97
<b>Non-current liabilities</b>			
(a) Long-term provisions	2	563.72	1000.50
<b>Current liabilities</b>			
(a) Trade payables	3(a)	1237.51	741.50
(b) Other current liabilities	3(b)	2083.98	2685.84
(c) Short-term provisions	3(c)	2141.51	1791.07
<b>TOTAL</b>		<b>14489.62</b>	<b>12853.88</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	4(a)	1869.37	2073.59
(ii) Capital work-in-progress	4(b)		
(b) Non-current investments			
(c) Deferred tax assets (net)		127.98	138.56
<b>Current assets</b>			
(a) Inventories	5(a)	2341.87	2099.72
(b) Trade receivables	5(b)	2225.64	2486.71
(c) Cash and Cash Equivalents	5(c)	6279.41	4607.39
(d) Short-term loans and advances	5(d)	1401.52	1272.22
(e) Other current assets	5(e)	243.83	175.69
<b>TOTAL</b>		<b>14489.62</b>	<b>12853.88</b>

**Significant Accounting Policies & Other Notes to Financial Statements (Note 13)**

Notes referred to above form an integral part of these Financial Statements.

  
(Raman)  
Director

  
(Sudhir Kumar)  
Chairman/Director

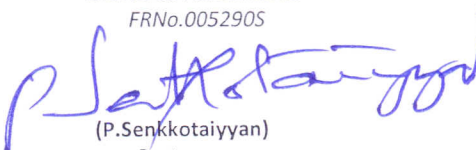
  
(D. Ghosh)  
COO

Place : Bokaro Steel City

Dated : May 18, 2015

  
(K. Balasubramanian)  
DGM(F&A)

In terms of our report  
For Sengottaiyan & Co  
Chartered Accountants  
FRNo.0052905

  
(P. Senkkotaiyyan)  
Partner

Membership No: 023897  
Dated 1<sup>st</sup> June, 2015


**SENGOTTAIYAN & CO.,**  
**CHARTERED ACCOUNTANTS**  
2/337-C, Ram Nagar,  
Meyyanur, SALEM - 636 004.

**SAIL REFRACTORY COMPANY LIMITED**  
**Statement of Profit & Loss for the year ended 31.03.2015**


₹ in Lakhs

	Note No.	Year ended 31-03-2015	Year ended 31-03-2014
<b>INCOME</b>			
Revenue from Operations	6	13278.34	13886.53
Other Income	7	537.15	420.44
Total Revenue		13815.49	14306.97
<b>EXPENSES</b>			
Cost of materials consumed	8	2751.78	2815.40
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	9	-273.73	-15.48
Employee Benefits expense	10	1113.05	1551.64
Finance Costs	11	5.86	3.80
Depreciation and Amortisation expense	4(a)	190.56	186.85
Other expenses	12	6660.04	7436.28
<b>Profit before tax</b>		10447.56	11978.49
		3367.93	2328.48
Less: Corporate Social Responsibility Expenses		30.85	
Less : Provision for taxation			
Current tax		983.96	857.93
Deferred tax		10.58	-71.75
Earlier years		-80.54	
		944.85	786.18
<b>Profit after tax carried over to balance sheet</b>		2423.08	1542.30
<b>Earnings per Share</b>			
Profit after Tax		2423.08	1542.30
Average number of Equity Shares (Face value Rs 10 each)		50000	50000
Basic & Diluted earnings per Share (Rs)		4846.16	3084.60
<b>Significant Accounting Policies &amp; Other Notes to Financial Statements (Note 13)</b>			

Notes referred to above form an integral part of these Financial Statements.

  
**(Raman)**  
 Director

  
**(Sudhir Kumar)**  
 Chairman/Director

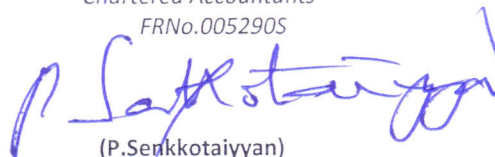
  
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**(P. Sengottaiyan)**  
 Partner

Membership No: 023897  
 Dated 1<sup>st</sup> June, 2015

**SENGOTTAIYAN & CO.,**  
**CHARTERED ACCOUNTANTS**  
 2/337-C, Ram Nagar,  
 Meyyanur, SALEM - 636 004.

Cash Flow Statement	Year ended 31-03-2015	Year ended 31-03-2014
<b>A. Cash flow from Operating Activities</b>		
Net Profit / loss ( - ) before taxation	3367.93	2328.49
Add / ( Less ) Adjustments for :		
Depreciation	190.56	186.85
Interest and Finance Charges	5.86	3.80
Provisions (net)	(413.49)	182.83
Interest Income	(470.90)	(271.88)
<b>Operating cash flow before working capital change</b>	<b>2679.96</b>	<b>2430.09</b>
Adjustments for :-		
( Increase ) / Decrease in Inventories	(253.83)	121.36
( Increase ) / Decrease in Sundry Debtors	249.38	(936.34)
( Increase ) / Decrease in Loans and Advances	(129.30)	(713.59)
( Increase ) / Decrease in Other Current Assets	(68.14)	(95.05)
Increase / ( Decrease ) in Current liabilities	(601.86)	1226.64
Increase / ( Decrease ) in Trade Payables	496.01	(5.36)
<b>Cash generated from Operations</b>	<b>2372.22</b>	<b>2027.75</b>
Direct Taxes Paid	(777.39)	(247.42)
<b>Net Cash from Operating Activities</b>	<b>1594.83</b>	<b>1780.33</b>
<b>B. Cash flow from Investing Activities</b>		
Purchase of Fixed Assets	(6.02)	(33.97)
Interest received	470.90	271.88
<b>Net Cash from / ( used in ) Investing Activities</b>	<b>464.88</b>	<b>237.91</b>
<b>C. Cash flow from Financing Activities</b>		
Proceeds from Issue of Share Capital		
Increase in Reserve & Surplus		
Corporate Social Responsibility expenses	(30.85)	
Interest and Finance Charges paid	(5.86)	(3.80)
Dividend Paid	(300.00)	0.00
Tax on Dividend	(50.98)	0.00
<b>Net Cash from / ( used in ) Financing Activities</b>	<b>(387.69)</b>	<b>(3.80)</b>
<b>Net Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>1672.02</b>	<b>2014.44</b>
<b>Cash &amp; Cash Equivalents (Opening)</b>	<b>4607.39</b>	<b>2592.94</b>
<b>Cash &amp; Cash Equivalents (Closing) *</b>	<b>6279.41</b>	<b>4607.39</b>

\* Represented by Cash &amp; Bank balances

**Notes :**


- The above Cash Flow Statement has been prepared pursuant to Clause 32 of Listing Agreement with Stock Exchanges and under the indirect method set out in Accounting Standard-3 issued by The Institute of Chartered Accountants of India.
- Figures in bracket indicate cash outflow.
- Significant Accounting Policies and Notes to Financial Statements (Note 13 ) form an integral part of the Cash Flow Statement.

  
(Raman)  
Director

Place : Bokaro Steel City

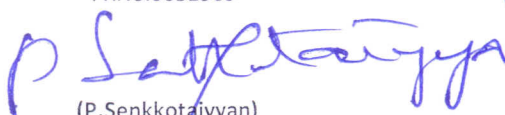
Dated: May 18, 2015

  
(Sudhir Kumar)  
Chairman/Director

  
(D. Ghosh)  
COO

In terms of our report  
For Sengottaiyan & Co  
Chartered Accountants  
FRNo.005290S

  
(K. Balasubramanian)  
DGM(F&A)

  
(P. Sengottaiyan)  
Partner

Membership No: 023897  
Dated 1<sup>st</sup> June, 2015

**SENGOTTAIYAN & CO.,**  
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2/337-C, Ram Nagar,  
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SIGNIFICANT ACCOUNTING POLICIES

**1 Basis of Accounting**

The financial statements are prepared under the historical cost convention on accrual basis of accounting, in accordance with the generally accepted accounting principles in India, and the relevant provisions of the Companies Act, 2013 including accounting standards notified there under.

**2 Use of estimates**

In preparing the financial statements in conformity with accounting principles generally accepted in India, management is required to make estimates and assumptions that affect reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of financial statements and the amounts of revenue and expenses during the reported period. Actual results could differ from those estimates. Any revision to such estimates is recognized in the period in which the same is determined.

**3 Fixed Assets**

Fixed assets are stated at cost of acquisition less depreciation.

Expenditure on development of land, including leasehold land, is capitalised as part of cost of land. Cost of Lease hold land is amortised over the period of lease.

Cost includes all identifiable expenditure including trial-run expenses, net of revenue. Mining rights are treated as intangible assets and all the related costs thereof are amortised over the period (including deemed renewal) of the lease.

Software which is not an integral part of related hardware, is treated as intangible asset and amortised over a period of five years or its licence period, whichever is less.

A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal.

Assets retired from active use and held for disposal are stated at the lower of their net book value and net realizable value and shown under "Other Current Assets".

**4 Depreciation**

Depreciation is provided on straight-line method, considering the residual value of 5% of the cost of the asset, over the useful lives of the assets, as specified in Schedule II to the Companies Act, 2013. However, where the historical cost of a depreciable asset undergoes a change, the depreciation on the revised unamortised depreciable amount is provided over the residual useful life of the asset. Depreciation on addition/deletion during the year is provided on pro-rata basis with reference to the month of addition/deletion. Assets costing upto ₹ 5000/- are fully depreciated in the year in which they are put in use.

For SENGOTTAIYAN & CO.,  
CHARTERED ACCOUNTANTS

  
(CA.P. SENKKOTAIYYAN, B.Sc., FCA.)  
PARTNER  
M.No.: 023897

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## 5 Inventories

Raw materials, stores & spares and finished/semi-finished products (including process scrap) are valued at lower of cost and net realizable value of the respective plants/units. In case of identified obsolete/ surplus/ non-moving items, necessary provision is made and charged to revenue. The net realizable value of semi-finished special products, which have realizable value at finished stage only, is estimated for the purpose of comparison with cost.

Residue products and other scrap are valued at estimated net realizable value.

The basis of determining cost is:

Raw materials - Periodical weighted average cost

Stores & spares - Moving weighted average cost

Materials in-transit - at cost

Finished/Semi-finished products - material cost plus appropriate share of labour, related overheads and duties.

## 6 Foreign Currency Transactions

The difference in translation of monetary assets and liabilities and realised gains and losses on foreign exchange transactions other than those relating to fixed assets, are recognised in the statement of profit and loss.

## 7. Employees' Benefits

Contributions towards Provident Funds are charged to the statement of Profit and Loss of the period when the contributions to the Funds are due. The provisions/liabilities towards gratuity and accrued leave are made based on the actuarial valuation as at the end of the year and charged to the statement of profit and loss after considering along with actuarial gains/losses.

## 8. Adjustments pertaining to earlier years and prepaid expenses

Income / expenditure relating to prior period and prepaid expenses, which do not exceed ₹ 10 lakhs in each case, are treated as income/expenditure of current year.

## 9. Revenue recognition

Sales include excise duty and are net of rebates and price concessions. Sales are recognized at the time of dispatch of materials to the buyers including the cases where delivery documents are endorsed in favor of the buyers.

## 10. Claims for Liquidated Damages/Price Escalation

Claims for liquidated damages are accounted for as and when these are deducted and/or considered recoverable by the Company. These are adjusted to the capital cost or recognised in statement of profit and loss, as the case may be, on final settlement.

Suppliers'/Contractors' claims for price escalation are accounted for to the extent such claims are accepted by the Company.

#### 11. Deferred Tax

The deferred tax on timing differences between book profit and taxable profit for the year is accounted for by applying the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is a reasonable certainty that the assets can be realized in future.

#### 12. Overburden Removal

The expenditure on removal of backlog of over burden is charged to revenue, based on stripping ratio as per 5 year mining plan for mines.

#### 13. Contingent Liabilities

Contingent liability is a possible obligation arising from past events, and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events but is not recognized because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Company discloses the existence of Contingent Liabilities in Financial Statements.

For SENGOTTAIYAN & CO.,  
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2/337-C, Ram Nagar,  
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Note (Forming Part of the Balance Sheet)

₹ in Lakhs

	As at 31st March 2015	As at 31st March 2014
<b>1(a): SHARE CAPITAL</b>		
Authorised 50,000 equity shares of Rs 10 each	5.00	5.00
Issued, Subscribed & Fully Paid-up 50,000 equity shares of Rs 10 each	5.00	5.00

(i) Reconciliation of equity shares at the end of the year

Particulars	Numbers	Amount (Rs lakhs)
<b>-- Equity shares with voting rights</b>		
Shares outstanding at the beginning of the year	50000	5.00
Shares Issued during the year		
Shares bought back during the year		
Shares outstanding at the end of the year	50000	5.00

(ii) All shares rank equally with regard to the repayment of capital in the event of liquidation of the company.

(iii) The Company is a wholly owned subsidiary of Steel Authority of India Ltd (a Govt of India undertaking)

(iv) Details of the shareholders holding more than 5% of the shares in the company

Name of Shareholder	No. of Shares held	% of Holding	Amount ( in lakhs)	
			As at 31-03-2015	As at 31-03-2014
Steel Authority of India Ltd	49994	99.99%	4.999	4.999

Note (Forming Part of the Balance Sheet)

₹ in Lakhs

	As at 31st March 2015		As at 31st March 2014	
<b>1 (b) : RESERVES AND SURPLUS</b>				
<b>Capital Reserve</b>				
As per last Balance Sheet	4374.95		4374.95	
Additions during the year		4374.95		4374.95
<b>General Reserve</b>				
As per last Balance Sheet	161.30		6.30	
Additions during the year	243.00	404.30	155.00	161.30
<b>Surplus/Debit balance (-) in Profit &amp; Loss Account</b>				
Balance as per last account	2093.72		1060.15	
Less: Dep. Adj. as per Co's Act 2014	19.64			
Add: Surplus/Loss(-) of Current Year	2423.08		1542.30	
Less: Proposed Dividend	480.00		300.00	
Less: Dividend Paid				
Less: Tax on Proposed Dividend	98.26		53.73	
Add: Provision of Earlier years	2.75			
Less: Transfer to General Reserve	243.00		155.00	
		3678.65		2093.72
		8457.90		6629.97

For **SENGOTTAIYAN & CO.,**  
CHARTERED ACCOUNTANTS

  
(CA, P. SENGOTTAIYAN, B.Sc., FCA.,)  
PARTNER  
M No.: 023897

**SENGOTTAIYAN & CO.,**  
CHARTERED ACCOUNTANTS  
2/337-C, Ram Nagar,  
Meyyanur, SALEM - 636 004.



Note ( Forming Part of the Balance Sheet)

₹ in Lakhs

	As at 31st March 2015		As at 31st March 2014	
<b>2: LONG TERM PROVISIONS</b>				
<u>Gratuity</u>				
Opening Balance	935.25		711.95	
Less:Paid Gratuity Trust	311.75			
Add : Provision during the year	-134.79		223.30	
		488.71		935.25
<u>Accrued Leave Liability</u>				
Opening Balance	59.47		59.26	
Add : Provision during the year	8.76		0.21	
		68.23		59.47
<u>Mines closure</u>				
Opening Balance	5.78		4.78	
Add : Provision during the year	1.00		1.00	
		6.78		5.78
<u>Others</u>				
Opening Balance			42.58	
Less: Amount utilised during the year			42.58	
		563.72		1000.50

Note ( Forming Part of the Balance Sheet)

₹ in Lakhs

	As at 31st March 2015	As at 31st March 2014
<b>3. CURRENT LIABILITIES</b>		
<b>3(a): TRADE PAYABLES</b>		
Others	1237.51	741.50
	1237.51	741.50

Note ( Forming Part of the Balance Sheet)

₹ in Lakhs

	As at 31st March 2015		As at 31st March 2014	
<b>3(b): OTHER CURRENT LIABILITIES</b>				
Income received in advance from:				
Customers	390.66		975.12	
Others		390.66		975.12
Security deposits		134.49		124.65
Credit Balance in Current Accounts with banks		1558.83		1586.07
Other payables		2083.98		2685.84

For SENGOTTAIYAN & CO.,  
CHARTERED ACCOUNTANTS

  
(CA.P. SENKOTAIYYAN, B.Sc., FCA.)  
PARTNER  
M.No.: 023897

SENGOTTAIYAN & CO.,  
CHARTERED ACCOUNTANTS,  
2/337-C, Ram Nagar,  
Meyyanur, SALEM - 636 004.

Note (Forming Part of the Balance Sheet)

₹ in Lakhs

	As at 31st March 2015		As at 31st March 2014	
<b>3(c): SHORT TERM PROVISIONS</b>				
<u>Gratuity</u>				
Opening Balance	136.56		92.71	
Add : Provision during the year	-0.69		43.85	
		135.87		136.56
<u>Accrued Leave Liability</u>				
Opening Balance	15.27		15.02	
Add : Provision during the year	0.57		0.25	
		15.84		15.27
<u>Taxation</u>				
Opening Balance	857.93		247.42	
Add : Provision during the year	983.96		857.93	
Less:Provision of Earlier Years	80.54			
Less: Amount paid during the year	777.39		247.42	
		983.96		857.93
<u>Others</u>				
Opening Balance	427.58		427.58	
Add : Provision during the year				
		427.58		427.58
<u>Proposed dividend</u>				
Opening Balance	300.00			
Add : Provision during the year	480.00		300.00	
Less: Amount utilised during the year	300.00			
		480.00		300.00
<u>Tax on Dividend</u>				
Opening Balance	53.73			
Less : Provision during the year	98.26		53.73	
Add: Provision of Earlier years	2.75			
Less: Amount utilised during the year	50.98			
		98.26		53.73
		2141.51		1791.07

**For SENGOTTAIYAN & CO.,**  
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(P. SENKKOTAIYYAN, B.Sc., FCA.)  
PARTNER

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CHARTERED ACCOUNTANTS

2/337-C, Ram Nagar,  
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Note ( Forming Part of the Balance Sheet)

4: TANGIBLE ASSETS

4: TANGIBLE ASSETS				₹ in Lakhs		
Description	GROSS BLOCK(AT COST)		DEPRECIATION / AMORTISATION		NET BLOCK	
	As on 31st March, 2014	Additions / Deductions As on 31st March, 2015	Up to 31st March, 2014	On account of Co's Act 2013 March, Re-alignment 2014	For the year	Less:On sales/ Adjustments Up to 31st March, 2015
<b>A. PLANTS,MINES&amp;OTHERS</b>						
Land(including cost of development)						
-Freehold Land	511.48	0.00				511.48
Buildings	179.54	0.00	13.19	0.91	5.96	159.48
Plant & Machinery:						166.35
-Others	1675.29	0.75	389.50	1.44	173.10	1111.96
Furniture & Fittings	10.14	0.38	0.65	0.08	0.57	9.22
Vehicles	19.91		0.06		0.03	19.82
Miscellaneous Articles	33.30	4.89	3.72	4.20	8.93	21.34
Roads,Bridges & Culverts	8.05	0.00	0.45	6.97	0.00	0.63
Water Supply & Sewerage	8.75	0.00	0.55	6.04	0.34	1.82
EDP Equipment's	11.41		1.68		0.68	9.05
Railway Lines & Sidings						9.73
Sub-total 'A'	2457.87	6.02	409.80	19.64	189.61	1844.80
<b>B. SOCIAL FACILITIES</b>						
Sub-total 'B'	27.30		1.78		0.95	24.57
Total ('A' + 'B')	27.30		1.78		0.95	24.57
Figures for the previous year	2485.17	6.02	411.58	19.64	190.56	1869.37
	2452.88	33.97	224.73		186.85	2073.59
						2073.59
						2228.15

For SENGOTTAIYAN & CO.,  
CHARTERED ACCOUNTANTS

*N. Senkottaiyan*  
(CA.P. SENKOTTAIYAN, B.Sc.(FCA.))  
PARTNER

M.No.: 023897

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Note ( Forming Part of the Balance Sheet)

₹ in Lakhs

	As at 31st March 2015		As at 31st March 2014	
<b>5(a) : INVENTORIES</b>				
<u>Stores &amp; spares</u>				
-- Production	601.06		428.32	
-- Fuel Stores	50.46		141.29	
	651.52		569.61	
Add: In-transit	15.36		25.37	
	666.88		594.98	
Less: Provision for Non Moving/Obsolete items	40.56	626.32	28.88	566.10
<u>Raw materials</u>	705.35		797.15	
		705.35		797.15
<u>Finished / Semi-finished products</u>				
-- Finished Goods	859.22		542.65	
-- Work in Progress	150.98		193.82	
-- Stock in Trade				
	1010.20	1010.20	736.47	736.47
		2341.87		2099.72
<b>5(b) : TRADE RECEIVABLES- CURRENT</b>				
Trade Receivables over six months	739.79		494.05	
Less : Provision	465.68	274.11	418.52	75.53
Trade Receivables less than six months	1951.53		2446.65	
Less : Provision		1951.53	35.47	2411.18
		2225.64		2486.71

Note ( Forming Part of the Balance Sheet)

₹ in Lakhs

	As at 31st March 2015		As at 31st March 2014
<b>Particulars</b>			
Secured,considered good			
Unsecured,considered good	2225.64		2486.71
Doubtful	465.68		453.99
	2691.32		2940.70

Note ( Forming Part of the Balance Sheet)

₹ in Lakhs

	As at 31st March 2015		As at 31st March 2014	
<b>5(c) : CASH &amp; BANK BALANCES</b>				
<b>(i) Cash and Cash Equivalents</b>				
<b>Balance with Banks</b>				
Current account	541.54		291.43	
Term Deposit with maturity upto 3 months	1141.83	1683.37	495.00	786.43
Cash and Stamps on hand		0.08		0.13
Cheques in hand		1683.45		786.56
<b>(ii) Other Bank Balances *</b>				
Term Deposit with maturity more than 3 months		4595.96		3820.83
		6279.41		4607.39
<b>* Includes</b>				
- maturity period less than 12 months	4595.96		3820.83	
- maturity period more than 12 months		4595.96		3820.83

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**For SENGOTTAIYAN & CO.,**  
 CHARTERED ACCOUNTANTS  
  
 (CA. P. SENKKOTAIYYAN, B.Sc., FCA.,)  
 PARTNER  
 M.No.: 023897

Note ( Forming Part of the Balance Sheet)

₹ in Lakhs

	As at 31st March 2015	As at 31st March 2014
<b>5(d): SHORT TERM LOANS AND ADVANCES</b>		
Other loans and advances		
Loans		
Employees	3.30	19.61
	3.30	19.61
Advances recoverable in cash or in kind or for value to be received		
Contractors & suppliers	336.31	195.69
Employees	57.74	72.98
Income tax paid in advance / recoverable		
Others	1026.18	1005.95
	1420.23	1274.62
Security Deposits		
Less : Provision for other Loans & advances	22.01	22.01
	1401.52	1272.22

Note ( Forming Part of the Balance Sheet)

₹ in Lakhs

	As at 31st March 2015	As at 31st March 2014
<b>Particulars of short term loans and advances</b>		
Secured, Considered Good		
Unsecured, Considered Good	1401.52	1272.22
Doubtful	22.01	22.01
	1423.53	1294.23

Note ( Forming Part of the Balance Sheet)

₹ in Lakhs

	As at 31st March 2015	As at 31st March 2014
<b>5(e) : OTHER CURRENT ASSETS</b>		
Interest Receivable/Accrued		
Term Deposits	196.80	101.29
Employees		
Others		
Less Provision for doubtful interest		
Others		
Assets awaiting Disposal	11.04	11.04
Claims recoverable	186.69	214.06
	394.53	326.39
Less Provision	150.70	150.70
	243.83	175.69

For **SENGOTTAIYAN & CO.,**  
CHARTERED ACCOUNTANTS

  
(CA. P. SENKKOTAIYYAN, B.Sc., FCA.,)  
PARTNER  
M.No.: 023897

**SENGOTTAIYAN & CO.,**  
CHARTERED ACCOUNTANTS

10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100

*Note ( Forming Part of the Statement of Profit and Loss )*

₹ in Lakhs

	Year ended 31-03-2015	Year ended 31-03-2014
<b>6: REVENUE FROM OPERATIONS</b>		
<b>SALE OF PRODUCTS</b>		
Domestic	14287.81	14841.58
Exports		
Sub Total (a)	14287.81	14841.58
Less : Excise duty	1029.53	964.67
	13258.28	13876.91
<b>Other Operating Revenues</b>		
Social amenities-recoveries	6.16	7.01
Sundries	13.90	2.61
Sub Total (b)	20.06	9.62
Total (a+b)	13278.34	13886.53

*Note ( Forming Part of the Statement of Profit and Loss )*

₹ in Lakhs

	Year ended 31-03-2015	Year ended 31-03-2014
<b>7: Other Income</b>		
<b>Interest income</b>		
Loans & Advances - Employees & Others		2.22
Term Deposits	470.90	269.66
	470.90	271.88
<b>Provisions no longer required written back</b>		
Others	66.25	148.56
	66.25	148.56
Total	537.15	420.44

*Note ( Forming Part of the Statement of Profit and Loss )*

₹ in Lakhs

	Year ended 31-03-2015	Year ended 31-03-2014
<b>8 : RAW MATERIALS CONSUMED</b>		
Others		
Value	4762.25	4636.15
Inter Account adjustment for Raw materials	2010.47	1820.75
Total	2751.78	2815.40

*Note ( Forming Part of the Statement of Profit and Loss )*

₹ in Lakhs

	Year ended 31-03-2015	Year ended 31-03-2014
<b>9: ACCRETION(-)/DEPLETION TO INVENTORIES OF</b>		
<b>FINISHED GOODS, WORK IN PROGRESS &amp; STOCK IN TRADE</b>		
-- Finished Goods	542.65	522.01
-- Work in Progress	193.82	198.98
-- Stock in Trade		
<b>Less : Closing stock</b>		
-- Finished Goods	859.22	542.65
-- Work in Progress	150.98	193.82
-- Stock in Trade		
Less : Excise Duty on accretion(-) /Depletion to stock		
Net Accretion(-)/Depletion to stock	-273.73	-15.48

**For SENGOTTAIYAN & CO.,**  
CHARTERED ACCOUNTANTS

*P. Senkottaiyyan*  
(CA.P. SENKOTAIYYAN, B.Sc., FCA.,)  
PARTNER  
M.No.: 023897

**SENGOTTAIYAN & CO.,**  
CHARTERED ACCOUNTANTS

2/337-C, Ram Nagar,  
Meyyanur, SALEM - 636 004.



**Note ( Forming Part of the Statement of Profit and Loss )**

₹ in Lakhs

	Year ended 31-03-2015	Year ended 31-03-2014
<b>10: EMPLOYEE BENEFIT EXPENSES</b>		
Salaries & wages	889.18	942.29
Company's contribution to provident & other funds	80.70	82.54
Travel concession	12.62	8.64
Welfare expenses	112.16	108.23
Gratuity	18.39	409.94
	1113.05	1551.64

**Note ( Forming Part of the Statement of Profit and Loss )**

₹ in Lakhs

	Year ended 31-03-2015	Year ended 31-03-2014
<b>11: FINANCE COST</b>		
Interest Cost		
Bank Charges	5.86	3.80
	5.86	3.80

**Note ( Forming Part of the Statement of Profit and Loss )**

₹ in Lakhs

	Year ended 31-03-2015	Year ended 31-03-2014
<b>12: OTHER EXPENSES</b>		
Consumption of Stores & Spares Parts	851.52	967.20
Power and Fuel	2707.51	3463.75
Repairs & Maintenance -		
Buildings	0.10	
Plant & Machinery	13.62	
Others	16.12	
Freight outward	29.84	47.87
Handling expenses (Raw Materials)	398.64	395.36
Royalty and cess	736.70	1243.74
Insurance	79.57	94.68
Law charges	4.63	12.09
Postage, Telegram & Telephone	6.73	4.03
Printing & stationery	7.68	7.77
Rates & Taxes	5.07	4.86
Rent	3.50	16.12
Security expenses	4.17	5.12
Travelling expenses	149.00	106.77
Training expenses	23.09	17.33
Remuneration to Auditors	6.01	8.66
- Audit fees	1.39	1.45
Provisions		
- Stores , Spares and Sundries	59.83	62.10
Handling expenses - Finished goods	348.85	406.41
Heat Guarantee expenses	712.65	339.96
Interest on income tax		9.14
Miscellaneous	523.66	221.87
	6660.04	7436.28

**For SENGOTTAIYAN & CO.,**  
CHARTERED ACCOUNTANTS

*P. Sengottaiyan*  
(CA. P. SENKOTAIYAN, B.Sc., FCA.,)  
PARTNER

M.No.: 023897

**SENGOTTAIYAN & CO.,**  
CHARTERED ACCOUNTANTS

2/337-C, Ram Nagar,  
Meyyanur, SALEM - 636 004.

PART-A

₹.in Lakhs

OTHER INFORMATION

1. Expenditure incurred in foreign currency on account of

	Current Period	Previous Period
Raw Materials	1409.95	1724.27
Total	1409.95	1724.27

2. Income earned in foreign currency

nil nil

3. Value of imports during the period  
(Calculated on CIF basis)

Raw materials	1409.95	1724.27
Total	1409.95	1724.27

4. Value of Raw Materials and Stores & Spares consumed

RAW MATERIALS

Imported value	1733.98	1688.94
Percentage	36.41	35.43
Indigenous value	3028.27	2947.21
Percentage	63.59	63.57
Total-value	4762.25	4636.15
Percentage	100.00	100.00
Less: Inter Account Adjustment	2010.47	1820.75
	2751.78	2815.40

STORES, SPARES AND COMPONENTS

Indigenous-value	851.52	967.20
Percentage	100.00	100.00
Total-value	851.52	967.20
Percentage	100.00	100.00
Less: Inter Account Adjustment	851.52	967.20

5. SOCIAL AMENITIES

CONSUMPTION OF MEDICINES

Medical	1.30	2.52
Total	1.30	2.52

NET DEFICIT

Medical	1.30	2.52
Total	1.30	2.52

Net expenditure on Social Amenities charged to various primary revenue heads

**SENGOTTAIYAN & CO.,**  
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2/337-C, Ram Nagar,  
Meyyanur, SALEM - 636 004.

**For SENGOTTAIYAN & CO.,**  
CHARTERED ACCOUNTANTS  
*N. Sankararajan*  
(CA. P. SENKKOTAIYAN, B.Sc., FCA.)  
PARTNER  
M.No.: 023897

## SAIL REFRACTORY COMPANY LIMITED

### NOTE # 13

#### Part B: OTHER NOTES TO FINANCIAL STATEMENTS

##### 1. BACKGROUND

SAIL Refractory Co Ltd (SRCL) was incorporated on 23<sup>rd</sup> Aug 2011 as a wholly owned subsidiary of SAIL. On 16<sup>th</sup> Dec 2011, SRCL acquired the Salem Refractory Works of Burn Standard Co Ltd (BSCL) as part of the financial restructuring of BSCL approved by the Cabinet Committee on Economic Affairs.

##### 2. CONTINGENT LIABILITIES AND COMMITMENTS

Contingent liabilities not provided for:

₹ in Lakhs		
Claims against the company pending appellate/ judicial decision:		
	2014-15	2013-14
(i) Excise Duty related matters	561.60	533.42
(ii) Sales Tax related matters	768.33	768.33
Total	1301.75	1301.75

##### 3. SHORT TERM PROVISIONS - Note 3(c)

These include

- Gratuity and Leave liability payable within the next 12 months, amounting to ₹ 135.87 lakhs and ₹ 15.84 lakhs respectively, required to be disclosed as a short-term provision in conformity with the requirements of Schedule III. The company has established a separate fund for gratuity during the year 2014-15.
- Tamil Nadu Govt had levied Local Cess and Local Cess Surcharge on royalty for the period 1975 to 1991. BSCL had paid the principal amount of ₹ 224.94 Lakhs in 60 installments. The demand of ₹ 427.58 Lakhs towards interest on Local Cess & Local Cess Surcharge for the same period is pending, and has been provided for.

##### 4. TRADE RECEIVABLES - Note 5(b)

Balances with SAIL plants have been reconciled as on 31<sup>st</sup> March 2015, and confirmed balances have been carried forward. However, balances with SAIL units which, have not been confirmed by such plants have been provided for. Balances with customers other than SAIL, to the extent considered doubtful, have been fully provided for.

For **SENGOTTAIYAN & CO.,**  
CHARTERED ACCOUNTANTS  
  
(CA. P. SENKKOTAIYYAN, B.Sc., FCA.,)  
PARTNER  
M.No.: 023897

**SENGOTTAIYAN & CO.,**  
CHARTERED ACCOUNTANTS  
2/337-C, Ram Nagar,  
Meyyanur, SALEM - 636 004.



**SAIL REFRACTORY COMPANY LIMITED**

**5. OTHER CURRENT LIABILITIES - Note 3(b)**

Pending confirmation from the creditors, the balances have been taken at book value.

**6. STATEMENT OF PROFIT & LOSS**

- Power & Fuel does not include expenses for generation of power, which have been included under the primary heads of accounts.
- Details of Raw Materials consumed during the year:

₹ in lakhs

	2014-15	2013-14
Own mines materials	2188.94	2039.65
Others	2573.31	2400.41
Less: Inter account adjustments	2010.47	1820.75
<b>Total</b>	<b>2751.78</b>	<b>2619.31</b>

- For the purpose of ascertaining impairment of assets, if any, the entire plant is considered as one Cash Generating Unit. Upon review on 31<sup>st</sup> March 2015, no adjustment for impairment was required to be made.
- In accordance with AS-22 on 'Accounting for taxes on income' by the Institute of Chartered Accountants of India, net deferred tax has been accounted for as detailed below:

₹ in Lakhs

	2014-15	2013-14
<b>Deferred Tax liability</b>		
Difference between book and tax depreciation	13.76	15.08
<b>Deferred Tax Asset</b>		
Retirement Benefits	3.17	86.83
<b>Net Deferred Tax Liability</b>	<b>(-) 10.58</b>	<b>71.75</b>

- Turnover is disclosed net of Excise Duty in accordance with AS 9 on "Disclosure of Revenue from sale transactions" issued by the ICAI.

- Disclosures of provisions required by Accounting Standard AS 29:

**Mines Closure Cost** (estimated cost of mines closure provided progressively over the life of the mining lease)

	2014-15	2013-14
Opening balance	5.78	4.78
Add: provided during the year	1.00	1.00
Balance as on 31 <sup>st</sup> March	6.78	5.78

**For SENGOTTAIYAN & CO.,**  
**CHARTERED ACCOUNTANTS**  
  
**CA.P. SENGOTTAIYAN, B.Sc., FCA.,**  
**PARTNER**  
**M.No.: 023897**

**SENGOTTAIYAN & CO.,**  
**CHARTERED ACCOUNTANTS**  
 2/337-C, Ram Nagar,  
 Meyyanur, SALEM - 636 004.

## SAIL REFRACTORY COMPANY LIMITED

### 7. General

- The 1992 pay revision of the officers of Burn Standard Co Ltd was implemented on 1.1.2000 prospectively. No provision was created for the arrear amounts. An amount of ₹ 141.07 Lakhs is estimated to pertain to the officers of Salem Works. However, since SAIL has not taken over any past obligations (prior to 16<sup>th</sup> Dec 2011), no provision for this amount has been created.
- As the wage revision for non-executives of SRCL was due from 16<sup>th</sup> Dec 2013, as per Agreement an amount of ₹70.29 lakhs towards Salary & Wages has been provided and Provision for Gratuity based on actuarial valuation by considering the above said wage revision due and the net impact resulting the reversal of ₹ 135.48 lakhs.
- The Tangible Assets of ₹ 1869.37 includes ₹ 677.83 lakhs towards Land & Building transferred from BSCL on 16<sup>th</sup> December 2011. However, the title of the above assets is still remaining with BSCL as the registration of sale deed is pending.
- The company operates in only one segment.

### 8. Opening Stock, Turnover and Closing Stock

	Opening Stock		Sold		Closing Stock	
	Qty (MT)	₹ Lakhs	Qty (MT)	₹ Lakhs	Qty (MT)	₹ Lakhs
Fired Bricks	1058	316.66	12811	5365.60	2089	575.88
Mag Carbon Bricks	214	119.67	4479	4016.36	237	135.04
Calcined Products	104	14.82	6795	1828.45	479	35.88
Monolithics	341	64.48	1328	433.11	573	84.48
Others		27.02		2644.29		27.94
<b>Total</b>		<b>542.65</b>		<b>14287.81</b>		<b>859.22</b>

### 9. Defined Benefit Schemes

- Gratuity** Payable on separation @ 15 days pay for each completed year of service to eligible employees who render continuous service of 5 years or more. Maximum amount payable is ₹ 10 lakhs. The liability has been valued by actuary.
- Leave Encashment** Encashment of Paid Leave is payable on separation to eligible employees who have accumulated leave to their credit. Encashment of Paid Leave is also allowed to executives during the year, after leaving a minimum balance of 30 days. Paid leave can be encashed by non-executives without any limit.
- Provident Fund** 12% of Basic Pay and Dearness Allowance contributed to the Provident Fund Trust by the company

For SENGOTTAIYAN & CO.,  
CHARTERED ACCOUNTANTS  
  
(CA.P. SENKOTAIYYAN, B.Sc., FCA.,)  
PARTNER  
M.No.: 023897

SENGOTTAIYAN & CO.,  
CHARTERED ACCOUNTANTS  
2/337 C Ram Nagar  
Meyyanur, Salem - 636 004.

**SAIL REFRACTORY COMPANY LIMITED**

**10. Reconciliation of present value of defined benefit obligations**

₹ in lakhs

SlNo	Particulars	Gratuity	Leave Encashment
A	Present value of projected benefits at the beginning of the period	834.76	74.73
B	Service Cost	40.80	3.83
C	Interest Cost	72.37	6.21
D	Actuarial gains (-)/Losses (+)	94.69	69.45
E	Past service cost		
F	Benefits paid	129.74	70.16
G	Present value of projected benefits at the end of the period	912.88	84.06

**11. Actuarial Assumptions**

Description	31-03-2015	31-03-2014
Discount rate (per annum)	8.00%	9.00%
Salary Escalation:		
a. For executives	7%	7%
b. For non-executives	6%	6%
Mortality rate	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate
Retirement Age	58 years	58 years

**12. Expense recognized in the statement of Profit & Loss**

₹ in lakhs

	Gratuity	Leave Encashment
Current service cost	40.80	3.83
Interest cost	72.37	6.21
Net actuarial losses recognized in the period	94.69	69.45
Total expense included in "Employee Benefit Expense"	207.86	79.50

**13. Corporate Responsibility Expenses**

An amount of ₹ 30.85 lakhs has been booked towards CSR expenses which includes an amount of ₹ 22.48 lakhs towards provision. CSR expenses were spent towards social activities in rural areas such as conducting Medical Camps, Skill development for empowering women, providing sanitation facilities in Schools etc.

**14. Depreciation**

As per the transitional provisions set out in the new Co's Act 2013, an amount of ₹ 19.64 lakhs is adjusted against the retained earnings of the Company.

**For SENGOTTAIYAN & CO.,**  
CHARTERED ACCOUNTANTS

*(Signature)*  
(CA.P. SENKKOTAIYYAN, B.Sc., FCA.,)

PARTNER

M.No.: 023897

**SENGOTTAIYAN & CO.,**  
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2/337-C, Pam Nagar,  
Meyyanur, SALEM - 636 004.