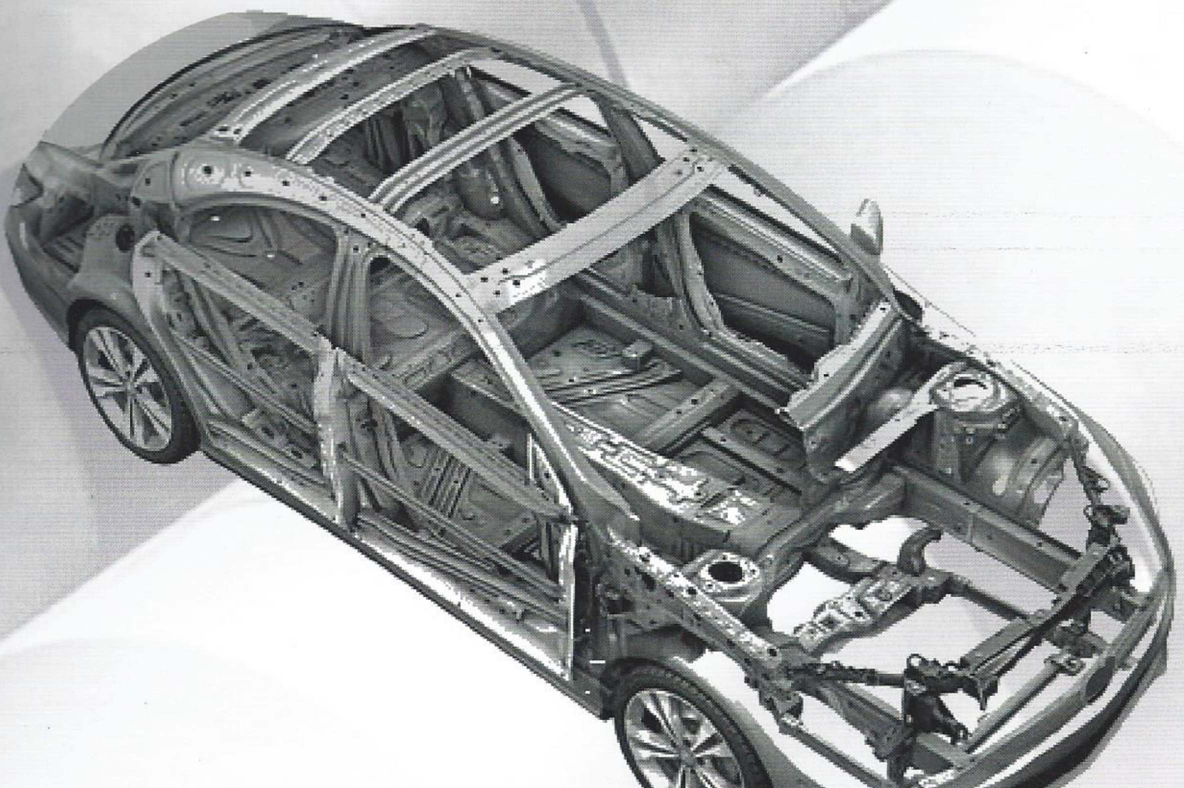
TATA STEEL

JCAPCPL

NIPPON STEEL & SUMITOMO METAL

6th ANNUAL REPORT
2016 - 17



JAMSHEDPUR CONTINUOUS ANNEALING & PROCESSING COMPANY PRIVATE LIMITED

(A Joint Venture between TATA STEEL LIMITED and NIPPON STEEL & SUMITOMO METAL CORPORATION)

ABOUT JCAPCPL

Jamshedpur Continuous Annealing & Processing Company Private Limited (JCAPCPL) is a Joint Venture between Tata Steel Limited (TSL,51%) and Nippon Steel & Sumitomo Metal Corporation (NSSMC, 49%) caters to India's growing demand for high grade Automotive CR Steels, thereby enabling Automotive OEMs to address their strategic objective of increased localization.

JCAPCPL with the state of the art manufacturing facility at Jamshedpur (inside Tata Steel Works) caters to the demand for high quality cold rolled steels of automotive OEM's and the passengers car segments.

The main advantages of CAPL over conventional batch annealing are its capability to produce advanced high strength steel thereby reducing weight of car's, uniformity of mechanical properties, better surface quality, excellent flatness and good weld-ability which are critical for subsequent manufacturing process of auto customers or auto OEMs.

About TATA STEEL LIMITED (TSL)

TATA
TATA STEEL

Established in Jamshedpur in 1907, Tata Steel, a company that took shape from the vision of Jamsetji N.Tata, is today a global business enterprise having products and services in over 150 countries. Being the world's second most geographically diversified steel producer, have operate in 26 countries, have commercial presence in over 50 countries and have employees spread across five continents. TSL is among the top global steel companies with an annual crude steel capacity of 27.5 MnTPA. TSL Group recorded a consolidated turnover of Rs.1,17,420/- crore in FY2017.

About NIPPON STEEL & SUMITOMO METAL CORPORATION (NSSMC)

NIPPON STEEL &
SUMITOMO METAL

Nippon Steel & Sumitomo Metal Corporation (NSSMC) is the world-leading integrated steel producer. NSSMC makes a wide range of value added steel products, in more than 5 countries as well as at 16 steel works in Japan. It emphasizes three business fields as key strategic areas: High Grade Steel products for Automobiles, resources and energy and civil engineering, construction and railways. The NSSMC Group employs approximately 92000 persons. NSSMC posted 4,632,890 million in net sales and 174,531 million in ordinary profit with its crude steel production of 45.17 million Tons on a consolidated basis for the fiscal year ended 31st March, 2017

Critical Milestone of JCAPCPL

2011-2012
- Ground Breaking for Plant installation Started
- Concrete Pouring Started

2012-2013
- Furnace & Equipment Erection Started
- 33KV GIS Charging Permanent Power station installed

2013-2014
- Cold Run Started
- Hot Run Started

2014-2015
- First Automotive Coil Produced
- First Coil Despatch
- Inauguration of JCAPCL plant

2015-2016
- Despatch of Automotive CRCA to major OEM's Started
- First Automotive Rail Despatch
- First Skin Pannel Production
- ISO TS Cerification
- BIS Certification

2016-2017
- First full fledged Commercial Supplies to Maruti
- ZERO PPM Supply to Toyota & Nissan
- Achieve 1,00,000 tons of Automotive Sales
- Digitization initiative through implementation of SAP HANA

Highlights

- **LTI Free**
  3 million man hours
- **Total Production**
  3,79,081 (Tons)
- **Total Deliveries**
  3,73,422 (Tons)
- **Turnover**
  675 Cr.
- **Operational EBITDA**
  70.29 Cr.
- **Total Employees**
  300+

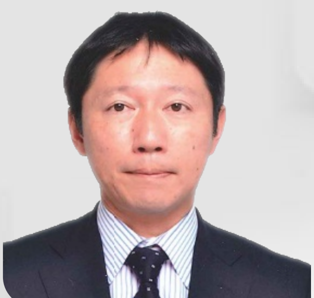
Content

Board of Directors

Mr. Hideki Ogawa

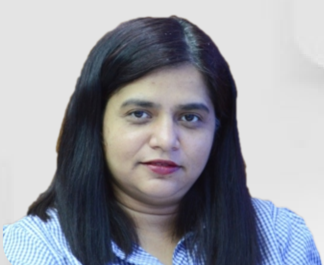
Mr. Anand Sen

Mr. Dibyendu Dutta

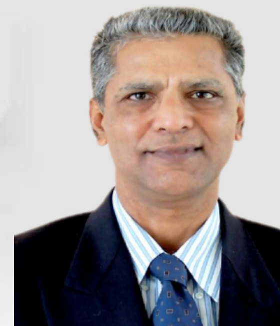


Mr. Yoshiaki Shimada

Dr. P. Venugopal



Ms. Smita Pandit Chakraborty

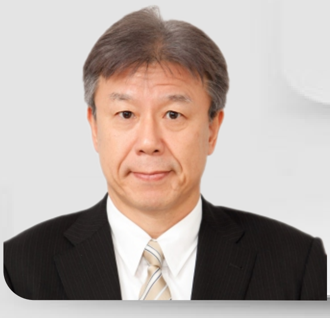


Mr. J. Ravichandran

Mr. C.V. Sastry

Management Team

Mr. C.V. Sastry
Managing Director

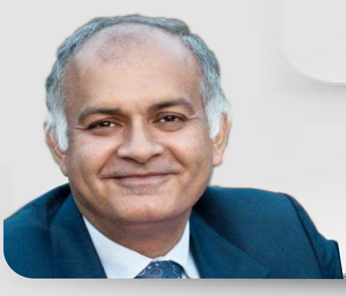


Mr. Kazuo Imanaka
Vice President & GM (QA & Tech)

Mr. Pratik Chatterjee
Chief Financial Officer

Mr. Praveen V. Thampi
GM (Production, Safety & Procurement)

Mr. Kohji Shimagami
GM (Marketing & Sales)



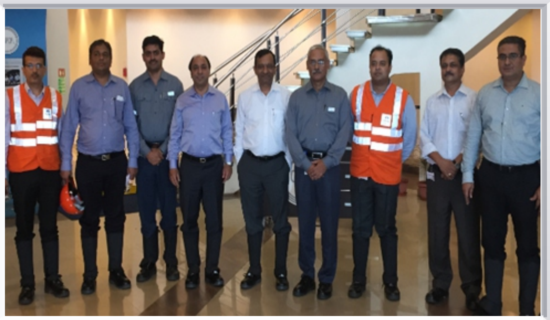
Mr. Ajay Gupta
AGM (PPSS)

Mr. Avik Chatterjee
AGM (HRM & Admin)

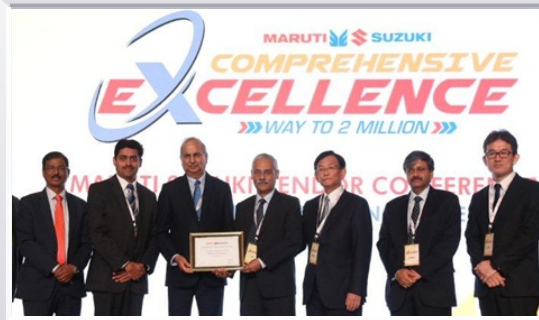
Mr. Kirit B Daxini
AGM (Electrical & Maintenance)

Stakeholders Management in FY 17

With Customers



Visit of team Mahindra & Mahindra at JCAPCPL Plant



Maruti suzuki Excellence Award for Quality

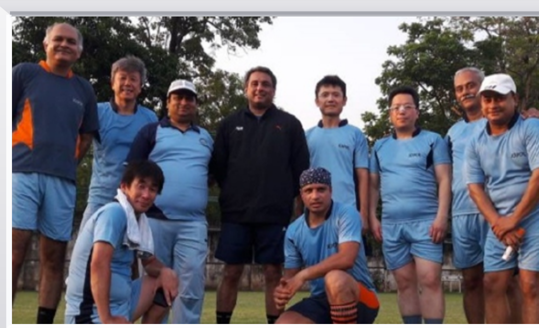
With Business Partner

Business Partner & Supplier Meet

Business Partner & Contractors Meet

With Employee

Safety training to Associate Partners Employees



Participation in TATA Cup (Football)

Stakeholders Management in FY 17

With Diversity, CSR & Safety

Mega Cleaning drive by Corporate Social Responsibility Team

Appreciation to Women employees
on the occassion of International Womens Day

Winner of Tata Group Sustainability -
"Think Smart" Award, Company Category

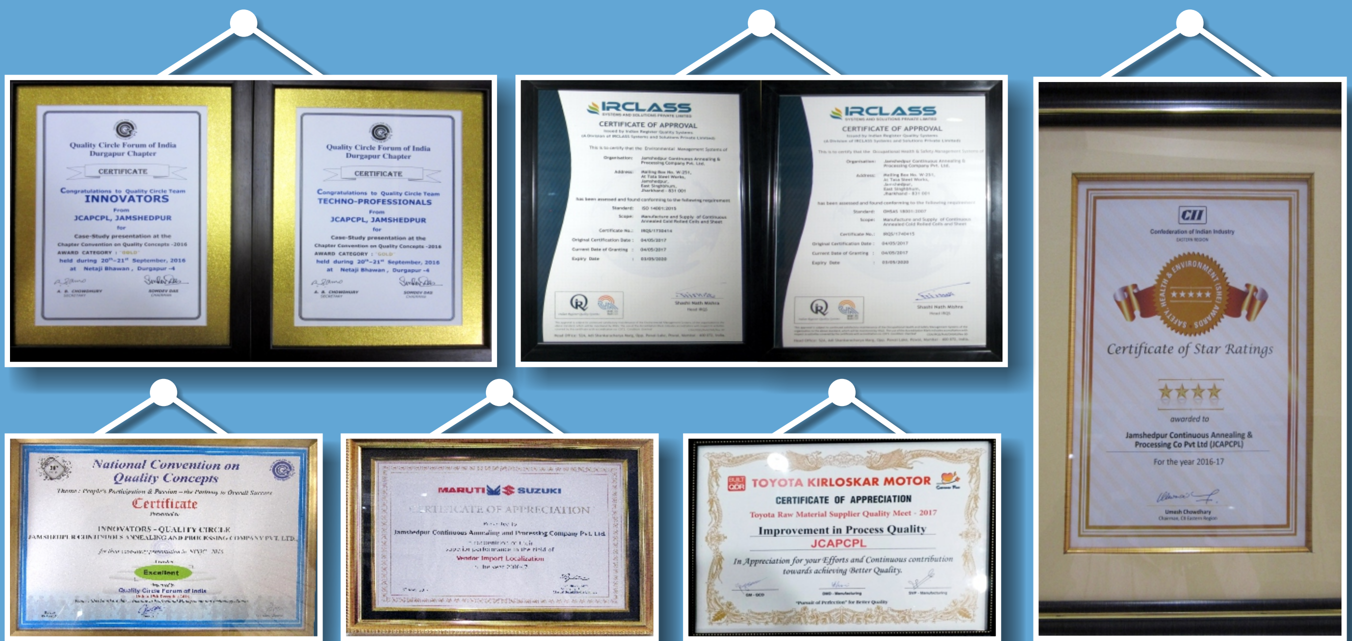
SHE Excellence Award in the Large Scale Manufacturing
category from CII Eastern Region

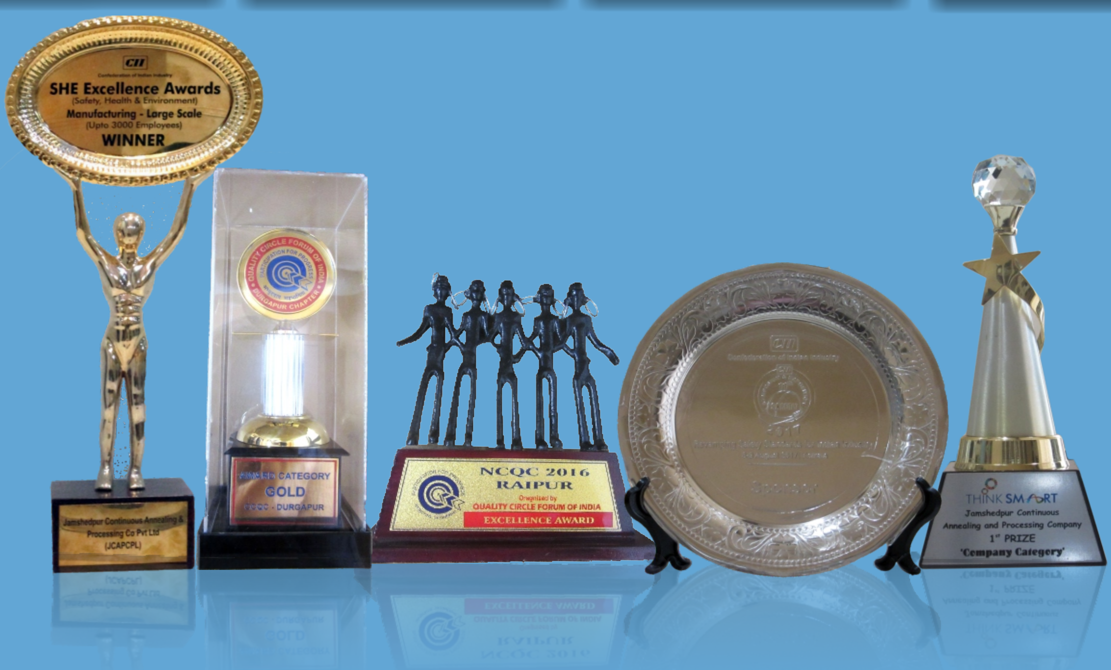
With Senior Dignatories

Japanese Ambasador, H.E. Mr. Kenji Hiramatsu & team
visited at JCAPCPL Plant

PM's trophy Team visit to JCAPCPL as part of
Tata Steel's Application

AWARDS & RECOGNITIONS





- QCFI Certificate for Kaizen Competition
- ISO 14001 : 2015, OHSAS 18001 : 2007
- Certificate of Star Rating from CII for SHE
- NCQC Certificate on Quality Circle
- Maruti Suzuki Excellence Award for Superior Performance
- Toyota Kirloskar Award for Improvement in Process Quality
- SHE Excellence Awards on Safety
- QCFI Award on Kaizen, Durgapur
- NCQC Award 2016, Raipur
- CII Excellency Appreciation Award for SHE
- Tata Group Sustainability - "Think Smart" Award

Corporate Information

Board of Directors

- Mr. Hideki Ogawa - Chairman
- Mr. Anand Sen
- Mr. Yoshiaki Shimada
- Mr. Dibyendu Dutta
- Mr. J. Ravichandran
- Dr. P. Venugopal
- Ms. Smita Pandit Chakraborty
- Mr. C.V. Sastry - Managing Director

Management Team

- Mr. C.V. Sastry - Managing Director
- Mr. Kazuo Imanaka-Vice President & GM (QA & Tech)
- Mr. Pratik Chatterjee - Chief Financial Officer
- Mr. Praveen V. Thampi - GM (Production, Safety & Procurement)
- Mr. Kohji Shimagami-GM (Marketing & Sales)
- Mr. Ajay Gupta - AGM (PPSS)
- Mr. Avik Chatterjee- AGM (HRM & Admin)
- Mr. Kirit B. Daxini - AGM (Maintenance)

Chief Financial Officer

- Mr. Pratik Chatterjee

Company Secretary

- Mr. R. Manoranjan

Bankers

- Japan Bank for International Cooperation
- MIZUHO Corporate Bank Ltd
- The Bank of Tokyo- Mitshubishi UFJ, Ltd
- ICICI Bank Ltd
- Punjab National Bank
- Kotak Mahindra Bank Ltd
- HDFC Bank Ltd
- Export - Import Bank of India
- South Indian Bank
- Tata Capital Financial Services Limited
- Aditya Birla Finance Limited

Registered Office

Tata Centre
43, Jawaharlal Nehru Road, Kolkata- 700071, West Bengal
Email: communication@jcapcpl.com
CIN: U27310WB2011PTC160845

Board Committees

Audit Committee

- Mr. Dibyendu Dutta, Chairman
- Mr. Hideki Ogawa, Member
- Mr. J. Ravichandran, Member
- Dr. P. Venugopal, Member
- Ms. Smita Pandit Chakraborty , Member

Nomination & Remuneration Committee

- Mr. Anand Sen, Chairman
- Mr. Yoshiaki Shimada, Member
- Dr. P. Venugopal, Member
- Ms. Smita Pandit Chakraborty , Member

Corporate Social Responsibility Committee

- Mr. Dibyendu Dutta, Chairman
- Mr. Yoshiaki Shimada, Member
- Dr. P. Venugopal, Member
- Mr. C.V. Sastry, Member

Statutory Auditor

- Deloitte Haskins & Sells, Chartered Accountants

Internal Auditor

- Ernst & Young LLP, Chartered Accountants

Secretarial Auditor

- Subhashish Bosu & Co., Company Secretaries

Cost Auditor

- Shome & Banerjee, Cost Accountants

Registrar & Share Transfer Agent

- TSR Darashaw Private Limited

Factory & Works

Mailing Box No. W-251, At Tata Steel Works
East Singhbhum, Jamshedpur, Jharkhand -831001
Phone no - 06576500197

Continuous Annealing and Processing Line

World Class Cold Rolled Automotive Steel in India

Chairman's Statement

Dear Shareholders,

Greetings to all of you.

It is my pleasure to present to you the Annual Report for the Financial Year ended 31st March, 2017.

In Financial Year 2016-17, the Company, having secured requisite component approvals from Automotive OEMs, has embarked upon its ramp up of commercial supplies to them and their major ancillaries leading to a fivefold increase in its sales volumes. This, along with the production on a job work basis for Tata Steel, helped the Company post an overall production of ~ 380,000T, which is a ~ 26% increase in overall production over the previous year.

Indian Automotive market has been showing good shape in its growth during the financial year and will show the same in the coming several years. The government authority taking charge of automobile industry forecasts approx. 9% to 10% growth per annum of automobile production on passenger vehicle for next 10 years, which will lead to stronger demand in automotive steel. In parallel with the volume increase, along with the introduction of more advanced norms in relation to the safety, fuel efficiency and lower emission of the vehicle, which will be implemented in next few years, the automobile industry will need more high-end steel products, such as high tensile strength steel. Considering the aforesaid movements which requires the volume and advanced products, there will be much wider field in the near future for your Company to enjoy its business in volume and with highly advanced products, by which your Company could demonstrate its advantage relying on its CAPL technology and emerge as a dominant player in the Automotive CR steel market.

Your Company will enhance its efforts and initiatives towards attaining operational and quality excellence, productivity improvement, cost reduction, delivery management and order compliance, leading to better customer centricity and enhanced business performance, as well as piling up the sales volume for Automotive field, which shall result in improved financial performance and profitability.

Safety continues to be one of the topmost priority for your Company. Your Company had completed 3 million Loss Time Injury (LTI) free man-hours until last September, which was ended due to one LTI incident in last October. Right after facing the incident, your Company had made thorough investigation of the root cause and had retrained all of the workers so as to prevent any person in the factory from accidental incident. After aforesaid incident, your Company has been keeping no LTI up until today, so that your Company was awarded Safety Health Environment Excellence in the Large Scale Manufacturing category by CII Eastern Region.

Your Company successfully completed the Certification Audit for ISO 14001:2015 and OHSAS 18001:2007 in March 2017. The external auditors gave your Company appreciation toward the keen activities and its performance for Safety and Environment.

I am confident that the management of your Company will make best endeavor to lead your Company to accomplishing its mission with earning customer confidence and enhancing its market share, to be a valuable partner to all Automotive OEM's by ensuring supplies of world class, high quality Automotive CR steel.

I would take this opportunity to express my sincere gratitude and thanks to all our customers and other stakeholders for their continued support and trust in us.

Finally, I would further like to reiterate my thanks to each and every member of our workforce and the management team for their dedication and efforts, as well as all my colleagues in the Board of Directors of the Company and the Company's Promoters, Tata Steel Limited and Nippon Steel & Sumitomo Metal Corporation, for their valuable guidance and continued support to the Company over the last year.

Yours sincerely,

Hideki Ogawa
Chairman
Kolkata, July 26th, 2017

Notice to the Members

Notice is hereby given that the Sixth Annual General Meeting of Jamshedpur Continuous Annealing & Processing Company Private Limited will be held on Wednesday 30th August, 2017 at the Registered Office of the Company at Tata Centre, 43, Jawaharlal Nehru Road, Kolkata- 700 071 at 12.30 p.m. to transact the following business:

ORDINARY BUSINESS

Item No.1 – Adoption of Financial Statements

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

Item No.2 – Appointment of a Director

To appoint a Director in place of Mr. Hideki Ogawa having DIN 07223732, who retires by rotation and being eligible offers himself, for re-appointment.

Item No.3 – Appointment of a Director

To appoint a Director in place of Mr. Yoshiaki Shimada having DIN 07485422, who retires by rotation and being eligible, offers himself, for re-appointment.

Item No.4 – Appointment of Statutory Auditors

To appoint Price Waterhouse & Co Chartered Accountants LLP as the Statutory Auditors of the Company and to fix their remuneration and for the purpose, to consider and if thought fit, to pass with or without modification(s) the following resolutions as an Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment(s), thereof for the time being in force , M/s. Price Waterhouse & Co Chartered Accountants LLP (Firm Registration No. 304026E/E-300009), be and are hereby appointed as the Statutory Auditors of the Company (in place of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, the retiring Auditors) for a term of five years commencing from the conclusion of the 6th Annual General Meeting of the Company to be held in FY 17-18, till the conclusion of the 11th Annual General Meeting to be held in FY 22-23 (subject to ratification of their appointment by the Members at every Annual General Meeting held after this Annual General Meeting) on such remuneration plus applicable Taxes, out of pocket expenses etc. as may be mutually agreed upon by the Board of Directors and the Auditors.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its committees thereof) be and is hereby authorized to do all acts and take all such steps as may be considered necessary, proper or expedient to give effect to this resolutions."

SPECIAL BUSINESS

Item No. 5 – Ratification of Remuneration to Cost Auditor

To consider and if thought fit, to pass with or without modification, the following resolutions as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the Company hereby ratifies and confirms the remuneration of Rs. 1.50 lakhs (Rupees One Lakh Fifty Thousand Only) plus applicable Taxes and out-of-pocket expenses incurred in connection with the Cost Audit, payable to M/s. Shome & Banerjee Cost Accountants, Kolkata, Firm Registration No. 000001, appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the year 16-17.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committees thereof) be and is hereby authorized to do all acts and take all such steps as may be considered necessary, proper or expedient to give effect to this Resolution."

By Order of the Board of Directors

C V Sastrty
Managing Director
(DIN : 03434562)

26th July, 2017

Registered Office:
Tata Centre, 43, Jawaharlal Nehru Road
Kolkata – 700 071
CIN: U27310WB2011PTC160845

Notes :

1. The respective Explanatory Statements, pursuant to Section 102 of the Companies Act, 2013, in respect of the business under Item Nos. 4 to 5 of the accompanying Notice are annexed hereto.

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE (ON A POLL ONLY) INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.

3. Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from 24th August, 2017 to 30th August, 2017 (both days inclusive).

4. Members are requested to notify immediately any change in their registered address and signature updating for the shares held in certificate form to the Company at its Registered Office or to its Registrars and Share Transfer Agents, TSR Darashaw Pvt. Ltd at 6-10 Haji Moosa Patrawala Industrial Estate, 20 Dr E. Moses Road, Mahalaxmi, Mumbai 400 011 and to the respective Depository Participants in case of shares held in electronic mode. They are requested to quote their registered folio number in all their correspondences.

5. MEMBERS DESIROUS OF ANY INFORMATION ON THE ACCOUNTS AT THE MEETING ARE REQUESTED TO SEND THEIR QUERIES AT LEAST 10 DAYS BEFORE THE MEETING TO THE FINANCE DEPARTMENT AT THE COMPANY'S CORRESPONDENCE ADDRESS AT JAMSHEDPUR.

6. MEMBER/PROXY HOLDER MUST BRING THE ATTENDANCE SLIP TO THE MEETING AND HAND IT OVER AT THE ENTRACE DULY SIGNED.

By Order of the Board of Directors

C. V. Sastry
Managing Director
(DIN : 03434562)

26th July , 2017

Registered Office:
Tata Centre, 43, Jawaharlal Nehru Road,
Kolkata – 700 071
CIN: U27310WB2011PTC160845

Explanatory Statement

(Pursuant to Section 102 of the Companies Act, 2013)

As required by Section 102 of the Companies Act, 2013, the following explanatory statements set out all material facts relating to business mentioned under Item Nos. 4 and Item No. 5 of the accompanying Notice dated 26th July , 2017.

Item No. 4

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

Pursuant to the provisions of Section 139 of the Act read with applicable Rules framed thereunder, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, the present Auditors of the Company complete their term as Auditors.

In view of the above, M/s. Price Waterhouse & Co Chartered Accountants LLP (Firm Registration No. 304026E/E-300009), have been appointed as Auditors of the Company for a term of five years commencing from the conclusion of the 6th Annual General Meeting of the Company to be held in FY 17-18, till the conclusion of the 11th Annual General Meeting to be held in FY 22-23 subject to ratification of their appointment by the Members at every Annual General Meeting on a remuneration plus applicable Taxes, out-of-pocket expenses, etc. incurred in connection with the Audit as may be decided by the Board of Directors in consultation with the Auditors.

The Board accordingly recommends the resolution set out at Item No. 4 of the accompanying notice for the approval of the Members.

None of the Directors and Key Managerial Personnel and their relatives are concerned or interested in the resolution mentioned at Item No. 4 of the notice.

Item No. 5

The Company is required have its cost records audited by a Cost Accountant in practice. Accordingly, the Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment of M/s Shome & Banerjee, Cost Accountants, Firm Registration No. 000001, as Cost Auditors of the Company for conducting the audit of the cost records of the Company for the FY 16-17 at a remuneration of Rs. 1.50 lakhs (Rupees One Lakh Fifty Thousand Only) plus payment of applicable taxes and reimbursement of out-of-pocket expenses incurred by the Cost Auditors in connection with the aforesaid cost audit.

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, Members of a Company are required to ratify the remuneration to be paid to the cost auditors of the Company. Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for conducting the audit of the cost records of the Company for the year 2016-17.

The Board accordingly recommends the resolution set out at Item No. 5 of the accompanying notice for the approval of the Members.

None of the Directors and Key Managerial Personnel and their relatives are concerned or interested in the resolution mentioned at Item No. 5 of the notice.

26th July , 2017

By Order of the Board of Directors

C. V. Sastry
Managing Director
(DIN : 03434562)

Registered Office:
Tata Centre, 43, Jawaharlal Nehru Road,
Kolkata – 700 071
CIN: U27310WB2011PTC160845

Directors' Report

Dear Members,

Your Directors have pleasure in presenting the 6th Annual Report of your Company along with the Audited Financial Statements for the financial year ended 31st March, 2017

A. FINANCIAL RESULTS

The financial performance of your Company for the Financial Year ended 31st March , 2017 is summarised below:

(Rs. in Lakh)

Statement of Profit & Loss

Particulars	2016-17	2015-16
Total Income	**67,500.13**	21,025.18
Operating cost other than Depreciation & Finance costs	**61,481.92**	19,528.43
Earnings before Interest, Tax & Depreciation/Amortisation (EBITDA)	**6018.21**	1,496.75
Depreciation/Amortisation	**11,419.10**	11,395.85
Finance Charge	**14,566.02**	12,991.55
Profit/ (Loss) Before Tax	**(19,966.91)**	(22,890.65)
Taxes	**-**	-
Profit/ (Loss) After Tax	**(19,966.91)**	(22,890.65)
Other Comprehensive Income	**(23.55)**	10.13
Total Comprehensive Income	**(19,990.46)**	(22,880.52)
Dividend	**-**	-
Balance brought forward from Previous Year	**(26,013.13)**	(3,132.61)
Balance carried to Balance Sheet	**(46,003.59)**	(26,013.13)

Balance Sheet

Particulars	As at 31st March, 2017	As at 31st March, 2016
Equity and Liabilities		
Shareholders' Fund:		
(a) Share Capital	**93,200.00**	93,200.00
(b) Reserves & Surplus	**(46,003.59)**	(26,013.13)
Sub Total	**47,196.41**	67,186.87
Non-Current Liabilities	**1,54,253.19**	1,52,641.50
Current Liabilities	**43,320.34**	30,388.09
Total	**2,44,769.94**	2,50,216.46
Assets		
Non-Current Assets	**2,15,357.07**	2,29,740.03
Current Assets	**29,412.87**	20,476.43
Total	**2,44,769.94**	2,50,216.46

Dividend:

No profit was generated for recommendation of dividend for the financial year ending 31st March, 2017

B. EXTERNAL ENVIORNMENT:

ECONOMIC OUTLOOK:

The International Monetary Fund has projected world economic growth to rise from 3.1% in 2016 to 3.5% in 2017. Stronger activity, expectations of more robust global demand, reduced deflationary pressures, and optimistic financial markets are all upside developments. However, structural impediments to a stronger recovery and a balance of risks that remain tilted to the downside, especially over the medium term, remain important challenges. The Indian economy is growing strongly and remains a bright spot in the global landscape.

The Indian economy witnessed a Real GDP growth of 7.1% vis a vis 7.9% in 2015-16. The economic and operating environment slightly slowed down in the second half of the year, with the temporary currency liquidity issue caused by demonetization impact. Despite this, the Indian economy continues to be the fastest growing major economy in the world. During 2016-17 the Fiscal Deficit is estimated to be contained within target at 3.5% of GDP (against 3.9% in 2015-16) supplemented with increased tax collections along with the Current Account Deficit, which is also well contained within 1.0% of GDP in spite of an increase in oil prices during the year. Wholesale Price Index (WPI) for 2016-17 stood at 1.7% compared to a decline of 3.7% in 2015-16, mainly due to low fuel and commodity prices. Consumer Price Index (CPI) for 2016-17 declined to 4.5% against 4.9% in 2015-16 with Core CPI remaining stable at 4.7% in 2016-17 (4.6% in 2015-16), all of which indicate the robust and stable growth of the Indian Economy.

The proposed implementation of the Goods and Services Tax (GST), with effect from 1st July 2017, is further expected to accelerate and provide a stimulus to the economic growth in the long run by simplifying the tax structure, enhancing tax compliance and tax revenues

INDUSTRY OUTLOOK:

The production and sales in Passenger Vehicle segment grew by 9.4% and 9.2% respectively in FY17 and domestic sales recorded over 3 million units for the first time.

Both, domestic sales and exports increased by 9.2% and 16.2% respectively. Utility Vehicle (UV) production is continuously expanding rapidly by 26.3%. For FY18, the PV industry is expected to grow by 7-9% with good macro-economic sentiments.

BS-IV emission norm came into full effect from April 2017 and BS-VI will be introduced from 2020.

Stringent safety regulations and emission standards will increase the demand for high strength steels such as 590MPa, 780 MPa and 980 MPa, in new models launched from 2018 onwards.

In domestic sales, Maruti Suzuki, Renault Nissan, Tata Motors, Ford, Volkswagen and Toyota increased their market share. Maruti Suzuki achieved a share of over 47%. On the other hand, the respective market shares of Honda Cars, Hyundai Motor and Mahindra & Mahindra reduced in FY17.

C. OPERATIONS AND PERFORMANCE:

Operations :

The Company with valued support from its Promoters – Tata Steel and Nippon Steel & Sumitomo Metal Corporation, has made a major headway in strengthening its relationship with all Automotive OEM's and its ancillaries through supplies of high quality Automotive CR in its second full year of commercial operations.

During FY 17, the Company, attained a capacity utilisation of around 66%, out of which ~136, 000 T was Automotive CR with a prime yield of ~86%. Highest ever skin panel CR production of 6,126T was achieved in December 2016. Tolling prime yield continues to be high at 99.5%, with almost no complaints from customers.

The overall sale volumes increased from levels of around 25,000T in FY 16 to ~125,000T in FY 17. The Company started commercial supplies to almost all major Automotive OEM's in India, including their ancillaries. CAPL equipment capability to produce Dual Phase (DP) 780MPa, 980 Mpa CR has been almost established through limited trails.

For its manufacture of Non-Automotive CR on Tolling basis from Tata Steel (TSL), the Company received an overwhelming response for its products due to superior product quality. 'Steelium Neo', TSL's brand name for Non-Automotive CR produced by the Company, has established a strong brand identity and market presence. The total despatches of Non-Automotive CR in FY17 were around 255,000T.

Even with constraints, Recoiling Lines (RCLs) have performed well, though RCL productivity continues to be the focus for improvements in FY18. Skin panel supplies were done without any issues to key customers like Maruti Suzuki, Renault – Nissan for their import substitution parts.

Several cross functional projects were also taken up for quality improvement during the year and these yielded very good results. Customers have appreciated the consistent quality of the Company's products.

In FY 2016-17, the Company posted a revenue of Rs 67,500.13 Lakh, and an EBITDA of Rs 6,018.21 Lakh (Operational EBITDA, without impact of Mark to Market losses for its Derivatives was Rs 7,022.04 Lakh) as against a revenue of Rs. 21,025.18 Lakh and EBITDA of Rs.1,496.75 Lakh for 2015-16 (Operational EBITDA, without impact of Mark to Market gain for its Derivatives was Rs 1,279.93 Lakh). The performance was also supplemented with several cost saving activities made by the Company, which helped it to optimize and control its costs, thereby enhancing its profitability. However, due to significant finance cost of Rs 14,566.02 Lakh and depreciation charge of Rs 11,419.10 Lakh, the Company posted a net loss of Rs 19,966.91 Lakh for the financial year 2016-17, as against a net loss of Rs 22,890.65 Lakh for 2015-16.

Finance & Accounts :

The Company transitioned to Ind AS accounting regime for its Financial Statements for the year ending 31st March 2017 with Opening Ind AS complied Balance Sheet as on 1st April, 2015. The first Financial Statements under Ind AS were prepared for the year ending 31st March, 2017.

The Company maintained its Credit Rating for its Long Term loans. All scheduled financial commitments to Banks were met on time.

The Company, through its concerted efforts, was able to set up processes and controls for effective Working Capital Management and Cash Management, which has helped the Company to optimise its Working Capital and enhance operational liquidity. To further optimise its cost of Working Capital borrowings, the Company, in addition to its secured lines of Working Capital, has also obtained unsecured Working Capital lines of Credit from various Banks to fund its Working Capital requirements. It has also obtained a Credit rating of A1+ for its Working Capital and Commercial Paper programme from CARE and ICRA respectively, which enabled the Company to successfully initiate its Working Capital borrowings through the Commercial Paper programme, at rates substantially lower than the Marginal Cost of Lending Rate of Banks.

Safety & Environment:

The Company has adopted "Safety First, Quality Must" as its work philosophy and culture. Safety continues to be at the forefront of all the Company's activities. The Company has undergone Third Party Safety Audit conducted by National Safety Council and they gave their recommendations. An internal assessment was also conducted by all Managers for one full day, wherein gaps with respect to TSHMS principles & requirements were identified.

Felt Leadership training was imparted to Managers in programmes conducted by TSL. The Company will continue to nominate its Managers to this training, as & when these are organised at TSL

The Company completed operations without any Lost Time Injury (LTI) incident for past 24 months. However, this excellent Safety journey of ~ 3 Million LTI free man-hours was ended on 17th October 2016, when a contract worker of M/S Signode India Limited suffered an accident while trying to cross the coil car area, when he slipped, and seriously injured his right foot. Production across the Company was stopped and mass communication was held along with all employees and contractors to reiterate the importance of adhering to SOP's and jointly re-commit to safe working practice.

Safety trainings on various aspects were imparted to employees and contractors as per the plan for the year. Zero tolerance on Safety continues to be practiced and regular communication sessions, hazard hunts, audits, etc., are being conducted to proactively ensure Safety. Line walks by Senior Leadership have helped resolve issues faster.

Monthly reward and recognition of employees has helped promote individual responsibility and contribution towards Safety.

Annual Safety & Environmental campaigns, National Safety Week, World Environment Day, National Road Safety Week, and World Health Day etc. were undertaken to create awareness among employees.

Information Technology and Digitisation :

During FY 2016-17, the Company embarked upon its Digitisation initiatives with the following objectives:

- Make available to its users hardware & software that would support analytics
- Improve the Company's system of data storage, retrieval, analytics of transactional data at the same time ensuring compliance and statutory requirements
- Improve productivity of users and employees

The Company runs its entire business on SAP platform. To augment the functionalities in SAP in line with the changed business requirements, the Company implemented the following major SAP Financial Transformational projects:

- Migration from TAXINJ to TAXINN structure of tax, thereby reducing tax codes and reconciliation. This was also a prerequisite to GST implementation which was being rolled out by the Government of India
- New GL implementation for enhanced financial reporting

The Company migrated its SAP data base from SAP ECC to SAP S/4 HANA. SAP hardware platform was also enhanced for the new in-memory of HANA database. Application migration is scheduled in 2017-18 to complete the S/4HANA project.

Achievements:

The Company had completed 3 million LTI free man-hours till September, FY'17. However, there was one LTI recorded in October'16. Since then, with renewed efforts to ensure a safe workplace, the Company achieved an LTI free H2/FY17.

The Company successfully completed the Certification Audit for ISO 14001:2015 and OHSAS 18001:2007 in March'17 without any Non-conformity. The External auditors gave a very positive feedback to the team and appreciated the enthusiasm and passion for Safety and Environment.

During the year under review, the Company was recognised for Safety Excellence by CII, Eastern Region, SHE Committee and had received SHE Excellence Award in the Large Scale Manufacturing category from CII Eastern Region

The Company won the Tata Group Sustainability award in the Think Smart award category.

Two Quality Circle teams were recognised at Regional & National levels and have been invited to participate at the International Quality Conference to be held in mid- 2017.

The Company was recognised by Tata Sustainability Group as the winner in the “Company Initiatives” category. 100 nos. Kaizen projects were implemented in the areas of Quality, Safety, Health and Environment & Cost.

Key Challenges going forward:

The Company must resume its 'Safe' journey and extend it beyond 3 million LTI free man hours as its topmost priority.

The Company faces the key challenges for increasing the sales volume for Automotive CR by expediting the component approval, seeking rapid ramp-up for reducing cycle time from component approval to commercial orders, and acquiring higher share of business from new models. As well as OEM business as above, the Company needs seek more business opportunity for the Ancillaries field.

Further, the Company is required to pursue more stable production under the circumstances of higher manufacturing volume for Automotive CR, while seeking further improvement in its productivity, yield ratio, the capability of quality assurance, and the delivery performance to the customers, all of which would lead the Company to the dominant position in the market in cost competitiveness and customer satisfaction.

Lastly, The Company needs to also manage its Working Capital very well, which will enable it to optimise its liquidity position. The Company must maintain operational efficiency and overall yield while ramping up Automotive CR production.

D. HUMAN RESOURCES MANAGEMENT:

The Company recognizes that a talented and engaged workforce is the root of its competitive advantage. The Company believes that it must continue to invest in developing and retaining key talent to drive innovation and efficiency within the business. The Human Resource Department's processes and initiatives are aligned to meet these objectives and promote a culture of maintaining happy, healthy and motivated workforces.

Key employee requirements and expectations are tied to the four areas that contribute to engagement and satisfaction: (i) Basic Needs, (ii) Management Support, (iii) Team Work & (iv) Role Connect. The relationship with employees across categories has been cordial and harmonious. Our culture is shaped by our values which lay emphasis on Safety, Quality, Customer Centricity, Continuous improvement and excellence. The

Company has made steady progress in improving the gender balance across all functions. This has been achieved in a systematic manner through leadership commitment, balanced hiring practices, enabling infrastructure, gender sensitivity, and much more. We have also built an inclusive work culture to drive diversity in the shop floor and also amongst our outsourced employees.

The Company believes that employee engagement is a key factor that drives performance. The Company had engaged Consultants to carry out its first Employee Engagement survey for its Officers, to assess their engagement levels and identify the pulse of the workforce. The Company's Employee Engagement score was at 72.2%, signifying an "Engaged Workforce". With a view to building employee involvement in the organization, the Company organized various Health & Safety awareness programmes, Sports events, Community Development, Quality Circles, and fun at work activities.

The workers of the Company formed a Union in FY 2016-17. Union Committees will be setup for taking care of the Union related activities. Healthy and harmonious Industrial Relations continued between Management and Union.

Particulars of Employees

The statement of particulars of employees as required under section 197 of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given below:

Name	Age	Designation	Gross Remuneration (Rs in Lakh)	Qualification	Total Experience	Date of employment	Last employment held
C.V. Sastry	53 years	Managing Director	95.46	BE (Metallurgy), PGDBM (XLRI)	32 years	16.08.12	Chief (CAPL-JV), Tata Steel Limited

i. Gross remuneration comprised Salary, Allowances, Monetary value of Perquisites, House rent allowance, Leave travel allowance, Medical allowance, Performance linked incentive and Company's contribution to the Provident and Superannuation funds.

ii. The agreement with the Managing Director is contractual in nature.

E. CORPORATE SOCIAL RESPONSIBILITY:

The Board of Directors has constituted "Corporate Social Responsibility Committee" (CSR) as required under Section 135 of the Companies Act, 2013. The Committee is primarily responsible for formulating and recommending to the Board of Directors a Corporate Social Responsibility (CSR) Policy and monitoring the same from time to time, amount of expenditure to be incurred on the activities pertaining to CSR and monitoring CSR Projects. The Company has also adopted a CSR Policy.

In the absence of profits, the Company did not have a formal CSR plan for the year ending 31st March, 2017. However, as a part of Volunteering, the Company's employees formed a CSR Club to encourage employee participation in various CSR projects and carried out few activities during FY 17 at Jamshedpur.

F. CORPORATE GOVERNANCE:

The Company's philosophy on code of Corporate Governance is to observe the highest level of ethics in all its dealings to ensure the efficient conduct of its affairs. The Company follows good Corporate Governance practices with highest level of transparency, fairness, independence, accountability, responsibility, integrity and ethics. This has resulted in provision of quality product and services to the Customers and, consequently, healthy growth of business, strengthening of Management and Decision making process, effective functioning of Board of Directors in a professionally sound and competent manner and enhancement of long term economic value of Shareholders.

The Committees constituted by the Board of Directors viz. (i) Audit Committee, (ii) Nomination and Remuneration Committee have functioned effectively during the year under review.

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

Board of Directors

(a) Composition

The Board meets at regular intervals. Policy formulation, evaluation of performance and control functions vest with the Board. During the Financial Year ended 31st March, 2017, six Board Meetings were held.

Your Board comprises of 8 (Eight) Directors, 4 (Four) of whom are Non-Independent, Non-Executive Directors, 3 (Three) are Independent, Non-Executive Directors (including one woman Director) and 1 (one) is Executive Director. The details as on 31st March, 2017 are tabled below.

No.	Name of the Director	Designation/ status	Category
1	Mr. Hideki Ogawa	Chairman	Non-Independent, Non-Executive Director
2	Mr. Anand Sen	Director	Non-Independent, Non-Executive Director
3	Mr. Dibyendu Dutta	Director	Non-Independent, Non-Executive Director
4	Mr. Yoshiaki Shimada #	Director	Non-Independent, Non-Executive Director
5	Mr. J. Ravichandran	Director	Independent, Non-Executive Director
6	Dr. P. Venugopal	Director	Independent, Non-Executive Director
7	Ms. Smita P. Chakraborty	Director	Independent, Non-Executive Director
8	Mr. C. V. Sastry	Managing Director	Executive Director

Mr. Yoshiaki Shimada [DIN: 07485422], who was appointed as an additional Director (Non-Independent, Non-Executive Director) at the Board Meeting held on 27th April, 2016, was regularised as Director at the Annual General Meeting held on 22nd July, 2016.

(b) Directors to retire by rotation

In accordance with the provisions of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mr. Hideki Ogawa and Mr. Yoshiaki Shimada Non-executive Director retire by rotation at the ensuing Annual General Meeting and being eligible, seek re-appointment. Your Board of Directors recommends their reappointment.

(c) Independent and Non-Executive Directors

The Act requires that the Non-Executive Directors, including Independent Directors, be appointed 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 Rules made thereunder.

Whenever new Non-executive and Independent Directors are inducted in the Board they are introduced to the Company's culture through appropriate orientation session and are also appraised about the business, the organization structure, Board procedures, major risks and Management strategy.

In compliance with Section 149(7) of the Act all Independent Directors have given declaration that they meet the criteria of independence as laid down under Section 149(6) of the Act.

The Independent Directors of the Company had met during the year on 30th March, 2017 to review the performance of non- Independent Directors, Chairperson of the Company and the Board as a whole. They had assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board.

(d) Shareholder Notices

None of the Directors of your Company are disqualified under section 164(2) of the Companies Act, 2013

(e) Board Evaluation

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

The process and criteria for annual performance evaluation of the Board, its Committees and individual Directors had been laid down by the Nomination and Remuneration Committee and the Board of Directors of the Company. In compliance with the relevant provisions of the Act, the evaluation of the Board, its Committees and that of its individual Directors has been carried out during the year, through circulation of detailed questionnaires to the Directors and feedback received thereon.

The evaluation process covered the aspects which included participation in the long term strategic planning, contribution to and monitoring of corporate governance practices and the fulfilment of Directors' obligation and fiduciary responsibilities, including but not limited to, active participation at the Board and Committee meetings.

The Nomination and Remuneration Committee at its meeting reviewed the performance of the Board as a whole and that of the individual Directors. The Independent Directors at their meeting, reviewed the performance of Board, Chairman of the Board and of Non-Executive Directors.

The Board at its meeting reviewed the performance of the Board as a whole, its Committees and individual Directors, taking into account feedback of the Nomination and Remuneration Committee and the Independent Directors which included the evaluation of the Chairman and Non- Independent Directors of the Company.

(f) Familiarisation Programme for Independent Directors

Presentations are made by Senior Management to all Independent Directors inducted into the Board, giving an overview of the Company's operations, key policies and business processes, customers, and product portfolio. In this regard, the Board has also approved the Policy on familiarization and continuing education program for Independent Directors of the Company.

(g) Green Initiative

Pursuant to Sections 101 and 136 of the Act read with Companies (Management and Administration) Rules, 2014 and Companies (Accounts) Rules, 2014, the Company can send Notice of Annual General Meeting, financial statements and other communication in electronic forms. Your Company is sending the Annual Report for the Financial Year 2016-17 including the Notice of Annual General Meeting, audited Financial Statements, Directors' Report along with their Annexures etc. in the electronic mode to the Shareholders.

Disclosure and Composition of the Committees of the Board

The details of the Committees constituted by the Board of Directors are as follows:

(a) Audit Committee

The Company has an Audit Committee of the Board consisting of five (5) Non-Executive Directors, of whom three (3) are Independent, Non-Executive Directors. The Chairman of the Audit Committee is a Non-Independent, Non-Executive Director. The Audit Committee met six times during the financial year ended 31st March, 2017

The composition of the Audit Committee as on 31st March, 2017 is as below:

Sl No.	Name of the Director	Status	Category
1.	Mr. Dibyendu Dutta	Chairman	Non-Independent ,Non-Executive Director
2.	Mr. Hideki Ogawa	Member	Non-Independent, Non-Executive Director
3.	Ms. Smita P. Chakraborty	Member	Independent, Non -Executive Director
4.	Mr. J. Ravichandran	Member	Independent, Non -Executive Director
5.	Dr. P . Venugopal	Member	Independent ,Non -Executive Director

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

(b) Nomination & Remuneration Committee

The Nomination and Remuneration Committee of the Board of Directors as required u/s 178 of the Companies Act, 2013 has been constituted and it comprises four (4) Non-Executive Directors, of which two (2) are Independent Directors. The Chairman of the Nomination & Remuneration Committee is a Non-Independent, Non-Executive Director.

The composition of the Nomination & Remuneration Committee as on 31st March, 2017 is as below:

Sl No.	Name of Member	Status	Category
1.	Mr. Anand Sen	Chairman	Non-Independent, Non-Executive Director
2.	Mr. Yoshiaki Shimada	Member	Non-Independent, Non-Executive Director
3.	Dr. P. Venugopal	Member	Independent, Non-Executive Director
4.	Ms. Smita P. Chakraborty	Member	Independent, Non-Executive Director

The Nomination and Remuneration Committee met three times during the financial year ended 31st March, 2017. The Nomination & Remuneration Committee have functioned effectively during the year under review.

(c) Corporate Social Responsibility Committee

The Board of Directors has constituted Corporate Social Responsibility Committee (CSR) as required under Section 135 of the Companies Act, 2013 and rules made there under. The Committee comprises three (3) Non-Executive Directors, of which one is an Independent Director, and one (1) Executive Director. The Chairman of the Corporate Social Responsibility Committee is a Non-Independent, Non-Executive Director.

The composition of the Corporate Social Responsibility Committee as on 31st March, 2017 is as below:

Sl No.	Name of Director	Status	Category
1.	Mr. Dibyendu Dutta	Chairman	Non-Independent, Non -Executive Director
2.	Mr. Yoshiaki Shimada	Member	Non-Independent, Non -Executive Director
3.	Dr. P. Venugopal	Member	Independent, Non -Executive Director
4.	Mr. C. V. Sastry	Member	Non Independent, Executive Director

The details of the meetings held by the Board, various Committees and attendance of Directors during the year under review are given in **Annexure 1** to this report.

Provisions of the Companies Act, 2013, were adhered to while considering the time gap between two meetings.

Remuneration Policy:

The Board, on the recommendation of the Nomination & Remuneration Committee, has framed and approved the Policy for selection, appointment and removal of Directors, remuneration of the Directors and Key Managerial Personnel and other employees, and the same has been attached as **Annexure 2** to this report.

Directors and Key Managerial Personnel:

Pursuant to the provisions of Section 203 of the Act, Mr. C. V. Sastry, Managing Director, Mr. Pratik Chatterjee, Chief Financial Officer and Mr. R. Manoranjan, Company Secretary of the Company are the Key Managerial Personnel

(KMP) of the Company as on date of this report. The remuneration and other details of KMP for the FY 2016-17 are provided in Extract of the Annual Return which forms part of this Directors' report.

During the year under review Mr. Subhasish Neogi, Company Secretary resigned from the services of the Company with effect from 1st May, 2016 and consequent to the resignation of Mr. Subhasish Neogi, the Board appointed Mr. R. Manoranjan as the Company Secretary of the Company with effect from 25th October, 2016.

Directors' Responsibility Statement

Based on the framework of Internal Financial Controls established and maintained by the Company, and various audits and reviews conducted by Internal, Statutory, Cost, Secretarial Auditors and external agencies, reviews performed by Management and relevant Board Committees, the Board with the concurrence of Audit Committee, is of the opinion that the Company's Internal Financial Controls with reference to Financial Statements were adequate and effective for the financial year ending 31st March, 2017.

Accordingly, pursuant to section 134(5) of the Companies Act, 2013, the Board of Directors based on the information and explanations obtained and to the best of their knowledge and ability confirm:

i) that in the preparation of the annual accounts for the year ended 31st March, 2017, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;

ii) that the Accounting Policies as mentioned in the Notes to the Financial Statements have been applied consistently and judgments and estimates are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year ending March 31, 2017 and of the profit and loss of the Company for that period ;

iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) that the annual accounts have been prepared on a going concern basis; and

v) that proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

Risk Management

Risks are events, situations or circumstances which may lead to negative consequences on the Company's business and operations. Risk Management is the process of identifying, quantifying and managing the risks that an organisation faces.

Therefore, in accordance with the provisions of the Companies Act, the Board was informed about risk assessment and minimization procedures after which the Board approved the Policy for framing, implementing and monitoring the Risk Management plan of the Company.

The main objective of this policy is to ensure sustainable business growth with stability and to promote a proactive approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management to guide decisions on risk related issues.

The Company is working with M/s. KPMG to further reinforce, strengthen and revamp its Enterprise Risk Management Framework. Through a structured approach, the Company has identified its Enterprise wide risks, along with cause/s, effect/s and risk mitigation plans. Key Performance Indicators to identify and track progress of each Risk KPI along with the KPI for its Mitigation plans are also being identified; these shall be reported to the

Audit Committee and the Board on a quarterly basis.

Internal Financial Control System and monitoring of Regulatory Compliance

The Company has an adequate internal control system, commensurate with the size, scale and complexity of its operations. The Company had appointed Ernst & Young as its Internal Auditors. The scope and authority of the Internal Audit function is defined in the Internal Audit Charter at the start of the year. The Internal Audit evaluates the adequacy of the internal control systems and its compliance with the policies and procedures of the Company. Significant audit observations, along with corrective actions, are discussed and presented to the Audit Committee on a quarterly basis.

Further the Company, as required vide section 134(3) (q) of the Companies Act , 2013 read with Rule 8(5) (viii) of Companies (Accounts) Rules 2014, has Internal Financial Controls with reference to the Financial Statements that are commensurate with its size, scale, complexity and operations. The same have been 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 requires that the Directors review the effectiveness of internal controls and compliance controls, financial and operational risks and related party transactions. Self-certification of internal controls with reference to financial statements has also been conducted through which Senior Management certifies the effectiveness of such control systems, their adherence to code of conduct and Company's policies.

As per requirement of section 143(3)(i) of the Companies Act 2013, Deloitte Haskins and Sells, the Statutory Auditors of the Company, have carried out an audit of Internal Financial Control over financial reporting as at March 31, 2017 and have issued an unmodified opinion.

The Company continues to strengthen its regulatory and compliance framework through its digital initiative of Legal and Regulatory Compliance Management solution – Legatrix, which enables the Company to closely monitor and review its compliance requirements in a timely manner.

Vigil Mechanism / Whistle Blower Policy:

In compliance with provisions of Section 177 of the Act, the Board of Directors of the Company has adopted a Whistle Blower Policy for its employees as well as for its vendors in order to ensure that the activities of the Company, vendors and its employees are conducted in an absolutely fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity, governance and ethical behaviour. Such a policy provides a formal mechanism for all employees, vendors and other stakeholders to approach the Ethics Counsellor / Chairman of the Audit Committee of the Board and make protective disclosures about any unethical, actual or suspected fraud or violation of Tata Code of Conduct.

The policy has been implemented with an objective to encourage employees, vendors and other external stakeholders to genuinely blow the whistle on any misconduct or unethical activity taking place in the Company directly to the Ethics Counsellor / Chairman of the Audit Committee. The Management affirms that no personnel have been denied access to the Audit Committee during the year 2016-17.

Related Party Transactions:

The related party contracts or arrangements entered into by the Company do not fall under the ambit of section 188(1) of the Act and all related party transactions during the financial year were on an arm's length basis and in the ordinary course of business.

All Related Party Transactions were placed before the Audit Committee under omnibus approval route before entering in to such transactions. Approvals for all other one time transactions are obtained from the Audit

Committee, as required. The actual transactions entered into, pursuant to the approval for such RPTs is placed before the Audit Committee on a half yearly basis. A policy for approval of omnibus transactions with Related Parties has been adopted to regulate the transactions between the Company and its related parties in compliance with the applicable provisions of Companies Act, 2013 and rules made thereunder

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 and at Arm's Length, hence, the particulars as required under section 134 (1)(h) of the Companies Act , 2013 read with Rule 8(2) of the Companies (Accounts) Rules , 2014 relating to contracts or arrangements entered into 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.

For the details of all related party transactions as required by the Accounting Standard on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India, please refer Note No 25 of notes to the Financial Statements for the year ended 31st March, 2017.

Disclosure under the Sexual Harassment of Woman at workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has in place an Anti-Sexual Harassment Policy in line with the requirement of the Prevention of Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary and trainees) are covered under this policy. The Company has not received any complaint of sexual harassment during the year 2016-17.

Auditors:

Statutory Auditors:

As per section 139 of the Companies Act, 2013 the term of office of M/s. Deloitte Haskins & Sells, Chartered Accountants as statutory Auditors of the Company will conclude from the close of the forthcoming Annual General Meeting of the Company.

The Board of Directors places on record its appreciation for the services rendered by M/s. Deloitte Haskins & Sells as the Statutory Auditors of the Company.

Subject to the approval of the Members, the Board of Directors of the Company has recommended the appointment of M/s. Price Waterhouse & Co Chartered Accountants LLP (FRN: 304026E/E-300009), as the Statutory Auditors of the Company pursuant to Section 139 of the Companies Act, 2013.

The Members attention is drawn to a resolution proposing the appointment of M/s. Price Waterhouse & Co Chartered Accountants LLP as Statutory Auditors of the Company which is included as item no. 4 of the Notice convening the Annual General Meeting.

Secretarial Auditors:

Pursuant to the provisions of Section 204 (1) of the Companies Act, 2013 and the Rules made thereunder, the Company has appointed Subhasish Bosu & Co., a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark. The Secretarial Audit Report is annexed to this report as **Annexure 3.**

Cost Auditors:

In terms section 148 of the Companies Act, 2013 read with Companies (Cost records and audits) Rules, 2014, as amended, the Company is required to have the audit of its cost records conducted by a Cost Accountant in practice. In this connection, the Board of Directors of the Company has, on the recommendation of the Audit Committee, appointed M/s. Shome & Banerjee, as the Cost Auditors of the Company to audit its cost records for the financial year 2016-17.

M/s. Shome & Banerjee have confirmed that they are free from disqualification specified under Section 141 (3) and proviso to Section 148 (3) read with Section 141 (4) of the Companies Act 2013 and that their appointment meets the requirements of Section 141 (3) (g) of the Companies Act 2013. They have further confirmed their independent status and an arm's length relationship with the Company.

The remuneration payable to the Cost Auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, a Resolution for seeking Members' ratification for the remuneration payable to M/s. Shome & Banerjee, Cost Auditor is included as item no. 5 of the notice convening the Annual General Meeting.

Conservation of Energy, Technology absorption and Foreign Exchange earnings & outgo:

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

A. Conservation of Energy:

The Company undertook following actions to reduce energy consumption in FY'17.

1. The plan for the retrofit of the conventional luminaries was executed. The encouraging savings due to the HPMV well glass lighting retrofit with LED ones led the Company to advance the plan of retrofit.
2. High bay lights replacement was started as per the plan and 80% of high bay lights were replaced. This resulted in saving ranging from 250W/ luminary to 300W/ luminary depending on the location and type of luminary used. In money terms, new light fitting had ROI better than estimated, as the actual procurement prices were lower than the planned estimates.
3. Conventional fluorescent tube lights were retrofitted with energy efficient LED ones, saving 50% energy per luminary.
4. Small but effective measures were taken to save energy at various sections:

   a) Sun film was applied on all windows of ECR which were facing the sun. This resulted in major heat load reduction consequently further improving HVAC energy consumption.

   b) Lighting controls of furnace area luminaries were improved to easily turn on/ off the lights based on requirement.

   c) The improvements made in HVAC operations and maintenance practices were maintained.

B. Technology Absorption:

The Company has obtained technical assistance from Nippon Steel & Sumitomo Metal Corporation for setting up of the CAPL.

C. Foreign Exchange Earnings & Outgo:

This information has been covered as a part of the Notes to the Financial Statements for the year ended 31st March, 2017

Annual Return:

In compliance with section 134(3) (a) of the Act, an extract of the Annual Return in the prescribed format is enclosed as **Annexure 4.**

Significant and Material orders passed by the Regulators or Courts:

There have been no significant and material orders passed by the Regulators or Courts which would impact the going concern status of the Company and its future operations.

Public Deposits:

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

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.

Other Disclosures:

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

There was no change in the nature of business during FY 2016-17.

The Company does not have any subsidiary, joint ventures or associates.

Acknowledgement:

The Directors acknowledge with thanks and gratitude the co-operation and support received by the Company from the Joint Venture Partners-cum-Shareholders – Tata Steel Ltd. and Nippon Steel & Sumitomo Metal Corporation, Customers, Vendors, Financial Institutions, Bankers and all other business associates for extending their invaluable support.

The Directors also place on record their appreciation of the contribution, dedication and hard work of all the employees of the Company.

The Directors also thank the Government of India, the State Governments where the Company has operations and other Government agencies for their support and look forward to their continued support in future.

For and on behalf of the Board of Directors

Hideki Ogawa
Chairman
(DIN: 07223732)

26th July , 2017

Registered Office:
Tata Centre, 43, Jawaharlal Nehru Road,
Kolkata – 700 071
CIN: U27310WB2011PTC160845

Annexure- 1

Meetings of the Board of Directors convened and held during the financial year ended 31st March, 2017.

Meetings of Board of Directors

Sl No	Name of Directors	Number of Board Meetings held during the financial year 2016-17	Number of Meetings attended
1	Mr. Anand Sen	6	6
2	Mr. Yoshiaki Shimada	6	5
3	Mr. Hideki Ogawa	6	6
4	Mr. Dibyendu Dutta	6	4
5	Mr. J. Ravichandran	6	6
6	Dr. P. Venugopal	6	6
7	Ms. Smita P. Chakraborty	6	5
8	Mr. C.V. Sastry	6	6

Meetings of the Audit Committee

Sl No	Name of Directors	Number of Audit Committee Meetings held during the financial year 2016-17	Number of meetings attended
1	Mr. Dibyendu Dutta	6	6
2	Mr. J. Ravichandran	6	6
3	Dr. P. Venugopal	6	4
4	Ms. Smita P. Chakraborty	6	4
5	Mr. Hideki Ogawa	6	5

Meetings of the Nomination & Remuneration Committee

Sl No	Name of Directors	Number of NRC Meetings held during the financial year 2016 - 17	Number of meetings attended
1	Mr. Anand Sen	3	3
2	Mr. Yoshiaki Shimada	3	2
3	Dr. P. Venugopal	3	3
4	Ms. Smita P. Chakraborty	3	2

Annexure- 2

PART A
POLICY ON APPOINTMENT AND REMOVAL OF DIRECTORS

1. Introduction

1.1. In terms of Section 178 of the Companies Act, 2013 and rules made thereunder as amended, from time to time, the Company has formulated this policy on appointment and removal of Directors. The same Policy has been adopted by the NRC and approved by the Board of Directors.

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 regard to the identification of persons who are qualified to become Directors (Executive, Non-Executive and Independent) including their qualifications, positive attributes and independence and who may be appointed as the Senior Management of the Company.

3. Appointment of Directors

This Policy enumerates guidelines to be used by NRC in selecting/appointing/re-appointing and removal of a Director.

For all the above stated matters, the Parent Company/GIM Center, TSL 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.

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 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, TSL.

3.4 NRC members (either jointly/individually, as delegated) shall meet the potential candidate 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.

4. Policy Implementation

4.1 The Committee is responsible for recommending this Policy.

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 and approval of the Board of Directors of the respective companies.

7. Compliance Responsibility

Compliance to 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 Nomination and Remuneration Committee works with the Board 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 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 Director's 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 stakeholders interests through the exercise of sound judgment, using its diversity of experience.

In determining whether to recommend a Director for re-election, the Committee, 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 their responsibilities at Jamshedpur Continuous Annealing & Processing Company Private 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") and the corporate governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") under Listing Agreement.

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, TSL.

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 Subsidary/Associate/Joint Venture Companies

This Policy may be adopted by the Company's subsidiaries/ Associates and Joint Ventures, if any, subject to suitable modifications and approval of the Board of Directors of the respective companies.

7. Compliance Responsibility

Compliance to 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 DETERMINING 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 three 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. [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.

3. GLOSSARY

"Act" or "CA,2013" or "CA"	means the Companies Act, 2013, to the extent notified, from time to time, and includes any re-enactment thereof, with all schedules and tables thereunder, as notified, with effect from the date of such notification in the official gazette of India including all rules, notifications, circulars, clarifications and orders issued thereunder including certain provisions of the Companies Act, 1956, as and where specified, and "Section" shall mean a section of the said Act.
"Board"	implies the Board of Directors of the Company
"Company"	implies Jamshedpur Continuous Annealing & Processing Company Pvt. Ltd.
"Committee"/or "NRC"	implies the Nomination and Remuneration Committee of the Company
"Directors"	implies the Directors on the Board
"Executive Director" or "ED"	implies Executive Director of the Company
"Independent Director" or "ID"	implies a non-executive Director of the Company, other than a nominee Director and who is neither a promoter nor belongs to the promoter group of the Company, and who satisfies other criteria for independence mentioned in the Companies Act, 2013 and the Listing Agreement entered into, with the respective Stock Exchanges in India
"Key Managerial Personnel" "KMP"	In relation to the Company, means the following Key Managerial personnel: a. the Chief Executive Officer and/or Managing Director b. Company Secretary c. Whole-time Director d. Chief Financial Officer
"MD"	implies the Managing Director of the Company
"Policy"	implies this Policy on appointment and removal of Directors as framed by the Committee; Policy on remuneration for Directors, Key Managerial Personnel and other employees; Process and criteria for annual performance evaluation of the Board, its Committees and Directors, as applicable
"Parent Company"	Parent Company means a person/company who has control over the affairs of the Company, directly or indirectly, as a shareholder or otherwise and in accordance with whose advice, directions or instructions, the Board of Directors of the company is accustomed to act.
"Group Investment Management Center" or "GIM Center"	Group Investment Management Center means department of Tata Steel Corporate function led by Group Director (Investments and New Ventures), Tata Steel. GIM acts as a single window among the Tata Steel Group Companies (i.e. Tata Steel, its subsidiaries, associates and JVs).

Additional Definitions:

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 – 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.[Clause 49 II B, explanation]

   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 Jamshedpur Continuous Annealing & Processing Company Private Limited, 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 Jamshedpur Continuous Annealing & Processing Co. Pvt. 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 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:

- o The services rendered are of a professional nature; and
- o 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- 3

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

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

To,

The Members,

Jamshedpur Continuous Annealing & Processing Company Private Limited

CIN: U27310WB2011PTC160845

Tata Centre, 43, Jawahar Lal Nehru Road,

Kolkata- 700 071

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Jamshedpur Continuous Annealing & Processing Company Private 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 the 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 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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 31st March, 2017 according to the provisions of:

(I) The Companies Act, 2013 (the Act) and the rules made there under;

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

(iii) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

We further report that the company has complied with other laws as specifically applicable to the company, as certified by the management of the company.

We have also examined compliance with the applicable clauses of the Secretarial Standards SS-1 & SS-2 as specified by the Institute of Company Secretaries of India (ICSI), as per the requirement of the provisions of section 118(10) of the Companies Act, 2013.

We further report that

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

Adequate notice is given to all directors of scheduled Board Meetings, Agendas and detailed notes on agendas were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the Agenda items before the meeting and for meaningful participation at the meeting. In case of shorter notice, the company has complied with the provisions of section 173 of the Companies Act, 2013. Majority decision is carried through while members' views are captured and recorded as part of the minutes.

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

For Subhasis Bosu & Co.
Company Secretaries

CS Subhasis Bosu
Proprietor
FCS No.:7277, C P No.:11469

Place: Kolkata

Date: 22nd Day of May, 2017

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

Jamshedpur Continuous Annealing & Processing Company Private Limited

CIN: U27310WB2011PTC160845

Tata Centre, 43, Jawahar Lal Nehru Road,

Kolkata- 700 071

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 and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Subhasis Bosu & Co.
Company Secretaries

CS Subhasis Bosu
Proprietor
FCS No.:7277, C P No.:11469

Place: Kolkata

Date: 22nd Day of May, 2017

Annexure- 4

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31st March, 2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U27310WB2011PTC160845
2.	Registration Date	17th March, 2011
3.	Name of the Company	Jamshedpur Continuous Annealing & Processing Company Private Limited
4.	Category/ Sub - category of the Company	Company having share capital
5.	Address of the Registered office, & contact details	Tata Centre, 43, Jawaharlal Nehru Road, Kolkata - 700 071 E-mail: communication@jcapcpl.com, Ph: 0657- 6500197
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. TSR Darashaw Private Limited 6-10, Haji Moosa Patrawala Industrial Estate, 20 Dr E. Moses Road, Mahalaxmi, Mumbai 400 011

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

S. No.	Name and Description of main products / services	NIC Code of the Product/Service	% to total turnover of the company
1	Manufacture of Cold Rolled Continuous Annealed Automotive Steels	24105	87%
2	Processing of Full Hard Cold Rolled Steels into Cold Rolled Continuous Annealed Steels	24105	13%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Holding Company : **Tata Steel Limited**

Subsidiary/ Associate Companies : **Nil**

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

A. Category-wise Share Holding

Category of Shareholders	No of Shares held (In Lakh)								% Change during the year
	At the beginning of the year [As on 1st April, 2016]				At the end ofthe year [As on 31st March, 2017]				
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) **Indian**									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt. (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	4,753.2		4,753.2	51%	4,753.2	-	4,753.2	51%	Nil
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total A(1)	**4,753.2**	**-**	**4,753.2**	**51%**	**4,753.2**	**-**	**4,753.2**	**51%**	**Nil**
(2) Foreign									
(a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b) Other – Individuals	-	-	-	-	-	-	-	-	-
(c)Bodies Corp.	4,566.8	-	4,566.8	49%	4,566.8	-	4,566.8	49%	Nil
(d) Banks / FI	-	-	-	-	-	-	-	-	-
(e)Any Other	-	-	-	-	-	-	-	-	-
Sub Total A(2)	4,566.8	-	4,566.8	49%	4,566.8	-	4,566.8	49%	Nil
Total shareholding of Promoter	**9,320**	**-**	**9,320**	**100%**	**9,320**	**-**	**9,320**	**100%**	**Nil**

B. Shareholding of Promoters- **(In Lakh)**

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Tata Steel Limited	4,753.2	51%	Nil	4,753.2	51%	Nil	Nil
2	Nippon Steel & Sumitomo Metal Corporation	4,566.8	49%	Nil	4,566.8	49%	Nil	Nil

C. Change in Promoters' Shareholding (please specify, if there is no change) **(In Lakh)**

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
a.	**Tata Steel Limited:**				
	At the beginning of the year	4,753.2	51%	4,753.2	51%
	Date wise Increase / Decrease in Promoters Shareholding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity, etc):	-	-	-	-
	At the end of the year	4,753.2	51%	4,753.2	51%
b.	**Nippon Steel & Sumitomo Metal Corporation:**				
	At the beginning of the year	4,566.8	49%	4,566.8	49%
	Date wise Increase / Decrease in Promoters Shareholding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity, etc):	-	-	-	-
	At the end of the year	4,566.8	49%	4,566.8	49%

D. Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):

There were only two shareholders, and their Shareholding pattern during the year were as under:

(In Lakh)

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
a.	**Tata Steel Limited:**				
	At the beginning of the year	4,753.2	51%	4,753.2	51%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	4,753.2	51%	4,753.2	51%
b.	**Nippon Steel & Sumitomo Metal Corporation:**				
	At the beginning of the year	4,566.8	49%	4,566.8	49%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	4,566.8	49%	4,566.8	49%

E. Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	None of the Directors or KMP hold shares in Company.			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	None of the Directors or KMP hold shares in Company.			
	At the end of the year	None of the Directors or KMP hold shares in Company.			

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

(In Rs. Lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,59,246	-	-	1,59,246
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1,205	-	-	1,205
Total (i+ii+iii)	**160,451**	-	-	**160,451**
Change in Indebtedness during the financial year				
* Addition	25,973	2,000	-	27,973
* Reduction	18,220	-	-	18,220
Net Change	**9,753**	-	-	**9,753**
Indebtedness at the end of the financial year				
i) Principal Amount	1,66,999	2,000	-	1,68,999
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1,510	-	-	1,510
Total (i+ii+iii)	**1,68,509**	2,000	-	**1,70,509**

G. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: **(In Rs. Lakh)**

SN.	Particulars of Remuneration	Name of Managing Director	Total Amount
		C.V. Sastry	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income -tax Act, 1961	95.46	95.46
	(b) Value of perquisites u/s 17(2) Income -tax Act, 1961	-	-
	(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)	95.46	95.46
	Ceiling as per the Act	**136.08**	**136.08**

B. Remuneration to other directors **(In Rs. Lakh)**

SN.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. J. Ravichandran	Dr. P. Venugopal	MS. Smita P. Chakraborty	
1	**Independent Directors**				
	Fee for attending board & committee meetings	1.62	1.35	1.08	4.05
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	**1.62**	**1.35**	**1.08**	**4.05**
2	**Other Non - Executive Directors**				
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	**1.62**	**1.35**	**1.08**	**4.05**
	Total Managerial Remuneration (A) + (B)	-	-	-	**99.51**
	Overall Ceiling as per the Act	-	-	-	**136.08**

C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD **(In Rs. Lakh)**

SN	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Pratik Chatterjee	Mr. R. Manoranjan	Total
		CFO	CS*	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	60.32	4.09	64.41
	(b) Value of perquisites u/s 17(2) Income - tax Act, 1961	-	-	-
	(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	**60.32**	**4.09**	**64.41**

* Part of the year

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of Offences during the year ended 31st March, 2017.

Independent Auditor's Report

To The Members of
JAMSHEDPUR CONTINUOUS ANNEALING AND PROCESSING COMPANY PRIVATE LIMITED

Report on the Ind AS Financial Statements

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

Management's Responsibility for the Ind AS Financial Statements

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

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

Auditor's Responsibility

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

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

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

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

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

Opinion

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable 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 Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

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

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

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

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

        i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 30 to Ind AS financial statements.

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

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

        iv. The Company did not have any holdings or dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016- Refer Note 37 to Ind AS financial statements.

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

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

Abhijit Bandyopadhyay
Partner
(Membership No. 054785)

Place: Kolkata
Date: April 26, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of Jamshedpur Continuous Annealing & Processing Company Private Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 302009E)

Abhijit Bandyopadhyay
(Partner)
(Membership No. 054785)

Place: Kolkata
Date: April 26, 2017

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

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

(c) In respect of immovable properties of self-constructed buildings on leasehold land which are disclosed as fixed assets in the financial statements, the land lease agreement is in the name of the Company, where the Company is the lessee in the agreement.

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

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

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

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.

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

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

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

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

(c) There are no dues of Income tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax as on March 31, 2017 on account of disputes.

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

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

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

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

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

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

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

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

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

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 302009E)

Abhijit Bandyopadhyay
(Partner)
(Membership No. 054785)

Place: Kolkata
Date: April 26, 2017

Balance Sheet as at 31st March 2017

In Rs Lakhs

Particulars	Note	Figures as at 31.03.2017	Figures as at 31.03.2016	Figures as at 1.04.2015
ASSETS				
(1) Non-current assets				
(a) Property, Plant & Equipment	03	204,879.94	215,233.72	225,564.50
(b) Capital work-in-progress		597.29	184.98	96.79
(c) Other Intangible assets	04	3,875.18	4,407.66	4,944.80
(d) Financial Assets				
(i) Bank Deposits		1.00	1.00	170.00
(ii) Interest Accrued on FD		0.16	0.06	7.06
(iii) Swap Receivables		5,286.85	9,245.31	3,666.37
(e) Other non current assets	05	716.65	667.30	3,376.74
Total Non Current Assets		**215,357.07**	**229,740.03**	**237,826.26**
(2) Current assets				
(a) Inventories	06	16,083.86	6,611.60	1,888.34
(b) Financial Assets				
(i) Current investments	07	-		1,080.42
(ii) Trade receivables	08	9,400.37	3,333.31	860.83
(iii) Interest Accrued on FD		0.02	0.02	18.49
(iv) Cash and cash equivalent	09	1,474.38	3,594.09	14,081.96
(v) Swap Receivables		1,057.44	1,540.89	523.77
(vi) Unbilled revenue		121.97	72.28	75.28
(c) Other Current Assets	10	1,274.83	5,324.24	4,566.64
Total Current Assets		**29,412.87**	**20,476.43**	**23,095.73**
Total Assets		**244,769.94**	**250,216.46**	**260,921.99**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	11	93,200.00	93,200.00	87,400.00
(b) Other Equity	12	(46,003.59)	(26,013.13)	(3,132.61)
Total Equity		**47,196.41**	**67,186.87**	**84,267.39**
Liabilities				
(1) Non -current liabilities				
(a) Financial Liabilities				
(i) Borrowings	13	138,627.57	137,109.69	133,156.76
(ii) Deferred Liability		15,364.32	15,364.32	15,364.32
(b) Provisions	14	261.30	167.49	128.59
Total Non- Current Liability		**154,253.19**	**152,641.50**	**148,649.67**
(2) Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	13	9,956.53	2,627.59	-
(ii) Trade Payables				
Due to Micro, Small & Medium Enterprises	15	32.04	4.78	-
Dues to creditors other than Micro, Small Medium Enterprises	15	6,754.74	1,846.24	751.90
(iii) Other Financial Liabilities	16	24,979.24	25,232.61	26,999.97
(b) Other current liabilities	17	1,593.24	674.17	251.82
(c) Provisions	14	4.55	2.70	1.24
Total Current Liability		**43,320.34**	**30,388.09**	**28,004.93**
Total Equity and Liabilities		**244,769.94**	**250,216.46**	**260,921.99**
See accompanying notes to financial statement	1			

In terms of our report attached

For and on behalf of the Board of Directors

Hideki Ogawa
Chairman
(DIN : 0007223732)

For Deloitte Haskins & Sells
Chartered Accountants

R. Manoranjan
Company Secretary

Dibyendu Dutta
Director
(DIN : 0001111150)

Abhijit Bandyopadhyay
Partner

Pratik Chatterjee
Chief Financial Officer

C.V. Sastry
Managing Director
(DIN : 0003434562)

Kolkata, April 26, 2017

Statement of Profit & Loss for the period ended 31st March, 2017

In Rs Lakhs

	Particulars	Note	Figures for the period ended 31.03.2017	Figures for the period ended 31.03.2016
I	**REVENUE**			
	(a) Revenue from operations	18	67,484.02	20,579.80
	(b) Other Income	19	16.11	445.38
	Total Revenue		**67,500.13**	**21,025.18**
II	**EXPENSES**			
	(a) Cost of raw materials consumed	20	42,481.19	9,954.03
	(b) Changes in inventories of finished goods	21	(8,012.86)	(3,920.69)
	(c) Excise duty on sale of goods		6,877.13	1,343.51
	(d) Employee benefit expense	22	2,383.19	2,115.19
	(e) Finance costs	23	14,566.02	12,991.55
	(f) Depreciation and amortisation expenses	03&04	11,419.10	11,395.85
	(g) Other expenses	24	17,753.27	10,036.39
	Total Expenses		87,467.04	43,915.83
III	**Profit/(loss) before tax (I -II)**		**(19,966.91)**	**(22,890.65)**
IV	Tax Expense			
	Current tax		-	-
	Deferred Tax		-	-
V	**Profit/(loss) after tax (III-IV)**		**(19,966.91)**	**(22,890.65)**
VI	**Other Comprehensive Income**			
	A (i) Items that will not be reclassified to profit or loss			
	(a) Remeasurement of defined benefit plan		**(23.55)**	**10.13**
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	B (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
VII	**Total Comprehensive Income**		**(19,990.46)**	**(22,880.52)**
VIII	**Earnings per equity share:**			
	(1) Basic earnings in Rs.		(2.14)	(2.47)
	(2) Diluted earnings in Rs.		(2.14)	(2.47)
	See accompanying notes to financial statement	1		

In terms of our report attached

For and on behalf of the Board of Directors

Hideki Ogawa
Chairman
(DIN : 0007223732)

For Deloitte Haskins & Sells
Chartered Accountants

R. Manoranjan
Company Secretary

Dibyendu Dutta
Director
(DIN : 0001111150)

Abhijit Bandyopadhyay
Partner

Pratik Chatterjee
Chief Financial Officer

C.V. Sastry
Managing Director
(DIN : 0003434562)

Kolkata, April 26, 2017

Cash Flow Statement at 31st March 2017

In Rs. Lakhs

Particulars		Figures for the period ended 31.03.2017		Figures for the period ended 31.03.2016
A. Cash Flow from Operating activities:				
Profit before taxes		**(19,966.91)**		**(22,890.65)**
Adjustments for:				
Depreciation	11,419.10		11,395.85	
Interest income	(1.35)		(417.90)	
(P)/L on sale of investments	(0.28)		(3.74)	
Amortisation of loan processing charges	251.49		264.08	
Finance costs	14,314.53		12,727.47	
Change in fair value	1,003.83		(216.82)	
Revaluation of foreign currency liability and MTM	(5.20)		1.98	
		26,982.12		**23,750.92**
Operating profit before working capital changes		**7,015.21**		**860.27**
Adjustments for:				
(Increase)/ Decrease in Trade and Other Receivables	(6,067.06)		(2,472.48)	
(Increase)/ Decrease in Inventories	(9,472.26)		(4,723.26)	
Increase/ (Decrease) in Trade and Other Payables	6,120.47		1,530.25	
(Increase)/ Decrease in Loan and Advances and Other Current Assets	4,183.23	**(5,235.62)**	2,346.37	**(3,319.12)**
Cash generated from operations		**1,779.59**		**(2,458.85)**
Tax deducted at source		(177.41)		(218.82)
Net cash from Operating activities		**1,602.18**		**(2,677.67)**
B. Cash Flow from Investing activities:				
Purchase of Fixed Assets including Capital Advances	(2,755.56)		(5,613.01)	
Sale of Current Investments	0.28		1,084.16	
Interest Income	1.25		443.38	
		(2,754.03)		**(4,085.47)**
C. Cash Flow from Financing activities:				
Proceeds from Long Term borrowings	24,900.00		16,500.00	
Proceeds from Short-Term borrowings	7,328.94		2,627.59	
Repayment of Long Term Loan	(18,220.17)		(15,729.57)	
Issue of Equity Capital	-		5,800.00	
Finance Costs	(14,699.55)		(12,819.98)	
Swap premium	(9.08)		(9.08)	
Loan Processing Cost	(268.00)		(93.70)	
		(967.86)		**(3,724.73)**
Net increase/ (decrease) in cash or cash equivalents: (A+B+C)		**(2,119.71)**		**(10,487.87)**
Cash and cash equivalents at the beginning of the period		**3,594.09**		**14,081.96**
Cash and cash equivalents at the end of the period		**1,474.38**		**3,594.09**
*** Comprises:**				
(a) Cash in hand				
(b) Balances with banks:				
- in current accounts		1,439.40		3,573.78
- in deposit accounts		2.22		2.10
- cheques in hand		32.76		18.21
		1,474.38		**3,594.09**

Additional information -

(1) Figures in bracket represent outflows

(2) Previous year figures have been recasted / restated where necessary.

In terms of our report attached

For and on behalf of the Board of Directors

Hideki Ogawa
Chairman
(DIN : 0007223732)

For Deloitte Haskins & Sells
Chartered Accountants

R. Manoranjan
Company Secretary

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Partner

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C.V. Sastry
Managing Director
(DIN : 0003434562)

Kolkata, April 26, 2017

Statement of Changes in Equity for the period ended 31st March, 2017

In Rs. Lakhs

A. Equity Share Capital

Balance at April 1, 2015	**87,400**
Change in Equity Share Capital	5,800
Balance at March 31, 2016	**93,200**
Change in Equity Share Capital	-
Balance at March 31, 2017	**93,200**

B. Other Equity

Particulars	Share Application money pending allotment	Equity component of compound financial instruments	Reserve and Surplus: Capital Reserve	Reserve and Surplus: Securities Premium Reserve	Reserve and Surplus: Retained Earnings	Debt instruments through Other Comprehensive Income	Equity instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedge	Revaluation Surplus	Exchange Difference on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (Refer note no 27)	Money Received against Share Warrants
Balance as at 1.04.2015	-	-	-	-	**(3,132.61)**	-	-	-	-	-	-	-
Fair value change	-	-	-	-	-	-	-	-	-	-	-	-
Remeasurement of defined benefits	-	-	-	-	-	-	-	-	-	-	10.13	-
Profit/(Loss) of the year	-	-	-	-	(22,890.65)	-	-	-	-	-	-	-
Balance as at 31.03.2016	-	-	-	-	**(26,023.26)**	-	-	-	-	-	**10.13**	-
Changes in accountingpolicy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginningof the reporting period	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-
Remeasurement of defined benefits	-	-	-	-	-	-	-	-	-	-	(23.55)	-
Profit/(Loss) of the year	-	-	-	-	(19,966.91)	-	-	-	-	-	-	-
Balance as at 31.03.2017	-	-	-	-	**(45,990.17)**	-	-	-	-	-	**(13.42)**	-

Notes to Balance Sheet and Statement of Profit and Loss

1. Corporate Information

Jamshedpur Continuous Annealing & Processing Company Private Limited is a deemed Public Company incorporated in India with its registered office in Kolkata, West Bengal, India.

The company engaged in the manufacture of Automotive and Non-automotive CRCA Steel.

The functional and presentation currency of the Company is Indian Rupee("INR") which is the currency of the primary economic environment in which the Company operates.

2. Significant Accounting Policies

(a) 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. Upto the year ended March, 2016 the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS in April 1, 2015. Refer note 35 for the details of first time adoption exemptions availed by the Company.

(b) 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 value 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 prices 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 prices is directly observable or estimated using another valuation technique.

(c) Property, Plant and Equipment

i. Tangible Assets –

"Tangible assets (including Capital Work in progress)are stated at cost less accumulated depreciation and accumulated impairment losses, if any . Pre-operation expenses including trial run expenses (net of revenue) are capitalised. Borrowing costs during the period of construction are added to the cost of qualifying tangible assets. Freehold land, if any , is not depreciated."

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

ii. Intangible Assets -

Intangible assets are recorded at cost less accumulated amortization and accumulated impairment losses, if any. An intangible asset is recognized if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and its cost can be measured reliably. Intangible assets having finite useful lives are amortised on a straight-line basis over their estimated useful lives.

(d) Depreciation and Amortization

Depreciation is provided on a straight line basis over the useful life of the assets as specified in Schedule II to the Companies Act, 2013, except in case of Computer & Data Processing Units –End User Devices Such as Laptop & Desktop where the estimated useful life of 4 years has been considered. However, asset value up to Rs 25,000 is fully depreciated in the year of acquisition. The details of estimated life for each category of asset are as under:

i) Buildings - 30 to 60 years.

ii) Roads - 5 Years

iii) Plant and Machinery- (Continuous Processing Plant) - 25 years

iv) Plant and Machinery (Others) * -10 to 25 years.

v) Railway Siding - 15 years

vi) Furniture and fittings - 10 years

vii) Motor vehicles - 5 years

viii) Electrical installations -10 years

ix) Computer & Data Processing Units - 4 to 6 years

x) Office equipment - 5 years

xi) Intangible assets - 6 to 10 years.

*For these class of assets, based on internal assessment and independent technical evaluation carried out by external valuers the company believes that the useful lives as given above best represent the period over which company expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.The management believes that these useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used .

The estimated residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at the end of each reporting period and adjusted prospectively.

(e) Financial Instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity . Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instruments.

i. Financial Assets

Initial recognition and measurement

All Financials assets 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.

Notes to Balance Sheet and Statement of Profit and Loss

For the purposes of subsequent measurement, Financial Assets of the company are measured either at amortised cost or at fair value depending on the classification of the financial assets.

(I) Debt instruments that meet the following condition are subsequently measured at amortised cost:

(i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows , and

(ii) Contractual terms of the asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding .

All Debt instruments, not meeting the criteria for categorisation at amortised cost or fair value through other comprehensive income is carried at fair value through profit & loss FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit and Loss account.

ii. Financial Liabilities

Initial recognition and measurement

Financial Liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss.

All financial liabilities are recognised initially at fair value and in case of loans and borrowings and payables, net of directly attributable transaction costs .The company's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments.

Trade and Payables

Trade and other payables are initially measured at fair value, net of transactions cost, and are subsequently measured at amortised cost, using the effective interest rate method where time value of money is significant.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised costs using the Effective Interest rate [EIR method]. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance cost in the statement of profit and loss.

(f) Foreign Currency Transactions

Transactions in currencies other than the entity functional currency are recorded at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are restated at year-end rates.

Exchange differences arising on the retranslation or settlement of monetary currency items are included in the statement of profit and loss for the period.

The Company uses derivative financial instruments , such as forward currency contracts , cross currency swaps to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value . Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative . Any gains or losses arising from changes in the fair value of derivatives are taken directly to the statement of Profit and Loss.

(g) Investment

Current investments are carried in the financial statements at lower of cost and fair value.

(h) Revenue Recognition

Sale of Goods- Revenue from sale of goods is recognised net of rebates and discounts on transfer of significant risks and rewards of ownership to the buyer. Sale of goods is recognised gross of excise duty but net of sales tax and value added tax.

Income from Services- Revenue from processing activities is recognized as and when service for those activities is completed.

Interest- Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

(i) Inventories

Raw Materials purchased and Finished goods produced are valued at lower of cost and net realizable value. Cost comprises direct materials and where applicable, 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.

Store and spare parts are carried at cost.

(j) Employee's benefits

(i) Retirement benefit costs and termination benefits

Payment to defined contribution retirement plans in the form of Provident fund & ESI are recognised as an expense when an employee renders the related service entitling them to the contributions. The Company has no obligation other than the contribution payable to the Provident fund & ESI.

For defined benefit retirement benefit plans in the form of Gratuity , the cost of providing benefits is determined using the Projected unit credit method . Separate actuarial valuations are carried out at the end of each annual reporting period . Re-measurements, comprising actuarial gain and losses, and the return on plan assets (excluding net interest),is reflected immediately in the balance sheet with charge or credit recognised in Other Comprehensive Income (OCI) in the period in which they occur. Re-measurements recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss .

Net Interest is calculated by applying the discount rate to the net defined benefit liability or asset .

(ii) Short term and other Long term employee benefits

Short term employee benefits are recognized and measured as an expense at the undiscounted amount in the statement of Profit & Loss of the year in which employees has rendered service.

Liabilities recognised in respect of other long-term employees benefits like Leave encashment are measured at the present value of the estimated future cash outflow expected to be made by the company in respect of services provided by employees up to the reporting date.

Notes to Balance Sheet and Statement of Profit and Loss

(k) Borrowing Cost

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowing. (i) Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as a part of cost of the assets. (ii) Fees towards structuring / arrangements and underwriting and other incidental costs incurred in connection with borrowings are amortized over the period of the loan using the effective interest method . (iii) All other borrowing costs are recognised in the statement of profit and loss in which they are incurred.

(l) Provision for Tax and Deferred Tax

(i) Current Tax

The tax currently payable is based on taxable profit for the year. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws. Taxable profit differ from 'profit before tax' as reported in the consolidated statements of profit and loss because of items of income or expense that are taxable or deductible in other years and item that are never taxable or deductible. The company's current tax ,if applicable , is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary difference.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

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 deferred tax asset to be utilised .

(m) Provisions:

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. If the effect of time value of money is material , provision are discounted using a current pre tax rate that reflects the risks specific to the liability . When discounting is used , the increase in the provision due to the passage of time is recognised as a finance cost . Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

(n) Contingent Liability:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence and non occurrence of one or more uncertain events, beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resource will be required to settle the obligation. The company does not recognise a contingent liability but disclose its existence in the financial statements.

Notes to Balance Sheet and Statement of Profit and Loss

(o) Segment Reporting

Operating Segment:

The company is engaged in the sole business of manufacturing of CRCA steel, which in the context of Ind - AS 108 " Operating Segments" is the only business activity which the company is engaged in . Hence the company reports its financial information for its only operating segment and business activity

(p) Cash and Cash Equivalents

Cash and Cash Equivalents in the balance sheet comprise of Cash at banks , in hand and short term deposits with an original maturity of three months or less , which are subject to an insignificant risk of changes in value .

Notes annexed to and forming part of the Financial statement

03 - Property, Plant & Equipment

In Rs. Lakhs

Particulars	Building	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipments	Roads	Railway Sidings	Total Assets
Gross Block at 1.4.2015 (Deemed Cost)	**25,132.30**	**199,310.16**	**176.52**	**24.45**	**427.31**	**902.51**	**586.20**	**226,559.45**
Additions during the period	104.41	194.17	41.82	-	8.33	43.29	77.54	469.56
Deduction during the period	-		-	-	(2.03)	-	-	(2.03)
Gross Block at 31.3.2016	**25,236.71**	**199,504.33**	**218.34**	**24.45**	**433.61**	**945.80**	**663.74**	**227,026.98**
Additions during the period	24.47	170.24	13.13	-	206.93	1.88	40.82	457.47
Deduction during the period	-		-	-	(0.37)	-	-	(0.37)
Gross Block at 31.03.2017	**25,261.18**	**199,674.57**	**231.47**	**24.45**	**640.17**	**947.68**	**704.56**	**227,484.08**
Accumulated Depreciation at 1.4.2015	**71.93**	**733.75**	**64.72**	**1.63**	**104.62**	**15.04**	**3.26**	**994.95**
Depreciation during the period	825.30	9,616.46	46.02	4.89	75.11	189.31	41.56	10,798.65
Depreciation on assets written off during the year	-	-	-	-	(0.34)	-	-	(0.34)
Accumulated Depreciation at 31.03.2016	**897.23**	**10,350.21**	**110.74**	**6.52**	**179.39**	**204.35**	**44.82**	**11,793.26**
Depreciation during the period	827.11	9,627.11	17.71	4.89	97.84	189.79	46.72	10,811.17
Depreciation on assets written off during the year					(0.29)			(0.29)
Accumulated Depreciation at 31.03.2017	**1,724.34**	**19,977.32**	**128.45**	**11.41**	**276.94**	**394.14**	**91.54**	**22,604.14**
Net book value								
At 31.03.2017	**23,536.84**	**179,697.25**	**103.02**	**13.04**	**363.23**	**553.54**	**613.02**	**204,879.94**
At 31.03.2016	**24,339.48**	**189,154.12**	**107.60**	**17.93**	**254.22**	**741.45**	**618.92**	**215,233.72**
At 01.04.2015	**25,060.37**	**198,576.41**	**111.80**	**22.82**	**322.69**	**887.47**	**582.94**	**225,564.50**

(i) Included in the carrying value of property, plant and equipment are assets amounting to Rs. 204,879.44 Lakh (2016: Rs. 215,233.72 Lakh, 2015: 225,564.50 Lakh) which are pledged as collateral against borrowings. Refer note 13 (III).

04 - Other Intangible Assets

In Rs Lakhs

Particulars	Software Costs	Technological Licences	Total
Gross Block at 1.4.2015 (Deemed Cost)	**1,399.47**	**3,680.37**	**5,079.84**
Additions during the period	17.34	42.71	60.05
Gross Block at 31.3.2016	**1,416.81**	**3,723.08**	**5,139.89**
Additions during the period	75.44	-	75.44
Gross Block at 31.03.2017	**1,492.25**	**3,723.08**	**5,215.33**
Accumulated amortisation at 1.4.2015	**104.37**	**30.67**	**135.04**
Amortisation during the period	224.85	372.34	597.19
Accumulated amortisation at 31.3.2016	**329.22**	**403.01**	**732.23**
Amortisation during the period	235.59	372.34	607.93
Accumulated amortisation at 31.03.2017	**564.81**	**775.35**	**1,340.15**
Net book value			
At 31.03.2017	**927.44**	**2,947.73**	**3,875.18**
At 31.03.2016	**1,087.59**	**3,320.07**	**4,407.66**
At 01.04.2015	**1,295.10**	**3,649.70**	**4,944.80**

Notes annexed to and forming part of the Financial statement

In Rs. Lakhs

05 - Other Non Current Assets

	As at 31-Mar-2017	As at 31-Mar-2016	As at 1-Apr-2015
(I) Capital advances	55.45	-	6.39
(II) Advances other than capital advances			
(a) Security Deposits	0.75	0.25	-
(b) Advance with public bodies	112.49	296.50	3,218.62
(c) Advance Income tax (net of provision)	547.96	370.55	151.73
Total Long Term Loans And Advances	**716.65**	**667.30**	**3,376.74**

06 - Inventories

	As at 31-Mar-2017	As at 31-Mar-2016	As at 1-Apr-2015
(I) Raw Materials (at lower of cost and net realisable value)	557.68	321.95	306.86
(II) Finished Goods (at lower of cost and net realisable value)	12,819.29	4,806.43	885.74
(III) Stores and spares (at cost)	2,706.89	1,483.22	695.74
Total Inventory	**16,083.86**	**6,611.60**	**1,888.34**

i. During the year an amount of Rs. 65.39 Lakh (2016:Rs. 32.67 Lakh)has been recognised in the statement of profit or loss in respect of writedown of inventory to net realisable value.

07 - Current Investments

	As at 31-Mar-2017	As at 31-Mar-2016	As at 1-Apr-2015
(I) Fair value through statement of profit & loss	-	-	1,080.42
(Investment in unquoted liquid Mutual Funds)			
Total Current Investments	**-**	**-**	**1,080.42**

08 -Trade Receivables

(I)	As at 31-Mar-2017	As at 31-Mar-2016	As at 1-Apr-2015
(i) Secured, considered goods	-	-	-
(ii) Unsecured, considered goods	9,400.37	3,333.31	860.83
(iii) Doubtful	-	-	-
	9,400.37	**3,333.31**	**860.83**
(II) Impairment Allowance (allowance for bad and doubtful debts)			
(i) Unsecured, considered goods	-	-	-
(ii) Doubtful	-	-	-
Total Trade Receivables	**9,400.37**	**3,333.31**	**860.83**

Notes annexed to and forming part of the Financial statement

In Rs. Lakhs

(III) List of customers who represent more than 5% of the total balance of Trade Receivables.

Hyundai Steel India Private Limited	2,162.43	598.70	-
Mahindra Intratrade Limited	1,035.65	226.67	
Mahindra CIE Automotive Limited	531.87	-	
Mahindra Auto Steel Private Limited.	-	341.43	
Neel Metal Products Ltd.	1,088.77	326.14	-
Rasandik Engineering	679.85	-	-
Tata Steel Ltd	1,250.09	1,518.04	860.83
	6,748.66	**3,010.98**	**860.83**

(IV) Ageing of receivables:

Amounts not yet due	9,254.74	3,324.52	860.83
1-30 days past due	131.59	-	-
31-60 days past due	0.95	1.56	-
61-90 days past due	10.99	2.75	-
91-180 days past due	-	-	-
Greater than 181 days past due	2.10	4.48	-
	9,400.37	**3,333.31**	**860.83**

(V) Avarage credit period for the trade receivables is in the range of 30 - 35 days

09 - Cash and cash equivalent

	As at 31-Mar-2017	As at 31-Mar-2016	As at 1-Apr-2015
(I) Balances with banks			
(a) In current accounts	1,439.40	3,573.78	3,638.13
(b) In deposit accounts	2.22	2.10	10,443.83
(II) Cheques in hand	32.76	18.21	-
Total Cash And Bank Balances	**1,474.38**	**3,594.09**	**14,081.96**

10 - Other Current Assets

(Unsecured, considered good)

	As at 31-Mar-2017	As at 31-Mar-2016	As at 1-Apr-2015
(I) Advances other than capital advances			
(a) Advance with public bodies	1,101.00	4,844.74	4,338.18
(b) Advance to related parties	27.18	-	-
(c) Other advances	146.65	329.57	106.29
(I) Others			
(a) Exicse Duty recoverable	-	149.93	122.17
Total Other Current Assets	**1,274.83**	**5,324.24**	**4,566.64**

Notes annexed to and forming part of the Financial statement

In Rs. Lakhs

11 - Equity Share Capital

Authorised Share Capital	**No. of Shares**	**Amount In Rs. Lakh**
As at 1.4.2015	**950,000,000**	**95,000**
Increase/(Decrease) during the year	-	-
As at 31.03.2016	**950,000,000**	**95,000**
Increase/(Decrease) during the year	-	-
As at 31.03.2017	**950,000,000**	**95,000**

Terms / rights attached to equity shares

The Company has only equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company , the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

	No. of Shares	**Amount In Rs. Lakh**
Issued and Subscribed capital		
Equity shares of Rs.10 each issued and subscribed		
As at 1.4.2015	**874,000,000**	**87,400**
Increase/(Decrease) during the year	58,000,000	5,800
As at 31.03.2016	**932,000,000**	**93,200**
Increase/(Decrease) during the year	-	-
As at 31.03.2017	**932,000,000**	**93,200**

Fully Paid Equity Capital	**No. of Shares**	**Amount In Rs. Lakh**
Equity shares of Rs.10 each issued, subscribed and fully paid		
As at 1.4.2015	**874,000,000**	**87,400**
Increase/(Decrease) during the year	58,000,000	5,800
As at 31.3.2016	**932,000,000**	**93,200**
Increase/(Decrease) during the year	-	-
As at 31.03.2017	**932,000,000**	**93,200**

(5,80,00,000 ordinary equity shares of face value of Rs 10 each allotted on 7th May, 2015 to the existing share holders in their present share holding ratio)

(3) Shareholders holding more than 5 percent shares in the Company and shares held by the holding company:

Name of Shareholders	**As at 31-March-2017**		**As at 31-Mar-2016**	
	No of Shares	**% of holding of equity shares**	***No of Shares***	**% of holding of equity shares**
Tata Steel Limited (The Holding Company)	475,320,000	51%	*475,320,000*	51%
Nippon Steel & Sumitomo Metal Corporation	456,680,000	49%	*456,680,000*	49%
	932,000,000		***932,000,000***	

(4) Aggregate no. of shares issued for consideration other than cash

29,64,83,085 Shares of the face value of Rs.10 per share were issued to Tata Steel Limited on acquisition of assets, for consideration other than cash.

Notes annexed to and forming part of the Financial statement

In Rs. Lakhs

12 - Other Equity

	As at 31-Mar-2017	As at 31-Mar-2016	As at 1-Apr-2015
(I) Retained Earning			
Balance as per last account	(26,013.13)	(3,132.61)	(3,132.61)
Profit / (loss) for the period	(19,990.46)	(22,880.52)	-
Total Other Equity	**(46,003.59)**	**(26,013.13)**	**(3,132.61)**

13 - Borrowings

	As at 31-Mar-2017	As at 31-Mar-2016	As at 1-Apr-2015
(I) Non Current Borrowings			
Secured Borrowings			
Term loan from banks and financial institutions	138,627.57	137,109.69	133,156.76
Total long Term Borrowings	**138,627.57**	**137,109.69**	**133,156.76**

	As at 31-Mar-2017	As at 31-Mar-2016	As at 1-Apr-2015
(II) Current Borrowings			
Secured Borrowings			
Repayable on Demand from banks	7,956.53	2,627.59	-
Unsecured Borrowings			
Repayable on Demand from banks	2,000.00	-	-
Total Short Term Borrowings	**9,956.53**	**2,627.59**	**-**

(III) Additional information:

(i) Non Current Borrowings

A. Indian Rupee Loan from Punjab National Bank, amounting to Rs. 17,350 lakhs drawn till March 31, 2017 (31.03.2016 :Rs 19,850). The loan is repayable in 40 quarterly instalments commenced from 30th June, 2016. The loan is secured by first pari passu charge over all the Project Assets and Current Assets created by the Borrower by way of hypothecation in favour of the Security Trustee for the benefit of the Other Project Lenders.

B. Foreign currency loan (External Commercial Borrowing) from Japan Bank for International Cooperation and other lenders amounting to USD 95.20 Million equivalent to Rs. 61,743.80 lakhs is outstanding on March 31, 2017 (31.03.2016: USD 111.07 Million equivalent to Rs.73,586.64 Lakhs). The loan is in two tranche , Tranche -A being lend by Japan Bank for International Cooperation and Tranche-B lend by others. Interest is payable semi-annually, commenced from 9th May, 2013. The Loan is repayable in 16 semi-annual instalments commenced from 9th May, 2015. The loan is secured by first pari passu charge over all the Project Assets and Current Assets created by the Borrower by way of hypothecation in favour of the Security Trustee for the benefit of the Other Project Lenders. Further the loan has been guaranteed by M/s. Nippon Steel & Sumitomo Metal Corporation , the Joint Venturer.

C. Foreign currency loan (External Commercial Borrowing) from ICICI Bank, Dubai branch amounting to USD 65.25 Million equivalent to Rs. 42,317.89 Lakhs is outstanding on March 31, 2017 (31.03.2016 : USD 76.13 Million equivalent to Rs 50,434.72 Lakhs). The Interest is payable semi-annually, commenced from 9th May, 2013. The Loan is repayable in 16 semi-annual instalments, commenced from 9th May, 2015. The loan is secured by first pari passu charge over all the Project Assets and Current Assets created by the Borrower by way of hypothecation in favour of the Security Trustee for the benefit of the Other Project Lenders.

D. Indian Rupee Loan from Kotak Mahindra Bank, amounting to Rs. 15,000 lakhs drawn till March 31, 2017 (31.03.2016 :Rs 13,500). The loan is repayable in 16 quarterly instalments commencing from 5th February, 2018. The loan is secured by first pari passu hypothecation charge to be shared with Multiple Banks/Term Lenders on Project Assets and Current Assets.

E. Indian Rupee Loan from Aditya Birla Finance Limited, Tata Capital Finance Service Ltd, EXIM Bank and South Indian Bank amounting to Rs. 23,400 lakhs drawn till March 31, 2017 (31.03.2016 :Rs NIL). The loan is repayable in 28 quarterly instalments commencing from 30th June, 2019. The loan is secured by first pari passu hypothecation charge to be shared with Multiple Banks/Term Lenders on Project Assets and Current Assets .

(ii) Current Borrowings

A. Cash Credit from Punjab National Bank, amounting to Rs. 7,956.53 lakhs taken till March 31, 2017 (31.03.2016 :Rs 2,627.59). This cash credit facility is secured through first charge on hypothecation of all items of inventory and book debts of the Company and second charge on Project Assets.

B. Short Term Loan from Mizuho Bank, amounting to Rs. 2,000.00 lakhs taken till March 31, 2017 (31.03.2016 :Rs NIL). This facility is unsecured.

(iii) The maturity of the gross borrowings of the Company at the end of period is as follows:

	As at 31-Mar-2017	As at 31-Mar-2016	As at 1-Apr-2015
In one year or less or on demand	-	-	-
Between one and two years	22,843.61	20,892.34	19,213.84
Between two and three years	24,388.61	22,917.34	19,213.84
Between three and four years	25,513.61	23,254.84	19,213.84
Between four and five years	24,973.61	24,267.34	19,213.84
More than 5 years	41,498.64	46,337.17	56,991.52
Total contractual cash flows	**139,218.08**	**137,669.03**	**133,846.88**
Less: Capitalisation of transactions cost	590.51	559.34	690.12
Total Long Term Borrowings	**138,627.57**	**137,109.69**	**133,156.76**
Total Short Term Borrowings	9,956.53	2,627.59	-
Total Current Maturity of Long Term Borrowing	20,415.52	19,509.57	16,497.42
Total Borrowings	**168,999.62**	**159,246.85**	**149,654.18**

(iv) The currency and interest exposure of borrowings of the Company at the end of the period are as follows

	As at 31-Mar-2017	As at 31-Mar-2016	As at 1-Apr-2015
INR			
Fixed	-	-	-
Floating	55,750.00	33,350.00	16,850.00
USD (In million)			
Fixed	-	-	-
Floating	160.45	187.19	213.94

(a) The floating rate borrowings in USD are bank borrowing bearing interest rate based on LIBOR with spread and the same has been hedged using cross currency interest rate swap.

Notes annexed to and forming part of the Financial statement

In Rs. Lakhs

14 - Provisions

	As at 31-Mar-2017	As at 31-Mar-2016	As at 1-Apr-2015
(I) Non Current Provisions			
Provision for employee benefits			
(a) Provision for gratuity	73.30	41.52	57.59
(b) Provision for compensated absence	188.00	125.97	71.00
	261.30	**167.49**	**128.59**
(II) Current Provisions			
Provision for employee benefits			
(a) Provision for gratuity	-	-	-
(b) Provision for compensated absence	4.55	2.70	1.24
	4.55	**2.70**	**1.24**
Total Provisions	**265.85**	**170.19**	**129.83**

15 - Trade Payables

	As at 31-Mar-2017	As at 31-Mar-2016	As at 1-Apr-2015
(a) Creditors for suppliers / services	6,546.11	1,659.51	592.85
(b) Creditors for accrued wages and salaries	240.67	191.51	159.05
Total Trade Payables	**6,786.78**	**1,851.02**	**751.90**

16 - Other Financial Liabilities

	As at 31-Mar-2017	As at 31-Mar-2016	As at 1-Apr-2015
(a) Current maturities of long-term borrowings (Refer note 13)	20,415.52	19,509.57	16,497.42
(b) Interest accrued but not due	1,509.82	1,204.67	965.56
(c) Forward Payable	102.17	3.61	18.23
(d) Creditors for capital supplies/services	2,759.80	4,514.76	9,518.76
(e) Financial Guarantee Contracts	191.93	-	-
Total Other Current Liabilities	**24,979.24**	**25,232.61**	**26,999.97**

17 - Other Current Liabilities

	As at 31-Mar-2017	As at 31-Mar-2016	As at 1-Apr-2015
(a) Advance from customer	248.46	231.14	84.56
(b) Creditors for other liabilities	1,344.78	443.03	167.26
	1,593.24	**674.17**	**251.82**

Notes annexed to and forming part of the Financial statement

In Rs. Lakhs

18 - Revenue From Operations

	Figures for the period ended 31.03.2017	Figures for the period ended 31.03.2016
(I) Sale of Products (including excise duty)	58,929.98	11,206.82
(II) Rendering of service	8,517.86	9,351.11
(III) Other Operating Income	36.18	21.87
Total Revenue From Operations	**67,484.02**	**20,579.80**

19 - Other Income

	Figures for the period ended 31.03.2017	Figures for the period ended 31.03.2016
(I) Interest income on bank deposit	1.35	417.90
(II) Net gain on sale of current investments	0.28	3.74
(III) Other Miscellaneous Income	14.48	23.74
Total Other Income	**16.11**	**445.38**

20 - Raw Material Consumed

	Figures for the period ended 31.03.2017	Figures for the period ended 31.03.2016
(I) Full hard cold rolled coils	42,481.19	9,954.03
Total Raw Materials Consumed	**42,481.19**	**9,954.03**

21 - Changes In Inventories Of Finished Goods

	Figures for the period ended 31.03.2017	Figures for the period ended 31.03.2016
Inventories at the end of the period		
(I) Finished goods	12,819.29	4,806.43
	12,819.29	4,806.43
Inventories at the beginning of the period		
(I) Finished goods	4,806.43	885.74
	4,806.43	885.74
Total Changes In Inventories	**8,012.86**	**3,920.69**

Notes annexed to and forming part of the Financial statement

In Rs. Lakhs

22 - Employee Benefit Expense

		Figures for the period ended 31.03.2017	Figures for the period ended 31.03.2016
(I)	Salaries and wages, including bonus	2,190.10	1,963.76
(II)	Contribution to provident Funds & Other funds (Refer note 27)	117.23	107.17
(III)	Staff welfare expenses	75.86	44.26
Total Employee Benefit Expense		**2,383.19**	**2,115.19**

23- Finance Costs

		Figures for the period ended 31.03.2017	Figures for the period ended 31.03.2016
(I)	Interest expense		
	(a) On Long Term Borrowings	13,729.38	12,645.65
	(b) On Short Term Borrowings	502.33	81.82
(II)	Other borrowing costs	334.31	264.08
		14,566.02	**12,991.55**
Total Finance Costs		**14,566.02**	**12,991.55**

24 - Other Expenses

		Figures for the period ended 31.03.2017	Figures for the period ended 31.03.2016
(I)	Power and fuel	4,172.70	3,391.04
(II)	Rent	33.08	34.30
(III)	Rates and taxes	22.07	15.28
(IV)	Insurance charges	141.18	170.65
(V)	Consumption of Stores & Spares	1,476.43	1,307.68
(VI)	Operation & Maintenance Services	628.20	681.32
(VII)	Freight and handling charges	4,974.20	1,235.06
(VIII)	Roll grinding & texturing expenses	132.96	144.96
(IX)	Conversion charges	388.19	111.31
(X)	Excise duty	979.03	575.80
(XI)	Inspection, Testing & Analysis Charges	8.76	118.58
(XII)	Packing Charges	2,197.08	1,602.80
(XIII)	Repairs to machinery	434.77	176.80
(XIV)	Repairs to Building	24.61	18.22
(XIIV)	Others *	2,140.01	452.59
Total Other Expenses		**17,753.27**	**10,036.39**

*** Others include:**

(a)	(Gain) / Loss on cancellation of forwards, swaps and options	27.49	(12.45)
(b)	Net (gain) / loss on foreign currency transactions	(19.83)	4.07
(c)	Change in Fair value	1,003.83	(216.82)
(d)	Legal and other professional costs	57.23	43.56
(e)	Auditors remuneration and out-of-pocket expenses		
	(i) As Auditors	11.00	11.00
	(ii) For Other services	3.72	7.05
	(iii) Auditors out of pocket expenses	0.35	-
(f)	Director Sitting Fees	4.09	4.90

Notes annexed to and forming part of the Financial statement

25. Related Party Transaction

List of Related Party and relationships

Name of Party

A. Holding Company – Tata Steel Limited

B. Fellow Subsidiaries
i) TM International Logistics Ltd.
ii) Tata Steel Processing And Distribution Ltd.
iii) Tata Pigments
iv) Jamshedpur Utilities and Servcies Co Ltd.
v) The Indian Steel & Wire Products Ltd.

C. Associate of Holding
i) Metal Junction

D. Co- Venturer Group
i) Nippon Steel & Sumitomo Metal Corporation
ii) Nippon Steel and Sumikin Engineering Co.
iii) Nippon Steel & Sumikin Technology

F. Key Management Personnel –
Mr. C.V. Sastry - Managing Director

Related Party Transaction

Amount In Lakhs

Transaction	Holding	Subsidiary of Holding	Associate of Holding	Co-Venturer having significant influence	Key Management Person	Gross Total
Receiving of Services	**6,042.73**	**353.76**	**49.58**	**-**	**-**	**6,446.07**
	4,654.26	*207.71*	*-*	*146.74*	*-*	*5,008.71*
Leasing or hire purchase arrangements	**32.37**	**-**	**-**	**-**	**-**	**32.37**
	22.62	*-*	*-*	*-*	*-*	*22.62*
Purchase of Goods	**47,899.15**	**0.60**	**-**	**252.66**	**-**	**48,152.41**
	11,322.95	*-*	*-*	*73.17*	*-*	*11,396.12*
Outstanding Payable - Vendor	**4,536.15**	**67.72**	**33.64**	**-**	**-**	**4,637.51**
	726.57	*20.87*	*-*	*54.85*	*-*	*802.29*
Outstanding Payable - Advance	**64.27**	**0.50**	**-**	**-**	**-**	**64.77**
	-	*0.50*	*-*	*-*	*-*	*0.50*
Finance received (including loans and equity contributions in cash or in kind)	**-**	**-**	**-**	**-**	**-**	**-**
	2,958.00	*-*	*-*	*2,842.00*	*-*	*5,800.00*
Rendering of Services	**8,567.16**	**-**	**-**	**-**	**-**	**8,567.16**
	9,437.44	*-*	*-*	*-*	*-*	*9,437.44*
Sale of Goods	**-**	**78.61**	**-**	**-**	**-**	**78.61**
	-	*63.95*	*-*	*-*	*-*	*63.95*
Outstanding Receivables-Debtors	**1,250.09**	**24.06**	**-**	**-**	**-**	**1,274.15**
	1,518.04	*-*	*-*	*-*	*-*	*1,518.04*
Outstanding Receivables-Advances	**-**	**3.55**	**-**	**-**	**-**	**3.55**
	203.05	*1.47*		*-*	*-*	*204.52*
Managerial Remuneration paid (Refer Note 1 below)	**-**	**-**	**-**	**-**	**100.68**	**100.68**
	-	*-*	*-*	*-*	*81.70*	*81.70*

Note 1

The remuneration of key management personnel during the year was as follows:	As at March, 2017	As at March, 2016
Short term benefits	95.46	76.80
Post employment benefits	5.22	4.90
Total	**100.68**	**81.70**

The remuneration of the key management personnel is determined by the remuneration committee.

Notes annexed to and forming part of the Financial statement

26. Financial Assets and Liabilities

The following table represent carrying amount and fair value of each category of financial assets and liabilities **In Rs Lakhs**

As at March 31,2017

Particulars	Amortised Cost	Fair Value through other comprehensive income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Fair value through profit & loss	Total Carrying Value	Total Fair Value
Financial Assets							
Trade Receivables	9,400.37	-	-	-	-	9,400.37	9,400.37
Derivative financial assets	-	-	-	-	6,344.29	6,344.29	6,344.29
Other financial assets	123.15	-	-	-	-	123.15	123.15
Cash and Bank balances	1,474.38	-	-	-	-	1,474.38	1,474.38
Total financial assets	**10,997.90**	**-**	**-**	**-**	**6,344.29**	**17,342.19**	**17,342.19**
Financial Liabilities							
Borrowings	168,999.62	-	-	-	-	168,999.62	168,999.62
Derivatives financial liabilities	-	-	-	-	102.17	102.17	102.17
Trade Payables	6,786.78	-	-	-	-	6,786.78	6,786.78
Other financial liabilities	4,461.55	-	-	-	-	4,461.55	4,461.55
Total financial liabilities	**180,247.95**	**-**	**-**	**-**	**102.17**	**180,350.12**	**180,350.12**

As at March 31,2016

Particulars	Amortised Cost	Fair Value through other comprehensive income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Fair value through profit & loss	Total Carrying Value	Total Fair Value
Financial Assets							
Trade Receivables	3,333.31	-	-	-	-	3,333.31	3,333.31
Derivative financial assets		-	-	-	10,786.20	10,786.20	10,786.20
Other financial assets	73.36	-	-	-	-	73.36	73.36
Cash and Bank balances	3,594.09	-	-	-	-	3,594.09	3,594.09
Total financial assets	**7,000.76**	**-**	**-**	**-**	**10,786.20**	**17,786.96**	**17,786.96**
Financial Liabilities							
Borrowings	159,246.85	-	-	-	-	159,246.85	159,246.85
Derivatives financial liabilities	-	-	-	-	3.61	3.61	3.61
Trade Payables	1,851.02	-	-	-	-	1,851.02	1,851.02
Other financial liabilities	5,719.43	-	-	-	-	5,719.43	5,719.43
Total financial liabilities	**166,817.30**	**-**	**-**	**-**	**3.61**	**166,820.91**	**166,820.91**

As at April 1,2015

Particulars	Amortised Cost	Fair Value through other comprehensive income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Fair value through profit & loss	Total Carrying Value	Total Fair Value
Financial Assets							
Investment	1,080.42	-	-	-	-	1,080.42	1,080.42
Trade Receivables	860.83	-	-	-	-	860.83	860.83
Derivative financial assets	-	-	-	-	4,190.14	4,190.14	4,190.14
Other financial assets	270.83	-	-	-	-	270.83	270.83
Cash and Bank balances	14,081.96	-	-	-	-	14,081.96	14,081.96
Total financial assets	**16,294.04**	**-**	**-**	**-**	**4,190.14**	**20,484.18**	**20,484.18**
Financial Liabilities							
Borrowings	149,654.18	-	-	-	-	149,654.18	149,654.18
Derivatives financial liabilities	-	-	-	-	18.23	18.23	18.23
Trade Payables	751.90	-	-	-	-	751.90	751.90
Other financial liabilities	10,484.32	-	-	-	-	10,484.32	10,484.32
Total financial liabilities	**160,890.40**	**-**	**-**	**-**	**18.23**	**160,908.63**	**160,908.63**

Notes annexed to and forming part of the Financial statement

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

Quoted price is an active market (Level 1):
This level of hierarchy includes financial assets that are measured by reference to quoted price in active markets for identical assets and liabilities.

Valuation techniques with observable inputs (Level 2):
This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within level 1 that are observable for the assets and liability, either directly or indirectly.

Valuation techniques with significant unobservable inputs (Level 3)
This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data. Fair values are determined in whole or in part, using a valuation model based on the assumption that are neither supported by prices and observable current market transactions in the same instrument nor are they based on available market data.

	As at March 31,2017		
	Level 1	Level 2	Level 3
Financial assets measured at fair value			
Investment	-	-	-
Derivative financial assets		6,344.29	
	-	6,344.29	-
Derivative financial liabilities	-	102.17	-
	-	102.17	-

	As at March 31,2016		
	Level 1	Level 2	Level 3
Financial assets measured at fair value			
Investment	-	-	-
Derivative financial assets	-	10,786.20	-
	-	10,786.20	-
Derivative financial liabilities	-	3.61	-
	-	3.61	-

	As at April 1,2015		
	Level 1	Level 2	Level 3
Financial assets measured at fair value			
Investment	1,080.42	-	-
Derivative financial assets	-	4,190.14	-
	1,080.42	4,190.14	-
Derivative financial liabilities	-	18.23	-
	-	18.23	-

Notes
i. The short term financial assets and liabilities are stated at amortized cost which is approximately to their fair value.
ii. Derivatives are fair valued using market observable rates and published prices together with forecast cash flow information where applicable.
iii. Investment carried at their fair values, are generally based on market price quotations.
iv. There have been no transfer between level 1 and level 2 for the years ended March 31, 2016 and 2015.

(b) Transfer of financial assets
The Company has certain trade receivables under the Bill Discounting arrangements with Banks. These do not qualify for dereognition, due to the recourse arrangement and credit enhancement being in place. Consequently the proceeds received from Bills Discounting arrangement are recorded and classified as financial liability.

The carrying amount of trade receivables along with the associated liabilities is as follows:

	As at March 31, 2017		As at March 31,2016		As at April 01, 2015	
Nature of Asset	**Carrying amount of asset sold**	**Carrying amount of associated Liability**	**Carrying amount of asset sold**	**Carrying amount of associated Liability**	**Carrying amount of asset sold**	**Carrying amount of associated Liability**
Trade Receivables	191.93	191.93	-	-	-	-

Notes annexed to and forming part of the Financial statement

(c) Financial Risk Management

In the course of its business, the company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, liquidity and credit risk, which may adversely impact the fair value of its financial instruments.

The Company has a Board approved risk management policy which covers the foreign exchange risks and interest rate risk.

(i) Market Risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of change in the interest rate, foreign currency exchange rates, liquidity and other market changes.

(a) Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rate may have potential impact on the statement of profit and loss where any transaction reference more than one currency.

Considering the countries and economic environment in which the Company operates, its operation are subject to risks arising from fluctuations in exchange rates. As per the Company Risk Management Policy, Company uses foreign exchange and other derivative instruments primarily to hedge foreign exchange and interest rate risk.

10% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease/increase in the net income before tax approximately by Rs. 10,546.60 Lakhs (FY 16 Rs. 12,558.92 Lakhs) and Rs. 10,441.60 Lakhs (FY 16 Rs. 12,558.92 Lakhs) respectively. Out of the Rs. 10,546.60 Lakhs (FY 16 12,558.92 Lakhs) Rs. 10,406.16 Lakh (FY 2016: Rs. 12,496.09) is on USD 160 Million (FY16: USD 187 Million) which is fully hedged through a Cross Currency and Interest Rate Swap whereby its impact on cash flow is totally mitigated. For the remaining exposure amount is not material.

(b) Interest rate risk:

Interest rate risk is measured by using the cash flow sensitivity for change in variable interest rates. Any movement in reference rates could have an impact on the Company cash flows as well as cost.

Based on the composition of net debt at 31 March, 2017, a 100 basis points increase in interest rate over the 12 month period would increase the company net finance expenses by approximately Rs. 1,600 Lakh (2016 : Rs. 1,460 Lakh) and decrease equity by approximately Rs. 1,600 Lakh (2016: Rs. 1,460 Lakh).

Derivative Financial Instruments

The Company holds derivative financial instruments such as foreign currency forward contracts and cross currency interest rate swap to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts in generally a bank or a financial institution. These derivatives financial instruments are valued based on inputs that are directly or indirectly observable in the marketplace.

	As at March 31, 2017		**As at March 31,2016**	
	In Instrument Currency	**In Rs. Lakhs**	**In Instrument Currency**	**In Rs. Lakhs**
Cross Currency Interest Rate Swaps (USD)	160,452,838	104,061.69	187,194,977	124,021.35
Forward Contracts				
In USD	5,886	3.82	-	-
In EURO	6,151	4.26	-	-
In JPY	109,251,450	633.44	32,938,630	194.50
Total		**104,703.21**		**124,215.85**

(ii) Credit Risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risk.

Financial instruments that are subject to concentrations of credit risk, principally consist of trade receivables, loans and derivative financial instruments. None of the financial instruments of the Company result in material concentrations of credit risk.

The Risk relating to trade receivables is shown under note no 15.

(iii) Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company has fund and non fund based working capital lines from various banks. Further more the Company has access to funds from debt market through commercial paper programme and Long Term Rupee Loan.

Notes annexed to and forming part of the Financial statement

27. Employees Benefits

1. Defined Contribution Plan

The Company participates in number of defined contribution plans on behalf of its employees. Any expenses recognised in relation to these scheme represents the value of contributions payable during the period by them at rates specified by the rules of those plans.

Total cost charged to statement of profit and loss in 31st March, 2017 amounted to Rs. 78.96 Lakh (2016: Rs. 69.75 Lakh).

(i) Provident Fund: In accordance with the regulation, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and Company make a monthly contribution at a specified percentage of the covered employee's salary.

(ii) Others : Others consist of company and employees contribution to:
(a) Employees Pension Scheme
(b) Employees State Insurance

2. Defined Benefit Plan

(i) Retiring Gratuity : The Company have an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sump payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. The company make periodical contribution to gratuity funds established with Life Insurance Corporation of India. Company account for liability for gratuity benefits payable in the future based on an actuarial valuation. The Company is exposed to actuarial risk and investment risk with respect to this plan.

The following table sets out the amount recognised in the financial statement for the retiring gratuity plans in respect of the Company.

In Rs Lakhs

Change in defined benefit obligation	Figures for the period ended 31.03.2017	Figures for the period ended 31.03.2016
Obligation as at beginning of the year	88.31	57.59
Current service cost	36.22	34.33
Interest cost	6.84	4.46
Actuarial (gain)/loss	(2.46)	(8.08)
Benefits paid	26.00	-
Obligation as at end of the year	**154.91**	**88.30**
Change in Plan Assets		
Fair value of plan assets as at beginning of the year	46.79	-
Expected return on plan assets	-	-
Actuarial gain / (loss)	4.79	2.04
Contributions	30.03	44.75
Benefits paid	-	-
Fair value of plan assets as at end of the year	**81.61**	***46.79***
Amount recognised in the balance sheet consist of		
Fair value of plan assets as at end of the year	81.61	46.79
Present value of obligation as at end of the year	154.91	88.30
Net obligation/(assets) recognised in the balance sheet	73.30	41.51
Expenses recognised in the statement of profit & loss		
Current service cost	36.21	34.33
Interest cost	2.05	4.46
Expenses recognised in the statement of other comprehensive income		
Actuarial (gain) / loss	23.54	(10.12)
Total Cost Recognised in the statement of profit & loss	**61.8**	**28.67**

The assumption used in accounting for the retiring gratuity plans are as follows		
a. Discount rate	7%	7.75%
b. Rate of escalation in salary (Officer/Non Officer)	10% / 7.5%	10% / 7.5%

The table below outlines the effect on the service cost, the interest cost and the benefit obligation in the event of decrease/increase of 1% in the assumed rate of discount rate, salary escalation and inflation cost.

Assumption	Change in assumption	Impact on scheme liabilities
Discount Rate	Increase by 1%, decrease by 1%	Decrease by 21.7%, Increase by 28.6%
Salary escalation	Increase by 1%, decrease by 1%	Increase by 23.3%, Decrease by 20.4%

3. Risk Exposure of the Defined Benefit Plan

Defined benefit plan typically expose the Company to acturial risks, the significant of which are detailed below:

Investment Risk- The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest Risk - A decrease in the bond interest rate will increase the plan liability, however this will be partially offset by an increase in the return on the plan debt investments.

Longevity Risk- The present value of the 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 the 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.

Notes annexed to and forming part of the Financial statement

28. Deferred Tax Assets

(i) Deferred tax in respect of total tax losses of Rs. 154,088.50 Lakhs (March 31, 2016 Rs. 121,620.04 Lakhs) have not been recognised. Company has started its commercial operation in March, 2015 and has completed its 2 years of commercial operation. Hence on a prudent basis the Company has not considered recoginition of deferred tax.

(ii) Unrecognised deferred tax asset expired based on the year of origination as follows:

In Rs Lakhs

Financial Year	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
March, 2023	28,325.10	28,325.10	28,325.10
March, 2024	11,270.00	11,270.00	-
March, 2025	7,029.70	-	-

Note : Above figure do not include unabsorbed carry forward depreciation.

29. Capital Management

The Company capital management is intended to create value for shareholders by facilitiating the meeting of long term and short term goals of the Company.

The Company determines the amount of capital required on the basis of annual operating plans and long term product and other strategic investment plans. The Funding requirement are met through equity and long term/short term borrowing.

The Company monitors the capital sructure on the basis of total debt to equity ratio and maturity profile of the debt portfolio of the group.

30. Contingent Liability

The Deputy Labour Commissioner, Jamshedpur (DLC) had sent a demand notice to the Company for payment of cess under the Building & Other Construction Workers (regulation of employment & conditions of service) Act, 1996 (BOCW) for engaging building workers for construction of plant and other establishments. The Company has represented to the Deputy Labour Commissioner that the constructions have happened inside Tata Steel Limited which is covered under Factories Act, 1948 therefore provisions of the BCOW would not be applicable to the company. The company has obtained factory license from October 25, 2013

Potential liability on construction between the period of asset transfer from Tata Steel Limited till the date license was obtained would be Rs.186.54 lakhs (2016: Rs. 186.54 Lakh, 2015: Rs. 186.54 Lakh), excluding interest, if any

31. Earnings Per Share (EPS)

In Rs Lakhs

Particulars	Figures for the period ended 31.03.2017	Figures for the period ended 31.03.2016
Profit/ (Loss) available to Equity Shareholders (A) (In Rs. Lakh)	(19,990.46)	(22,877.43)
Weighted Average number of Equity Shares (B) (In Number)	932,000,000	926,295,082
Basic & Diluted earnings per share = A / B (In Rs.)	(2.14)	(2.47)

32. Statement of Profit and Loss

	Figures for the period ended 31.03.2017	Figures for the period ended 31.03.2016
(a) Value of Imports (C.I. F value) –		
Capital Goods	-	-
Store and Spares	638.27	317.93
(b) Expenditure in Foreign Currency		
(i) Interest, Loan Processing & Commitment Charges	2,583.52	2,285.79
(ii) Professional ,Technical & Supervision Fees	-	262.31
(iii) Commission	3.46	1.57
(iv) On Other Account	28.86	10.77

33. Commitment

Estimated amounts of contracts remaining to be executed on Capital Account and not provided for: Rs 1,296.55 Lakhs *(31.03.2016: Rs 1,578.87 Lakhs).*

34. Explanation to transition to Ind AS

-

First time adoption – Optional exemptions

The Company has prepared the Opening Balance Sheet as per Ind AS as of April 1, 2015 (The transition date to Ind AS) by recognising all its assets and liabilities whose recognition is required by Ind AS , by reclassifying and remeasuring the items of assets and liabilities from previous GAAP to Ind AS as required under Ind AS .However , the company has availed an optional exemption as detailed below :

(I) Deemed cost for Property, Plant and Equipment and Intangible assets.

(i) The company has elected to continue with the carrying value of all its Property, Plant and Equipment and intangible assets recognised as on April 1, 2015 (date of transition to Ind AS) measured as per the previous IGAAP and have considered that carrying value of Property , Plant and Equipment as its deemed cost as on the transition date .

(II) Classification of Debts instruments

The Company has determined the classification of debt instrument in term of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

(III) Financial Instruments

The Company has elected to designate financial assets or liability at fair value (with fair value taken through the statement of profit and loss or other comprehensive income) as on the date of transition rather than the date of initial recognition.

35 (a). Reconciliation of total equity as at March 31, 2016 and April 1, 2015

Particulars	As as 31st Mar'16	As at 1st Apr'15
Total equity (Shareholder's fund) under previous GAAP	**67,260.06**	**83,571.32**
Ind Adj as on 01st Apr'15	696.07	-
Fair value change of derivatives assets	241.33	(506.61)
Derecognition of amortisation of deferred premium	9.84	(65.90)
Fair value change of derivatives liabilities	(7.40)	9.41
Fair value change of Mutual fund	(221.05)	221.05
Difference of Amortisation of borrowing cost as per Ind AS	(119.05)	-
Recognition of duty saved on fulfilment of export obligation under EPCG	-	1,038.12
Depreciation on account of recognition of EPCG benefits as Assets	(656.10)	-
FEF on settlement of SWAP Settlement	(16.83)	-
Total adjustment of equity	**(73.19)**	**696.07**
Total equity under Ind AS	**67,186.87**	**84,267.39**

Notes annexed to and forming part of the Financial statement

35 (b). Effect of IND AS adoption on the balance sheet as at 31.03.2016 and April 1, 2015

In Rs Lakhs

Particulars	Footnote	As at 31st Mar 2016			As at 1st Apr 2015		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance Sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance Sheet
ASSETS							
Non-current assets							
Property, plant and equipment		199,487.38	15,746.34	215,233.72	209,162.06	16,402.44	225,564.50
Capital work-in-progress		184.98	-	184.98	96.79	-	96.79
Investment property		-	-	-	-	-	-
Goodwill		-	-	-	-	-	-
Other Intangible assets		4,407.66	-	4,407.66	4,944.80	-	4,944.80
Intangible assets under development		-	-	-	-	-	-
Biological assets other than bearer plants		-	-	-	-	-	-
Financial assets							
(i) Investments							
a) Investments in associates		-	-	-	-	-	-
b) Investments in Joint ventures		-	-	-	-	-	-
c) Other investments		-	-	-	-	-	-
(ii) Trade receivables		-	-	-	-	-	-
(iii) Loans		-	-	-	-	-	-
(iv) Finance lease receivables		-	-	-	-	-	-
(v) Derivative assets	2	11,926.62	(2,681.31)	9,245.31	6,889.89	(3,223.52)	3,666.37
(vi) Other financial assets		1.06	-	1.06	177.06	-	177.06
Deferred tax assets (net)		-	-	-	-	-	-
Other non-financial (non-current) assets	5	1,027.63	(730.88)	296.75	4,002.86	(777.85)	3,225.01
Non current tax asset		370.55		370.55	151.73		151.73
		217,405.88	**12,334.15**	**229,740.03**	**225,425.19**	**12,401.07**	**237,826.26**
Current assets							
Inventories		6,611.60	-	6,611.60	1,888.34	-	1,888.34
Financial assets							
(i) Investments		-	-	-	859.37	221.05	1,080.42
(ii) Trade receivables		3,333.31	-	3,333.31	860.83	-	860.83
(iii) Cash and Cash equivalents		-	-	-	-	-	-
(iv) Bank balances other than (iii) above		3,594.09	-	3,594.09	14,081.96	-	14,081.96
(v) Loans		-	-	-	-	-	-
(vi) Unbilled Revenue		72.28	-	72.28	75.28	-	75.28
(vii) Derivative assets	2	1,987.77	(446.88)	1,540.89	984.27	(460.50)	523.77
(viii) Other financial assets		0.02	-	0.02	18.49	-	18.49
Other non-financial (current) assets	5	5,520.28	(196.04)	5,324.24	4,761.22	(194.58)	4,566.64
		21,119.35	**(642.92)**	**20,476.43**	**23,529.76**	**(434.03)**	**23,095.73**
Assets classified as held for sale		-	-	-	-	-	-
Total current assets		**21,119.35**	**(642.92)**	**20,476.43**	**23,529.76**	**(434.03)**	**23,095.73**
Total Assets		**238,525.23**	**11,691.23**	**250,216.46**	**248,954.95**	**11,967.04**	**260,921.99**
EQUITY ANDY LIABILITIES							
Equity							
Equity share Capital		93,200.00	-	93,200.00	87,400.00	-	87,400.00
Other Equity		(25,939.95)	(73.18)	(26,013.13)	(3,828.68)	696.07	(3,132.61)
Equity attributable to owners of the company		**67,260.05**	**(73.18)**	**67,186.87**	**83,571.32**	**696.07**	**84,267.39**
Non-controlling interest		-	-	-	-	-	-
Total equity (shareholders' fund under previous GAAP)		**67,260.05**	**(73.18)**	**67,186.87**	**83,571.32**	**696.07**	**84,267.39**
Non current tax liabilities							
Financial liabilities							
(i) Borrowings	5	137,669.02	(559.33)	137,109.69	133,846.86	(690.10)	133,156.76
(ii) Trade payables		-	-	-	-	-	-
(iii) Derivative liabilities		-	-	-	-	-	-
(iv) Other financial liabilities		-	15,364.32	15,364.32	-	15,364.32	15,364.32
Provisions		170.19	-	170.19	129.83	-	129.83
Deferred tax liabilities (net)		-	-	-	-	-	-
Other non-financial liabilities		-	-	-	-	-	-
Totan non-current liabilities		**137,839.21**	**14,804.99**	**152,644.20**	**133,976.69**	**14,674.22**	**148,650.91**
Current liabilities							
Financial liabilities							
(i) Borrowings		2,627.59	-	2,627.59	-	-	-
(ii) Trade payables		1,851.02	-	1,851.02	751.90	-	751.90
(iii) Derivative liabilities	2	5.63	(2.02)	3.61	27.65	(9.41)	18.24
(iv) Other financial liabilities	5	28,267.56	(3,038.56)	25,229.00	30,375.56	(3,393.83)	26,981.73
Provisions		-	-	-	-	-	-
Current tax liabilities (net)		-	-	-	-	-	-
Other non-financial (current) liabilities		674.17		674.17	251.82		251.82
		33,425.97	**(3,040.58)**	**30,385.39**	**31,406.93**	**(3,403.24)**	**28,003.69**
Liabilities directly associated with assets classified as held for sale		-	-	-	-	-	-
Total current liabilities		**33,425.97**	**(3,040.58)**	**30,385.39**	**31,406.93**	**(3,403.24)**	**28,003.69**
Total equity and liabilities		**238,525.23**	**11,691.23**	**250,216.46**	**248,954.94**	**11,967.05**	**260,921.99**

Notes annexed to and forming part of the Financial statement

35 (c). Effect of IND AS adoption on the statement of the profit and loss for the year ended 31.03.2016

In Rs Lakhs

Particulars	Footnote	Previous GAAP	Effect of transition to Ind AS	Ind AS
Revenue from operations		20,603.54	-	20,603.54
Other Income	3	653.46	(221.05)	432.41
Finance Income				-
Total Income (A)		**21,257.00**	**(221.05)**	**21,035.95**
Cost of materials consumed		9,954.03	-	9,954.03
Purchases of stock in trade		-	-	-
Changes in inventories of finished goods, stock-in-trade and work-in-progress		(3,920.69)	-	(3,920.69)
Excise duty on sale of goods		1,343.51	-	1,343.51
Employee benefit expense	4	2,105.06	10.13	2,115.19
Finance costs	5	12,872.50	119.05	12,991.55
Depreciation and amortisation expense		10,739.75	656.10	11,395.85
Other expenses	2	10,274.11	(226.95)	10,047.16
Total Expenses (B)		**43,368.27**	**558.33**	**43,926.60**
Share of profit / (loss) of associates (C)		-	-	-
Share of profit / (loss) of joint ventures (D)		-	-	-
Profit/(loss) before tax (A - B + C +D)		**(22,111.27)**	**(779.38)**	**(22,890.65)**
(1) Current tax		-	-	-
(2) Deferred tax		-	-	-
Profit/(loss) after tax from continuing operations		**(22,111.27)**	**(779.38)**	**(22,890.65)**
Profit/(loss) from discontinued operations before		-	-	-
Tax expense of discontinued operations		-	-	-
Profit from discontinued operations (after tax)		-	-	-
Share of minority interest (previous GAAP)		-	-	-
Profit/(Loss) for the period		**(22,111.27)**	**(779.38)**	**(22,890.65)**
Other Comprehensive Income	**7**			
A (i) Items that will not be reclassified to profit or loss		-	10.13	10.13
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-	-
B (i) Items that will be reclassified to profit or loss		-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-	-
Total Comprehensive Income		**(22,111.27)**	**(769.25)**	**(22,880.52)**

Additional note for note no. 32

1. Property Plant & Equipment- In accordance with IND AS 20 "Accounting for Government Grant and Disclosure of Government Assistance", an amount of Rs. 16,402 Lakh, representing the duty saved on availment of EPCG licences towards import of Plant & Machinery has been added to the cost of Gross Fixed Assets as on 1st April 2015, as an IND AS adjustment with a corresponding credit to Deferred liability.

Out of the same an amount of Rs. 1038 lakh, representing the duty saved on fulfilment of Export Obligation under EPCG licences has been credited as on 1st April 2015 to IND AS Transition reserve as an Opening Adjustment.

Consequent to the above adjustment a Depreciation charge of Rs. 656 lakh has been debited to the Profit & Loss Account for the financial year ended on 31st March 2016.

2. Derivative Instruments-The fair value of derivative instruments based on mark to market is recognised under IND AS, and was not recognised under Indian GAAP. The corresponding adjustment has been recognised as a separate component of equity. On the date of transition, IND AS transition reserve was debited by Rs. 506 Lakh and movement of during the year has recognised in profit or loss.

3. FVTPL financial assets- Under Indian GAAP, the Company accounted for long term investments in securities/mutual at cost less provision for permanent diminution in the vale of investment. Under IND AS the Company has designated investments as FVTPL investments. IND AS requires FVTPL to be measured at fair value . At the date of transition to IND AS, difference between the instruments fair value and carrying amount as a component of equity, in the IND AS Transition reserve.

4. Defined benefit liabilities- Both under Indian GAAP and IND AS the costs related to its post employment defined benefit plan on an actuarial basis. Under IND AS actuarial gain and losses are recognised immediately in the balance sheet with a corresponding adjustment with retained earnings through other comprehensive income (OCI). Thus the employees benefit cost has increased by Rs. 10.13 lakh and the same has been recognised in the OCI.

5. Borrowings- Under Indian GAAP, transactions cost incurred in connection with borrowings are amortised over the loan tenure and charged to profit or loss on time proportion basis. Under IND AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method.

6. Statement of cash flows - The transition from Indian GAAP to IND AS has not had a material impact on the statement of cash flows.

7. Other Comprehensive Income - It primarily includes remeasurement gains/losses on actuarial valuation of post employment defined benefits.

Notes annexed to and forming part of the Financial statement

36. The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises as at 31st March, 2017 are as under:

Particulars	Figures for the period ended 31.03.2017	Figures for the period ended 31.03.2016
(i) The principal amount remaining unpaid to supplier as at the end of the year	32.04	4.7
(ii) The interest due thereon remaining unpaid to supplier as at the end of the year	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this act	0.08	0.08
(iv) The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-

37. Disclosure of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 (As per notification no. G.S.R. 307 (E) and notification no. G.S.R. 308 (E) dated 30th March 2017):

Particulars	Specified Bank note	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	-	-
Add: Permitted receipts	-	-	-
Add: Other Receipts	-	-	-
Less: Permitted payments	-	-	-
Less: Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	-	-

38. Previous year's figures have been recast / restated where ever necessary.
39. Figures in italics are in respect of the previous year.

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

Abhijit Bandyopadhyay
Partner

Kolkata, April 26, 2017

R. Manoranjan
Company Secretary

Pratik Chatterjee
Chief Financial Officer

Hideki Ogawa
Chairman
(DIN : 0007223732)

Dibyendu Dutta
Director
(DIN : 0001111150)

C.V. Sastry
Managing Director
(DIN : 0003434562)

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