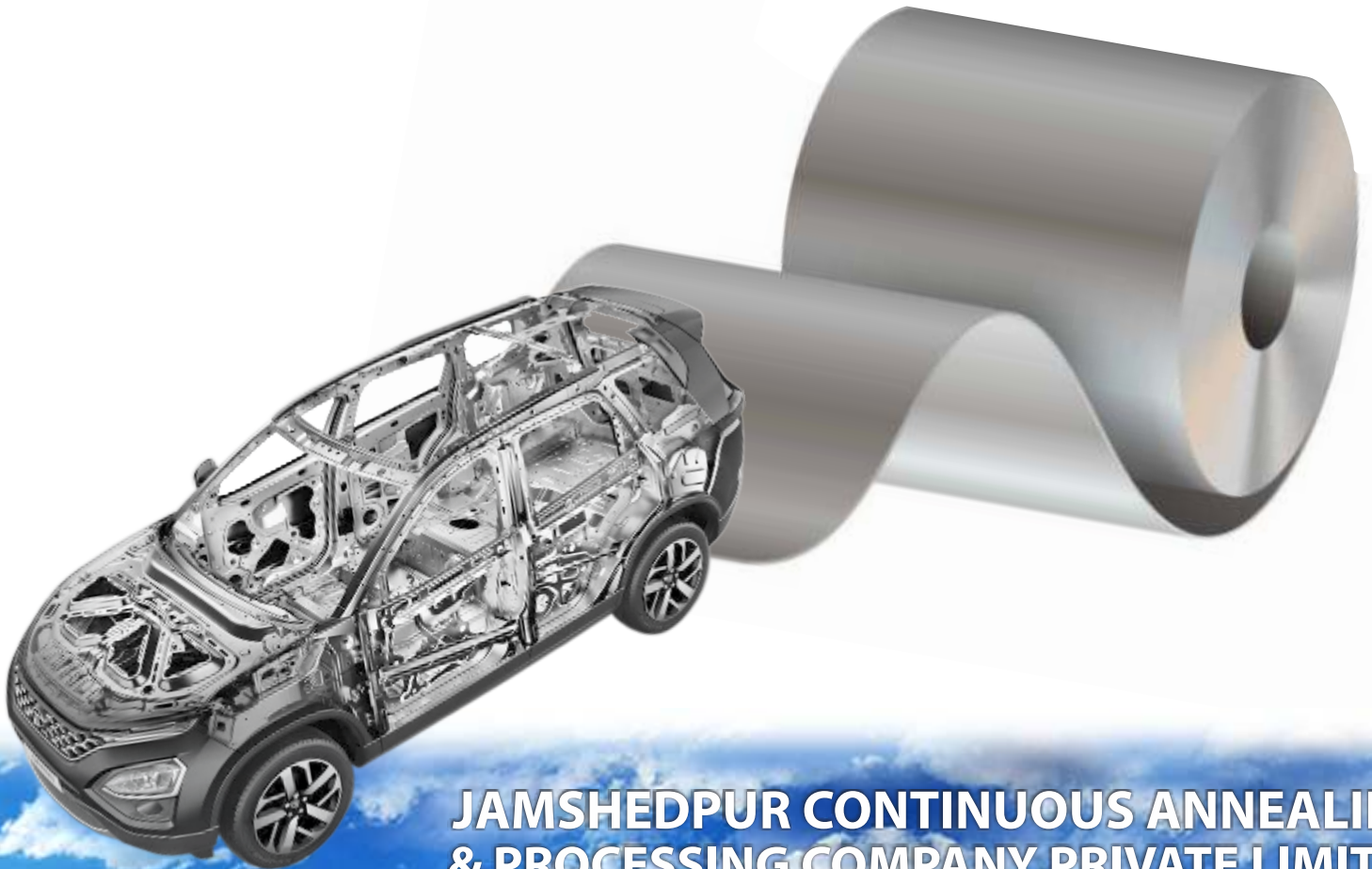


# JCAPCPL

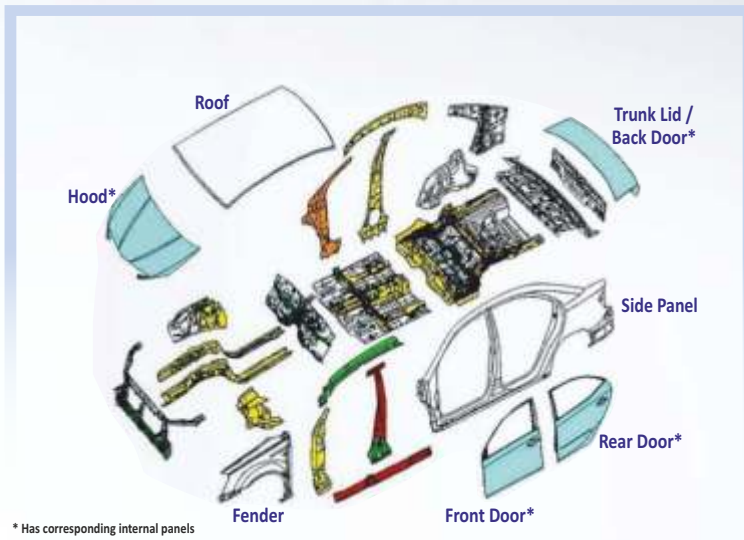
11<sup>th</sup>

ANNUAL REPORT  
2021 - 22



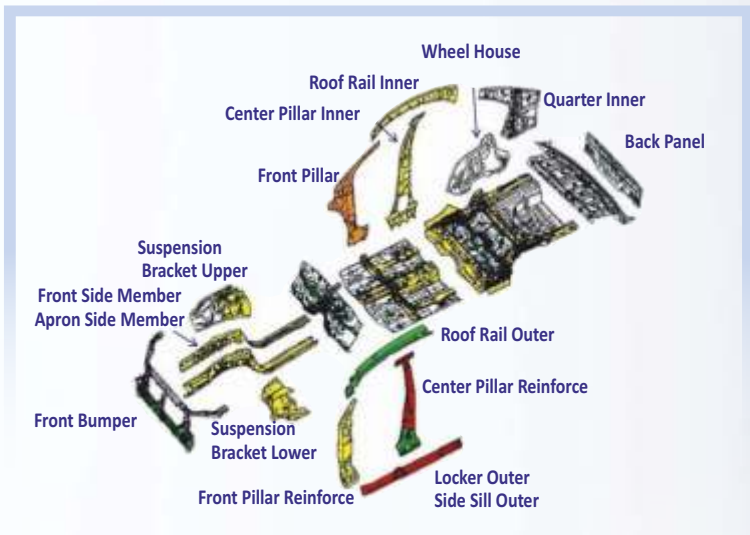
**JAMSHEDPUR CONTINUOUS ANNEALING  
& PROCESSING COMPANY PRIVATE LIMITED**



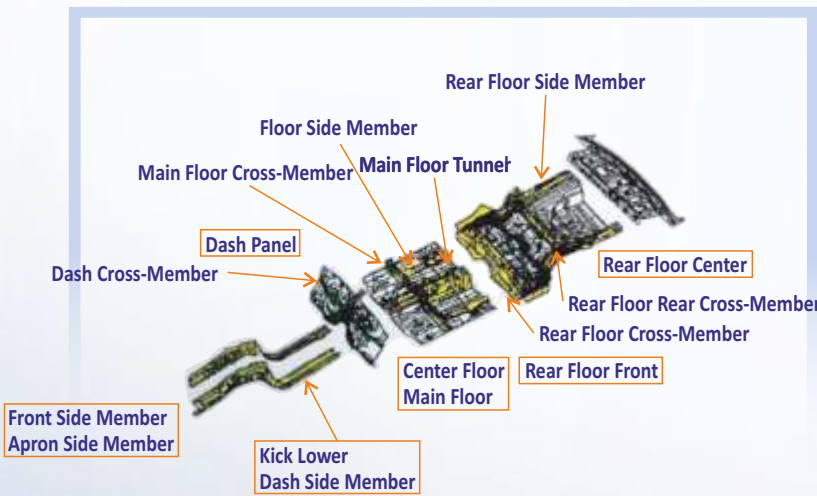


\* Has corresponding internal panels

### Skin Panels



### Structural Component - Upper Body



### Structural Component - Lower Body

# ABOUT JCAPCPL

Incorporated in 2011 by Tata Steel Limited (51%) and Nippon Steel Corporation (49%); Jamshedpur Continuous Annealing & Processing Company Private Limited serves India's growing demand for high grade Automotive CR Steels, thereby enabling Automotive OEMs to address their strategic objective of increased localization. On January 1, 2021 Tata Steel Limited had transferred its entire shareholding (51%) to Tata Steel Downstream Products Limited (TSDPL), a 100% subsidiary of Tata Steel Limited.

The Company is the industry benchmark in Safety, Quality and Service with its focus on continuous improvements. Company's high-end Automotive cold rolled steels contribute towards passenger safety by absorbing crash energy during impact and helps in reducing fuel consumption to supports for a cleaner and greener environment.

The Company with its state-of-the-art manufacturing facility of 0.6 MTPA at Jamshedpur along with service centres closer to the Automotive customers, caters to the demand of Automotive OEMs. In FY22 the total turnover of the Company was ~Rs.3656 crore and Profit After Tax ~Rs. 397 crore.

## About **TATA STEEL LIMITED (TSL)**



Established in Jamshedpur in 1907, Tata Steel Limited, a company that took shape from the vision of Jamsetji N. Tata, is one of the world's most geographically diversified steel producers, with operations and commercial presence across the world. TSL is among the top global steel companies with an annual crude steel capacity of 34 Mn TPA. A Great Place to Work-Certified™ organisation, Tata Steel Limited, together with its subsidiaries, associates, and joint ventures, is spread across five continents with an employee base of over 65,000. TSL Group recorded a consolidated turnover of Rs. 243,959 crore in FY22.

## About **TATA STEEL DOWNSTREAM PRODUCTS LIMITED (TSDPL)**



Tata Steel formed a 50:50 joint venture in 1997 with Ryerson Inc., USA, (North America's largest metals processor and distributor with more than 100 service centers in USA, Canada & Mexico), to promote a Steel Service Company, christened Tata Ryerson Limited.

The Company became a wholly owned subsidiary of Tata Steel in 2009 and acquired a new name, Tata Steel Processing & Distribution Limited, from January, 2010. The Company again changed its name to Tata Steel Downstream Products Limited (TSDPL) in December, 2019.

TSDPL operates in the organized steel processing and distribution market in India offering its products and services to steel producers and steel consumers. Its business is supported by 14 sales offices and 10 processing facilities close to the Mill or the OEMs. TSDPL operates as part of steel supply chain as intermediary (bridge) between steel suppliers and the customer who use the processed steel in desired shape and size.

TSDPL operates on predominately two business models Tolling and Distribution where majority of the business comes from the automotive industry. In FY18, TSDPL entered into a new market of "Services and Solutions". As the largest Steel Service Centre in the country and the largest SPC of TSL, TSDPL's tolling and Distribution volumes have grown steadily over the years. In FY22 TSDPL processed and distributed more than 3 Million tons with a total turnover surpassing Rs. 6700 Crore.

## About **NIPPON STEEL CORPORATION (NSC)**



Nippon Steel Corporation (NSC) is an integrated steel producer. NSC makes a wide range of value added steel products, in more than 15 countries as well as at 6 steel works (21 locations) 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 NSC Group employs approximately 106,000 persons. NSC posted JPY6,809 billion in revenue with its crude steel production of 44 million Tons on a consolidated basis for the fiscal year ended March 31, 2022.

# Milestones of JCAPCPL

2011-12

- Ground Breaking
- Concrete Pouring

2013-14

- Cold Run
- Hot Run

2015-16

- First Automotive Rail Despatch
- First Skin Panel Production
- ISO TS Certification
- BIS Certification

2017-18

- "Best Raw Material Supplier" Award from Toyota Kirloskar Motor
- "Par Excellence Award" at the National Quality Circle Convention
- "Strong Commitment to HR" From CII, National HR Excellence Award

2019-20

- Company's Lab has received accreditation from Toyota, Japan
- Certificate from Toyota for achieving target in Quality
- "Certificate of Appreciation from Hyundai
- Achieved cumulative Automotive Sales of 8,50,000 tons

2021-22

- Cumulative Automotive sales of 15,00,000 tons
- Best ever Net Profit of Rs. 39713.48 Lakh
- Highest ever annual Automotive CR production of 4,44,925 tons
- Awarded by Toyota Kirloskar Motors Limited for 2<sup>nd</sup> year in a row for achieving Zero Rank A & Zero PPM

2012-13

- Furnace & Equipment erection
- 33KV GIS Charging Permanent Power station installed

2014-15

- First Automotive Coil Produced
- First Coil Despatch
- Inauguration of JCAPCPL plant

2016-17

- ZERO PPM Supply to Toyota & Nissan
- Achieved cumulative Automotive Sales of 1,00,000 tons
- Implementation of SAP HANA

2018-19

- Certificate Achieving targets in the category of Quality" from Toyota Kirloskar Motor
- Won Gold & Silver Awards at International Convention for Quality, Singapore
- Commended with Significant Achievement in HR Excellence "at CII National HR Excellence Award
- Achieved cumulative Automotive Sales of 6,00,000 tons

2020-21

- Certificate From Toyota for Zero defect supplier
- Best ever Net Profit of Rs. 20616.19 Lakh
- Best ever Annual Automotive CR production of 3,93,436 tons
- Achieved cumulative Automotive sales of 10,00,000 tons

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# Board of Directors (as on 18.04.2022)



**Mr. Hiroshi Ebina**

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**Mr. Rajeev Singhal**

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**Mr. Dibyendu Dutta**

---



**Mr. Soichi Yonezawa**

---



**Ms. Jaya Singh Panda**

---



**Mr. Ujjal Chakraborti**

---



**Mr. Junichi Matsunaga**

---

# Management Team (as on 18.04.2022)



**Mr. Ujjal Chakraborti**  
Managing Director

---



**Mr. Junichi Matsunaga**  
Executive Director

---



**Mr. Pranav Kumar Jha**  
Chief Financial Officer

---



**Mr. Ajay Gupta**  
General Manager  
(M&S and Supply Chain)

---



**Mr. Avik Chatterjee**  
DGM (Human Resources  
Management & Administration)

---



**Mr. Kirit B. Daxini**  
DGM (EHS & Maintenance)

---



**Mr. Vikal Mahendra**  
AGM (Operations)

---



**Mr. Thangaraj P.**  
AGM (Application Engineering & QA)

---

# Stakeholder Management in FY 22

## With Customers



**Plant visit by Toyota**



**Visit to TML**



**Visit to BAO Steel**



**Visit to NMPL and milestone celebration**

## In pursuit of Excellence





# CSR Journey



# Corporate Information (as on 18.04.2022)

## Board of Directors

- Mr. Hiroshi Ebina - Chairman
- Mr. Rajeev Singhal
- Mr. Dibyendu Dutta
- Mr. Soichi Yonezawa
- Ms. Jaya Singh Panda
- Mr. Ujjal Chakraborti - Managing Director
- Mr. Junichi Matsunaga - Executive Director

## Management Team

- Mr. Ujjal Chakraborti - Managing Director
- Mr. Junichi Matsunaga - Executive Director
- Mr. Pranav Kumar Jha - Chief Financial Officer
- Mr. Ajay Gupta - GM (M&S and Supply Chain)
- Mr. Avik Chatterjee - DGM (HRM & Administration)
- Mr. Kirit B. Daxini - DGM (EHS & Maintenance)
- Mr. Vikal Mahendra - AGM (Operations)
- Mr. Thangaraj P. - AGM (Application Engineering & QA)

## Chief Financial Officer

- Mr. Pranav Kumar Jha

## Company Secretary

- Mr. Prashant Kumar

## Bankers

- Japan Bank for International Cooperation
- MIZUHO Bank Ltd
- MUFG Bank
- ICICI Bank
- Kotak Mahindra Bank
- HDFC Bank
- Export- Import Bank of India
- Sumitomo Mitsui Banking Corporation

## Registered Office

Tata Centre, 7<sup>th</sup> Floor  
43, Jawahar Lal Nehru Road, Kolkata, West Bengal-700071  
Email: communication@jcapcpl.com  
CIN: U27310WB2011PTC160845

## Board Committees

### Audit Committee

- Mr. Dibyendu Dutta, Chairman
- Mr. Hiroshi Ebina, Member
- Mr. Rajeev Singhal, Member

### Nomination & Remuneration Committee

- Mr. Rajeev Singhal, Chairman
- Mr. Dibyendu Dutta, Member
- Mr. Soichi Yonezawa, Member

### Corporate Social Responsibility Committee

- Mr. Dibyendu Dutta, Chairman
- Mr. Soichi Yonezawa, Member
- Mr. Ujjal Chakraborti, Member

## Statutory Auditor

- Price Waterhouse & Co. Chartered Accountants LLP

## Internal Auditor

- Ernst & Young LLP, Chartered Accountants

## Secretarial Auditor

- Sital Prasad Swain, Practicing Company Secretary

## Cost Auditor

- Shome & Banerjee, Cost Accountants

## Registrar & Share Transfer Agent

- TSR Darashaw Consultants Private Limited

## Corporate Office & Works

Mailing Box No. W-251 At Tata Steel Works  
East Singhbhum, Jamshedpur, Jharkhand -831001  
Website: www.jcapcpl.com  
Phone no : +91 9031000750

*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 March 31, 2022.

During FY22 the Indian Automotive industry Passenger vehicles (PVs) segment registered a growth of 22% in production over the previous financial year. Domestic sales of PVs grown by 15%. The export of PVs witnessed an increase of 27% over the previous year.

In Q1/FY22, due to second wave of COVID 19 pandemic, sporadic lockdowns were declared by government of India in the month of May '21. The month of June witnessed re-opening for most of the states. Due to this, the industry witnessed a high pent-up demand which was stuck in the system because of statewide lockdowns. On YoY basis, In June '21 PV was up by 43%.

In Q2/FY22, Passenger vehicle sales shrank, as the shortage of semiconductors disrupted production at several manufacturers, even though there is high demand for passenger vehicles. Before the start of 42-days festive period every dealer starts planning for a bigger offtake but due to supply issues, inventory levels dip to record lows of 15-20 days.

In Q3/FY22, despite growing consumer demand in the festive season, the production at several automakers showed a declining trend. PVs production in October '21 has declined ~ 22% compared to October '20 & in November '21 it has declined by ~ 7% compared to November '20. In the festive season, the industry was hoping to make up for the lost ground, but the sales in the month of November 21, were the lowest November monthly sales in the last seven years for passenger vehicles.

In Q4/FY22, PVs continues to see high demand and long waiting period as semi-conductor availability still remains a challenge even though supplies slightly improved from previous month. The Russia-Ukraine war and China lockdown further dents supplies and hence press brakes on vehicle availability thus making waiting period more frustrating for customers. Period of Q4/FY22 witnessed marginal increase of ~ 2% as compared to same period during previous financial year.

Passenger cars production in FY22 increased by 19%, UVs production witnessed an increase of 43% and Vans by 7% as compared to previous financial year.

At domestic front, RBI Monetary Policy maintained the repo rate unchanged at 4 percent, reverse repo at 3.35 percent. The reverse repo rate, the rate at which the RBI borrows money from the banks in the short term, has been unchanged and the repo rate or the short-term lending rate was last cut on May 22, 2020. Since then, the rate remains at a historic low of 4 per cent.

The Monetary Policy Committee raised the inflation forecast for the fiscal year to 5.7% percent, from 5.5 percent citing rising commodity prices. Economic growth forecast has been cut to 7.2 percent, from 7.8 percent as supply disruptions lessen output and high prices destroy demand.

It's not just India, but almost all emerging economies are reeling under these external shocks. It is believed that India's underlying economic fundamentals are strong and despite the short-term turbulence, the impact on the long-term outlook will be marginal. Further, the emphasis on manufacturing in India and various government incentives such as lower taxes, and rising services exports on the back of stronger digitization and technology transformation drive across the world will aid in growth.

On the back of these factors, it is expected that India shall grow at 8.3-8.8% during FY2021-22, followed by equally strong growth of more than 7.5% and 6.5% in the next two fiscal years, respectively.

In FY 22, the Company posted a revenue of Rs. 3,65,581.58 Lakh, and an EBITDA of Rs. 51,860.47 Lakh (Operational EBITDA was Rs 50,902 Lakh, excluding impact of Mark to Market loss on its Derivatives) as against a revenue of Rs. 2,16,895.35 Lakh and EBITDA of Rs. 38,487.19 Lakh (Operational EBITDA was Rs 38,068.02 Lakh, excluding impact of Mark to Market gain on its Derivatives in FY21).

After taking into account the Finance cost of Rs. 6,902.37 Lakh and Depreciation charge of Rs. 8,089.06 Lakh, the Company posted a net profit (Profit after Tax) of Rs 39,713.48 Lakh in FY22, as compared to Rs. 20,653.29 Lakh in FY21. The Company prepared its Financial Statements for the year ended on March 31, 2022 in accordance with Ind AS requirements.

Although as a part of its Corporate Philosophy your Company has been volunteering CSR activities through Company's employees CSR Club, "Ummeed" since its inception, FY22 is the first year when your Company is mandated for the CSR activities pursuant to the provisions of Section 135 of the Companies Act, 2013. The CSR initiatives of your Company is focused towards "A Sustainable Tomorrow" with a special focus and emphasis on Sustainability & Environment, Diversity & Inclusion, Healthcare, Education and Sports. The team has carried out several initiatives to improve the quality of life of communities through long-term value creation for all stakeholders.

Your Company has been selected as the winner by Tata Engage for the Highest Participation Rate Award in the small category, for clocking a total of 864 hours during Tata Volunteering Week (TVW) 16. This milestone was achieved with efforts of 199 volunteers in over 46 events.

Despite the fact that the Company is continuously improving its journey in the area of safety, product quality, operational efficiencies, productivity, delivery management, order compliance, cost control, enriching customer's satisfaction and business performance, fire at Plant on two occasions have interrupted the production for sometimes. Necessary counter measures with the help of the Promoters are being taken by your Company to prevent such occurrence in future.

Mr. C.V. Sastry, Ex-Managing Director has demised on June 6, 2021. On behalf of your Company, the Board of Directors expressed their heartfelt condolence and placed on record the invaluable contribution made by Mr. Sastry since the inception of the Company. The values and guiding principles of Mr. Sastry shall be the torch bearer for the Company. Mr. Ujjal Chakraborti has been appointed as the Managing Director of the Company for a period of three years with effect from June 14, 2021.

On behalf of the Board, I would like to express my sincere gratitude and thanks to all Stakeholders and Partners, Promoters - Tata Steel Limited, Tata Steel Downstream Products Limited and Nippon Steel Corporation, Customers, Supplier Partners, Financial Institutions, Bankers, the Employee's Union and all employees and business associates of the Company for extending their invaluable support.

**For and on behalf of the Board of Directors**

(Hiroshi Ebina)  
Chairman  
DIN: 08224876

Dated: April 18, 2022



## Annual General Meeting Notice

### NOTICE TO THE MEMBERS

Notice is hereby given that the Eleventh Annual General Meeting of M/s Jamshedpur Continuous Annealing & Processing Company Private Limited will be held on Wednesday, July 13, 2022 at 3.50 p.m. (IST) through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM) at a shorter notice 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 March 31, 2022 together with the Reports of the Board of Directors and Auditors thereon.

##### Item No.2 – Re-appointment of Director

To appoint a Director in place of Mr. Rajeev Singhal (DIN-02719570), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, seeks re-appointment.

##### Item No.3 – Re-appointment of Director

To appoint a Director in place of Mr. Dibyendu Dutta (DIN- 01111150), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, seeks re-appointment.

##### Item No. 4- Re-appointment of Statutory Auditors

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

**“RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and pursuant to the recommendations of the Audit Committee and the Board of Directors, M/s Price Waterhouse & Co. Chartered Accountants LLP, Chartered Accountants having Firm Registration No. 304026E/E300009, be and is hereby re-appointed as the Statutory Auditors of the Company for a period of five years to hold office for a second term commencing from the conclusion of this Annual General Meeting till the conclusion of the 16<sup>th</sup> Annual General Meeting of the Company to be held in FY'28, to examine and audit the accounts of the Company, on such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Statutory Auditors.

**RESOLVED FURTHER THAT** the Board of Directors and/or any person authorised by the Board, be and is hereby severally authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution in the best interest of the Company.”

##### Item No. 5 – Ratification of Remuneration to the Cost Auditor

To consider and if thought fit, to pass with or without modification(s), the following resolution(s) 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 read with 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 the remuneration of Rs. 1.80 lakh (Rupees One Lakh Eighty 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), who have been appointed by the Board of Directors on the recommendation of the Audit Committee as Cost Auditors to conduct the audit of the cost records maintained by the Company as prescribed under the Companies (Cost Records and Audit) Rules, 2014, as amended, for the Financial Year ending March 31, 2023.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including Committees thereof) be and is hereby authorized to do all such acts, deeds and take all such steps as may be considered necessary, proper or expedient to give effect to the Resolution(s) and / or otherwise considered by them to be in the best interest of the Company.

**By Order of the Board of Directors**

Dated: July 13, 2022  
Registered Office:  
Tata Centre, 7<sup>th</sup> Floor  
43, Jawahar Lal Nehru Road,  
Kolkata – 700 071  
CIN: U27310WB2011PTC160845

(Prashant Kumar)  
Company Secretary  
(Membership No: A19510)

### Notes:

1. The respective Explanatory Statements, pursuant to Section 102 of the Companies Act, 2013 ("Act"), in respect of the business under Item No 5 of the accompanying Notice are annexed here to.
2. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') vide its Circular Nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 read with Circular Nos. 20/2020 dated May 5, 2020 and 02/2021 dated January 13, 2021 (collectively referred to as 'MCA Circulars'), have permitted the holding of Annual General Meeting through Video Conferencing ('VC') or Other Audio-Visual Means ('OAVM'), without the physical presence of the Members at a common venue. In accordance with the MCA Circulars, the 11<sup>th</sup> Annual General Meeting of the Company is being held through VC / OAVM on Wednesday, July 13, 2022 at 3.50 p.m. (IST) at a shorter notice. The deemed venue for the 11<sup>th</sup> Annual General Meeting shall be the 7<sup>th</sup> Floor, Tata Centre, 43, Jawahar Lal Nehru Road, Kolkata- 700071.
3. The relevant details pursuant to the applicable Secretarial Standard on the General Meeting issued by the Institute of Company Secretaries of India ("ICSI"), in respect to Director/s seeking appointment/ re- appointment at this AGM are annexed herewith.
4. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote at the meeting and the proxy is not required to be a Member. Since this AGM is being held pursuant to the applicable MCA Circulars through AV /OAVM, physical attendance of the Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
5. Facility for joining the AGM through AV /OAVM shall open 15 minutes before the scheduled time and 15 minutes after the scheduled time for the AGM and shall be available on a 'first come first served' basis.
6. Members attending the meeting through audio-visual means shall be counted for the purpose of quorum under Section 103 of the Act.
7. Voting on each resolution will be done by show of hands by Members during the Meeting.
8. If a poll is demanded under Section 109 of the Act, the designated email id of the Company viz. prashant.kumar@jcapcpl.com will be used for voting purposes.
9. Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company shall remain closed from Thursday, July 7, 2022 to Wednesday, July 13, 2022 (both days inclusive).
10. In compliance with the MCA Circulars, the Notice of the AGM along with the Annual Report is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. Members may note that the Notice of the AGM along with Annual Report will also be available at the Company's website viz.,www.jcapcpl.com.
11. Institutional/ Corporate Shareholders are required to send a certified copy of the Board/ Governing body Resolution / Authorisation etc. to the Company on e-mail id prashant.kumar@jcapcpl.com authorising its representative to attend the AGM through audio-visual means, on its behalf and vote thereat.
12. Members can post their questions in advance at the above-mentioned email, in relation to the items of business proposed to be placed at the Meeting. Members desirous of any information on the accounts at the meeting are requested to send their queries at least 10 days before the meeting. They can post their queries on the same email id or during the meeting as well.



13. The manner in which members can participate in the AGM through AV is given hereunder:
- I. The Members will be provided with a facility to attend the AGM through AV using "Microsoft Teams", which is a two-way audio-visual conferencing facility. The web link for the same is being sent to the members on their registered e-mail address along with the notice of the AGM and Annual Report for Financial Year 2021-22.
  - II. Members are encouraged to join the Meeting through Laptops having web cam for better experience.
  - III. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
  - IV. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
  - V. The Members who would like to express their views/ have questions may send their questions in advance mentioning their name, demat account number/ folio number, email id, mobile number at prashant.kumar@jcapcpl.com The same will be replied by the Company suitably during the AGM.
- If any member wishes to inspect any documents pursuant to the resolutions set out in this notice, may do so by sending the request to the authorized signatory of the Company at prashant.kumar@jcapcpl.com
14. In case of any queries with respect to joining the meeting, the Members may write to the Company at prashant.kumar@jcapcpl.com or call at +919234587460 (Mr. Prashant Kumar) for any support before or during the meeting.

**By Order of the Board of Directors**

Dated: July 13, 2022  
Registered Office:  
Tata Centre, 7<sup>th</sup> Floor  
43, Jawahar Lal Nehru Road,  
Kolkata – 700 071  
CIN: U27310WB2011PTC160845

(Prashant Kumar)  
Company Secretary  
(Membership No: A19510)

## **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 the special business mentioned under Item No 5 of the accompanying Notice.

#### **Item No.5**

The Company is required under Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time to have its cost records audited by Cost Accountants 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 financial year 2022-23 at a remuneration of Rs. 1.80 lakh (Rupees One Lakh Eighty 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.

Since the remuneration payable to the Cost Auditors is required to be approved by the Shareholders, hence it is considered unavoidable by the Board to recommend the same to the shareholders at this AGM for their approval. 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 Fy23.

The proposed resolution(s) is in the interest of the Company, and your Board recommends the resolution(s) set forth in Item No.5 for the approval of the Members.

None of the Directors and Key Managerial Personnel or their respective relatives are concerned or interested in the resolution(s) mentioned at Item No.5 of the Notice.

**By Order of the Board of Directors**

(Prashant Kumar)  
Company Secretary  
(Membership No: A19510)

Dated: July 13, 2022  
Registered Office:  
Tata Centre, 7<sup>th</sup> Floor  
43, Jawahar Lal Nehru Road,  
Kolkata – 700 071  
CIN: U27310WB2011PTC160845

## Annexure to the Notice

### Details of the Director seeking re-appointment in the forthcoming Annual General Meeting [Pursuant to Secretarial Standard 2 on General Meeting]

#### 1. Mr. Rajeev Singhal

The profile and specific areas of expertise of Mr. Rajeev Singhal are as follows:

Name	Rajeev Singhal
Date of Birth	August 22, 1963
Director Identification Number	02719570
Date of Appointment	October 17, 2019
Qualification	B.Tech (Mechanical)- Banaras Hindu University, PGBDM- XLRI, CEDEP General Management- INSEAD, France
Expertise in specific functional area	General Administration, Marketing & Sales, Information Technology, Human Resources, Raw Material
Directorship held on other companies as at March 31, 2022	<ol style="list-style-type: none"> <li>1. Tata Steel Support Services Limited</li> <li>2. Bhushan Steel (South) Limited</li> <li>3. Tata Steel Technical Services Limited</li> <li>4. Bhushan Steel (Australia) Pty Limited</li> <li>5. Bowen Coal Pty Ltd,</li> <li>6. Bowen Energy Limited,</li> <li>7. Bowen Consolidated Pty Limited</li> <li>8. Tata Steel Downstream Products Limited</li> <li>9. The Tinsplate Company of India Limited</li> <li>10. Tata Bluescope Steel Private Limited</li> </ol>
Shareholding in the Company as of March 31, 2022	NIL
Relationship between Directors inter-se	NIL
Category	Promoter, Non-Independent, Non-Executive Director

#### 2. Mr. Dibyendu Dutta

The profile and specific areas of expertise of Mr. Dibyendu Dutta are as follows:

Name	Dibyendu Dutta
Date of Birth	January 13, 1967
Director Identification Number	01111150
Date of Appointment	July 15, 2011
Qualification	Chartered Accountant and Cost Accountant
Expertise in specific functional area	Corporate Finance; Treasury; Merger & Amalgamation; and General Administration
Directorship held on other companies as at March 31, 2022	<ol style="list-style-type: none"> <li>1. Rujuvalika Investments Limited</li> <li>2. Subarnarekha Port private Limited</li> <li>3. Creative Port Private Limited</li> <li>4. Tata Steel Advance Materials Limited</li> </ol>
Shareholding in the Company as of March 31, 2022	NIL
Relationship between Directors inter-se	NIL
Category	Promoter, Non-Independent, Non-Executive Director

## Directors' Report

Dear Members,

Your Directors have pleasure in presenting the 11th Annual Report of your Company along with the Audited Financial Statements for the Financial Year ended March 31, 2022.

### A. FINANCIAL RESULTS:

The financial performance of your Company for the Financial Year ended March 31, 2022 is summarised below:

(Rupees in Lakh)

#### Statement of Profit & Loss

Particulars	2021 - 22	2020 - 21
Total Income	365,581.58	216,895.35
Operating cost other than Depreciation & Finance costs	313,721.11	178,408.16
Earnings before Interest, Tax & Depreciation/ Amortisation (EBITDA)	51,860.47	38,487.19
Depreciation/Amortisation	8,089.06	8,498.91
Finance Charge	6,902.37	9,372.09
Profit/ (Loss) Before Tax	36,869.04	20,616.19
Deferred Tax	28.44	-
Taxes	-	-
Profit/ (Loss) After Tax	39,713.48	20,616.19
Other Comprehensive Income	(21.68)	37.10
Total Comprehensive Income	39,691.80	20,653.29
Transfer to Reserve	-	-
Dividend	-	-
Balance brought forward from Previous Year	(30,507.00)	(51,160.29)
Balance carried to Balance Sheet	91,84.80	(30,507.00)

#### Balance Sheet

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Equity and Liabilities</b>		
Shareholders' Fund:		
(a)Share Capital	143,200.00	143,200.00
(b)Reserves & Surplus	9,184.80	(30,507.00)
Sub Total	152,384.80	112,693.00
Non- Current Liabilities	44,829.59	82,699.59
Current Liabilities	77,823.81	64,167.394
<b>Total Equity and Liabilities</b>	<b>275,038.20</b>	<b>259,559.98</b>
Assets		
Non- Current Assets	180,135.34	181,914.82
Current Assets	94,902.86	77,645.16
<b>Total Assets</b>	<b>275,038.20</b>	<b>259,559.98</b>

**Dividend:**

The Board of Directors have not recommended dividend for the financial year ended March 31, 2022.

**Transfer to Reserves:**

In the financial year 2021-22, the Company has not transferred any amount to the Reserve.

**B. EXTERNAL ENVIRONMENT:****Economic Outlook:**

In Financial Year 2022, the global economy started witnessing green shoots of recovery after leaving the worst of the COVID-19 pandemic behind (despite uncertainties of another waves of infection and rising global inflationary pressures), the Russia-Ukraine crisis escalated. Consequently, prices of crude oil and gas, food grains such as wheat and corn, and several other commodities have shot up. The conflict has also brought in severe financial sanctions and political pressure on Russia from the rest of the world, primarily the Western powers. It is obvious that these will likely have unpredictable and undesired implications on the global financial system and economy. Global investors may be shoring up their money into safer-haven assets.

It is, therefore, no surprise that the war in Ukraine and its potential economic impact have forced several economic forecasters to look back and revise their growth projections. Russia supplies around 10% of the world's energy, including 17% of its natural gas and 12% of its oil. The jump in oil and gas prices will add to industry costs and reduce consumers' real incomes. Outright shortages and energy rationing are possible in Europe if there is an abrupt halt to Russian supply. Higher energy prices are a given. Fitch Ratings has cut its world GDP growth forecast for 2022 by 0.7pp to 3.5%.

In China, pandemic-induced disruptions related to the zero-tolerance COVID-19 policy and protracted financial stress among property developers have induced a 0.8 percentage-point downgrade. Global growth is expected to slow down accordingly in 2023.

The crisis has clouded India's growth outlook as well. Crude oil prices are lingering above US\$100 per barrel, wheat has gone up by 50% in the last two weeks, and edible oil prices are up 20%—all of which are critical imports from the two warring nations. Higher fuel and fertilizer prices will reduce government revenues and increase subsidy costs. Furthermore, capital outflows and rising import bills will weigh on the current account balance and currency valuation.

RBI Monetary Policy maintained the repo rate unchanged at 4 percent, reverse repo at 3.35 percent. The reverse repo rate, the rate at which the RBI borrows money from the banks in the short term, has been unchanged and the repo rate or the short-term lending rate was last cut on May 22, 2020. Since then, the rate remains at a historic low of 4 percent.

The Monetary Policy Committee raised the inflation forecast for the fiscal year to 5.7% percent, from 5.5 percent citing rising commodity prices. Economic growth forecast has been cut to 7.2 percent, from 7.8 percent as supply disruptions lessen output and high prices destroy demand.

It's not just India, but almost all emerging economies are reeling under these external shocks. It is believed that India's underlying economic fundamentals are strong and despite the short-term turbulence, the impact on the long-term outlook will be marginal. The results of growth-enhancing policies and schemes (such as production-linked incentives and government's push toward self-reliance) and increased infrastructure spending will start kicking in from 2023, leading to a stronger multiplier effect on jobs and income, higher productivity, and more efficiency—all leading to accelerated economic growth. Furthermore, the emphasis on manufacturing in India, various government incentives such as lower taxes, and rising services exports on the back of stronger digitization and technology transformation drive across the world will aid in growth.

On the back of these factors, it is expected that India shall grow at 8.3–8.8% during FY2021–22, followed by equally strong growth of more than 7.5% and 6.5% in the next two fiscal years, respectively.

**Industry Outlook:**

During FY22 the Indian Automotive industry Passenger vehicles (PVs) segment registered a growth of 22% in production over the previous financial year. Domestic sales of PVs grown by 15%. The export of PVs witnessed a n increase of 27% over the previous year.

Although Maruti Suzuki continues to be the market leader with 44% market share, however their market share declined by 4% from the previous year. Market shares of Tata Motors increased by 4%, Toyota by 1%, Renault Nissan by 1% Volkswagen by 1% and on the other hand, Hyundai Motors lost market share by 2 % & and Ford 1% in FY22.

In Q1/FY22, due to second wave of COVID 19 pandemic, sporadic lock downs were declared by government of India in the month of May'21. The month of June witnessed re-opening for most of the states. Due to this, the industry witnessed a high pent-up demand which was stuck in the system because of statewide lock downs. On YoY basis, In June'21 PV was up by 43%.

In Q2/FY22, Passenger vehicle sales shrank, as the shortage of semiconductors disrupted production at several manufacturers, even though there is high demand for passenger vehicles. Before the start of 42-days festive period every dealer starts planning for a bigger off take but due to supply issues, inventory levels dip levels to record lows of 15-20 days.

In Q3/FY22, despite growing consumer demand in the festive season, the production at several automakers showed a declining trend. PV production in October 21 has declined ~ 22% compared to October 20 & in November 21 it has declined by ~7% compared to November 20. In the festive season, the industry was hoping to make up for the lost ground, but the sales in the month of November 2021, were the lowest November monthly sales in the last seven years for passenger vehicles

In Q4/FY22, PVs continues to see high demand and long waiting period as semi-conductor availability still remains a challenge even though supplies slightly improved from previous month. The Russia-Ukraine war and China lock down further dents supplies and hence press brakes on vehicle availability thus making waiting period more frustrating for customers. Period of Q4/FY22 witnessed marginal increase of ~ 2% as compared to same period during previous financial year.

Passenger cars production in FY22 increased by 19%, UVs production witnessed an increase of 43% and Vans by 7% as compared to previous financial year.

**C. OPERATIONS AND PERFORMANCE:****Operations:**

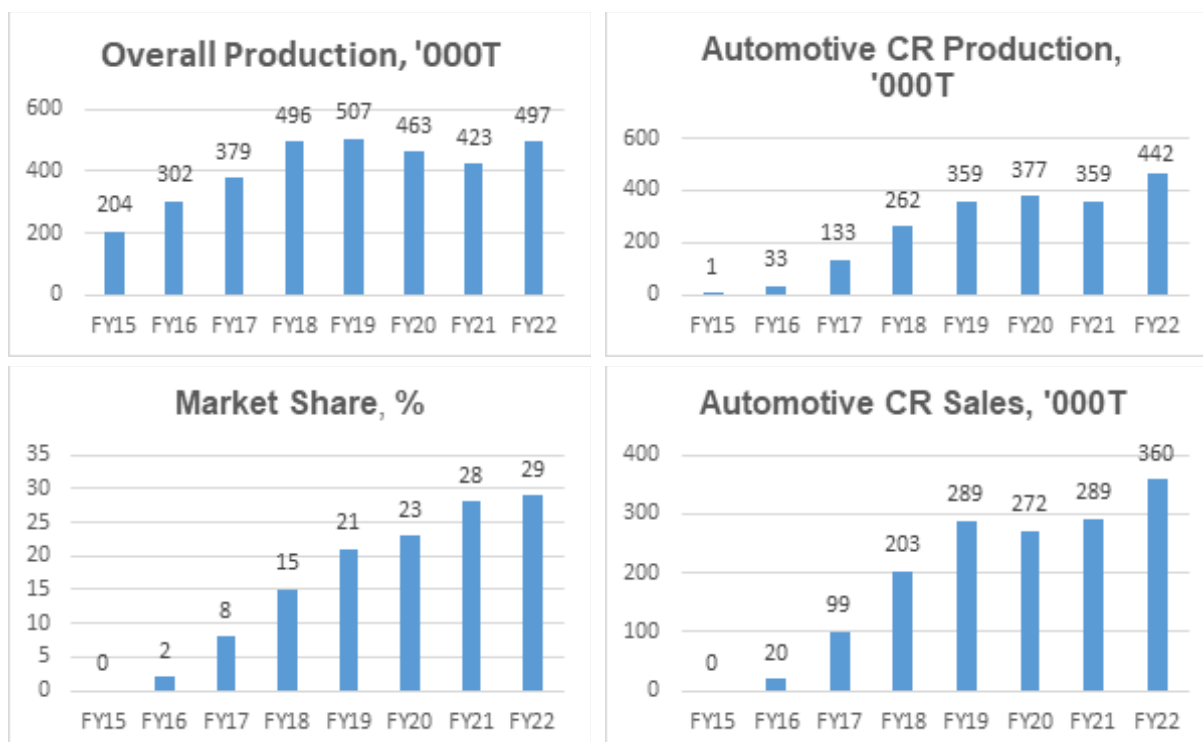
The Plant capacity utilisation stood at 82.8%, out of which ~ 4,41,500 T was Automotive CR with a Prime yield of 83.6% (Including Export). Tolling production was ~29,150 T with Prime yield of 95.7%. The overall production for the year was ~4,96,900 T, around 17.5% Higher than FY21. Production for Exports was to the tune of ~26,250 T during FY22.

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

During FY22, JCAPCPL has been able to obtain 145 component approvals, taking cumulative approvals since inception to 1,773 components, the potential estimated volume of which is ~6275T and 37,414T, respectively. The company got approvals from MSIL, TML, HMIL, KIA and RNAL. The company also got HSS approval for localisation from HMIL, for which Phase 1 and Phase 2 trials have been completed.

The Company continuously supplied material to almost all the major Automotive OEMs in India, including their ancillaries. During the year, the Company's cumulative Automotive CR sales crossed 1.5 million T in February'22 since inception.

The Company continued to ramp-up its market share. The production, sales and market share growth since the Company has started the commercial production is depicted below:



#### Performance:

In FY 22, the Company posted a revenue of Rs. 3,65,581.58 Lakh, and an EBITDA of Rs. 51,860.47 Lakh (Operational EBITDA was Rs 50,902.00 Lakh, excluding impact of Mark to Market loss on its Derivatives) as against a revenue of Rs. 2,16,895.35 Lakh and EBITDA of Rs. 38,487.19 Lakh (Operational EBITDA was Rs 38,068.02 Lakh, excluding impact of Mark to Market gain on its Derivatives in FY'21).

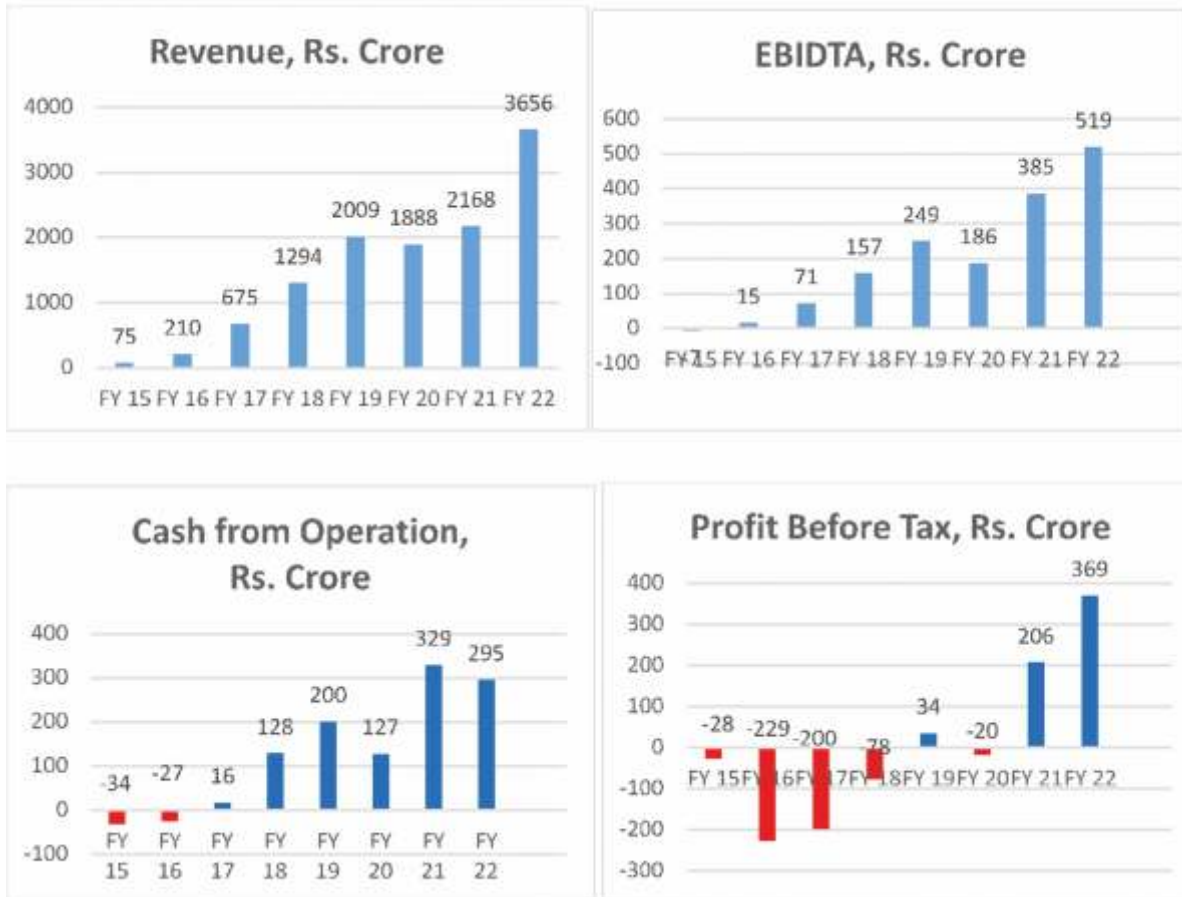
After taking into account the Finance cost of Rs. 6,902.37 Lakh and Depreciation charge of Rs. 8,089.06 Lakh, the Company posted a net profit (Profit after Tax) of Rs 39,713.48 Lakh in FY '22, as compared to Rs. 20,653.29 Lakh in FY'21. The Company prepared its Financial Statements for the year ended on March 31, 2022 in accordance with Ind AS requirements.

The Credit Rating by CARE for Term Loan has been maintained at AA- with continue to be Stable outlook. The Company has been able to maintain highest Credit Rating for its Short-term bank facilities and Commercial Papers at A1+.

Working Capital management and Cash management were further optimised, and the Company continues to successfully meet its Working Capital requirements partially through the Short Term Working Capital Loan, at rates substantially lower than the Marginal Cost of Lending Rate of Banks, resulting in reduction of the overall interest burden.

The Company has refinanced the Rupee Term Loan from Tata Capital Financial Services of ~Rs.4,400 Lakh with ICICI Bank. All scheduled financial commitments to Banks were met on time.

The Financial Performance of the Company is depicted below:



### Capital and Debt Structure:

#### a) Details of Share Capital:

The authorized share capital of your Company is Rs. 14,32,00,00,000/- consisting of 1,43,20,00,000 Equity shares of Rs. 10 each, out of which Tata Steel Downstream Products Limited (TSDPL) holds 51% and Nippon Steel Corporation (NSC) holds 49%.

On January 1, 2021 Tata Steel Limited (TSL) had transferred its entire shareholding (51%) to TSDPL, a 100% subsidiary of TSL.

As on March 31, 2022, the total Paid-up share capital of your Company stands at Rs. 14,32,00,00,000/-. The details of the Capital are given in the MGT-9 (Extract of Annual Return).

#### b) Details of Debts:

At the beginning of the financial year your Company had total outstanding of ~Rs. 978 crore Term Loan. During the year your Company has successfully met all its financial commitments and at the end of the financial year the outstanding Term Loan is ~Rs. 791 crore. Your Company is committed to meet all its financial obligation as and when arise.



**D. SAFETY, HEALTH AND ENVIRONMENT (SHE):**

The Company has a 3-tier SHE governance structure. Five Safety Sub-committees & four Area Implementation Committees (AICs) are in place to drive Tata Safety and Health Management System (TSHMS) principles & requirements.

The Company has been adopted “Safety First, Quality Must” as its work philosophy and culture. Employee responsibility and ownership for safety throughout the organization helped to create a safe work environment in FY22. Company achieved 2.6 million Injury free man hours including zero Loss Time Injury in FY22.

During the year under review, your Company has successfully completed injury free Major Shut Down (~89,600 Man Hours. approx.) and conducted Pre-start-up check (PSSR) to ensure equipment health and to address to abnormality, if any, with respect to the operations.

Company has enhanced the emergency standard by providing 4 additional hooters at prominent place as a safety improvement at shop floor. External training on defensive driving, Behavioural Based Safety, Electrical Safety, Emergency Preparedness & Response, Material Handling etc were carried out for employees & vendor partners.

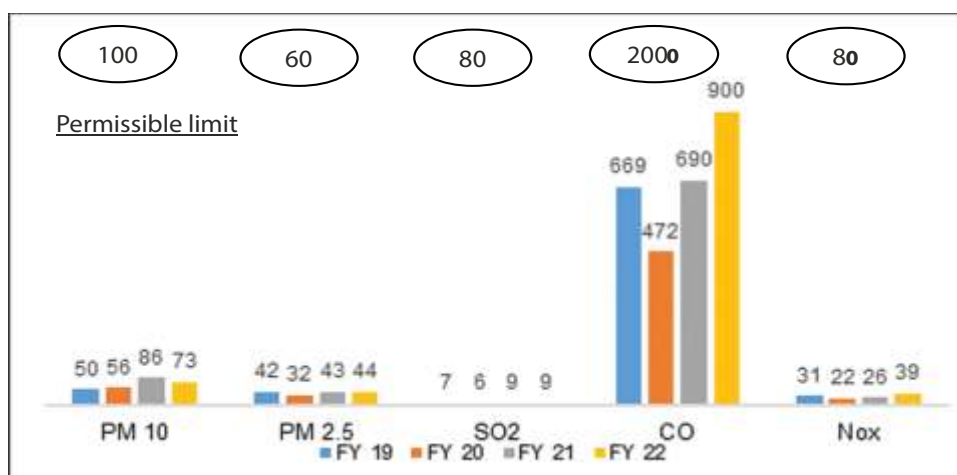
While the Company is committed to provide “safe place to work” for all, it is also the prime responsibility of every vendor partner to act in a safe manner and to comply with the Contractor safety standards through CSM (Contractor safety Management). The Contract Workforce is an important segment and the Company has implemented programs such as Suraksha Scheme, Safety & Welfare Walks, Rewards & Recognition among other initiatives to ensure their inclusion at the workplace through best practices that go beyond statutory compliance. Operation Health & Safety performance rating for all High-Risk Vendors in FY22 has improved over FY21. Not only at Jamshedpur Works, your Company also proactively motivated its business partners throughout the Country to enhance their Safety standard to meet Tata Group Philosophy on Safety and Health.

During the year, your Company has organized several promotional activities and seminars to commemorate the National Safety Week, World Environment Day, Road Safety Week, National Fire Service Week etc.

During the year, Health Index of Company’s employees has increased through various initiatives such as Health, wellness and awareness sessions, Work life balance, session on Office Yoga were, proactive measures initiated by the Company to help the employees of the Company to maintain their health.

Despite all the above, during the year under review, two fire incidents have taken place impacting production and sales of materials. Your Company has taken several initiatives to prevent such recurrence in future. Your Company has also undergone fire and safety audit to assess the gaps and deviations to strengthen its process. Your Company has also reviewed and updated the existing Critical Standard Operating Process (SOPs).

Air, water, dust, and noise parameters continue to be well within norms.



**HUMAN RESOURCES MANAGEMENT:**

The Company's Human Resources Management system and processes aim to enhance organisational capability, as it is critical to its transformation and growth journey.

Health and Wellness initiatives continued to be the core focus in the second and third wave of the pandemic. The Company took several measures to protect the Employees amid the outbreak of the COVID 19 and its resurgence, including a) Implementation of proactive contact tracing mechanism, b) A thorough awareness training with Do's and Don'ts enabling workforce to understand the gravity of the situation and ensuring extensive sanitisation activity across the work place, c) Initiated POD and Work from Home systems e) Initiated JOINTHE RESISTANCE, our Covid vaccination drive for Employees along with their family members and achieved 100% coverage.

Enhancing the competency levels of our Employees, capability building continued to be the primary focus. Have undertaken skill based vocational training for contract workforce with support from J N Tata Vocational Training Institute In order to further develop niche skill sets, the Company rolled out dedicated program based on training need initiatives, through IATF 16949:2016 Internal Auditor training, ISO 45001:2018 and ISO 14001:2015. Specialised technical training and leadership development interventions through CII, Tata Steel Management Development Centre, AMETEK, IR Class, National Safety Council, DQS, People Matters, All India Management Association Jamshedpur Management Association and several more were organised in collaboration with such industry and learning experts.

JCAPCPL continued to work towards a fully engaged workforce through multiple employee engagement initiatives viz. Celebrating International Women Day, 9th Anniversary celebration with Employees and their families, Gear up campaign to promote 5S at workplace, Fitter me, JCAPCPL Premier League, etc. The Company promoted Employee Recognition by achieving the highest ever numbers of rewards and recognition distribution. Also employees participated extensively in the Tata Volunteering Program.

Industrial Relations in the Company remained harmonious wherein the Union and the Management partnered during all times amid pandemic challenges.

**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#	58 years	Managing Director	145.86	BE (Metallurgy), PGDBM (XLRI)	37 years	16.08.12	Chief (CAPL-JV), Tata Steel Limited
Ujjal Chakra borti##	54 years	Managing Director	177.39	BE (Electrical), MBA (XLRI)	32 years	14.06.21	Executive - In-Charge (Tubes Division)

# Mr. C.V. Sastry was demised on June 6, 2021.

Mr. Sastry remuneration includes 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 and Long Term Incentive Plan.

## Mr. Ujjal Chakrabarti joined the Company as Managing Director on June 14, 2021. Mr. Ujjal Chakrabarti is on deputation from TSL and the Company pays deputation cost to TSL.

The Agreement with the Managing Director is contractual in nature.

Neither late C.V. Sastry was nor Mr. Ujjal Chakraborti is related to any Director or Key Managerial Personnel of the Company.

#### **F. INFORMATION TECHNOLOGY AND DIGITISATION:**

The Company's business processes are Information Technology enabled and the Company remains focused and committed to harnessing the power of IT to reap maximum benefits. The following significant achievements have been made during the reference year.

Infrastructure : The MES servers which had reached its end of life support have been refreshed along with the Network switches. The process of refreshing Desktops and laptops have also been initiated. In addition, all alerts and recommendations for countering cyber-attack have been deployed.

The Company has engaged Tata Consultancy Services for providing support for the ongoing SAP applications and also for carrying out functional enhancements as per Business needs. Major enhancements which were carried out are listed below:

- a) Debtors Discounting system
- b) Implementation of Advance Shipment Notification for Hyundai Steel
- c) Second Leg Transporter invoice booking
- d) QR code implementation
- e) SPC Bill booking
- f) Automation of Scrap Posting to post batches received from MES
- g) Automatic Sales Order Generation by uploading excel file in SAP
- h) Automation of employee salary payment
- i) Automatic STO creation by uploading excel file
- j) Sending of auto delivery follow up mails to vendors for orders whose items are pending for delivery
- k) Auto Delivery creation by uploading excel file in SAP

Achievements in Manufacturing Execution System (MES) area

1. Yield Report -Standardization.
2. Business Process mapping to reduce MES-SAP posting error.
3. Packing Decision matrix optimization

The Notes based applications for P10, UMC, GDCS and CCHP has been developed in Dot Net environment and deployed for use. In the connected workforce Project, Tableau based MIS has been developed to monitor movement of the contract workforce inside the plant.

Magic Box system which is an auction platform used in TSL, is being deployed in the Company also and it is in advanced stage of testing. Similarly, Compass system which is a customer portal and being used in TSL is getting deployed at the Company. This system is also undergoing user acceptance testing.

Projects like Ivalua (vendor portal), People strong (Payroll as a service) and Oracle HCM are under evaluation with TCS team. These projects are coming under the OTON initiative.

Width optimisation software from two vendors Greycon and Algorithm are also under evaluation. The input data has been provided and the system generated output is under evaluation for the effectiveness of the plan.

## G. CORPORATE SOCIAL RESPONSIBILITY:

The objective of the Company's Corporate Social Responsibility ('CSR') initiatives is to improve the quality of life of communities through long-term value creation for all stakeholders. The Company has in place a CSR policy which provides guidelines to conduct CSR activities of the Company.

The CSR policy is available on the website of the Company at: <http://www.jcapcpl.com/admin/uploads/CSR - Policy.pdf>

Although as a part of its Corporate Philosophy your Company has been volunteering CSR activities through Company's employees CSR Club, "Ummeed" since its inception, FY22 is the first year when your Company is mandated for the CSR activities pursuant to the provisions of Section 135 of the Companies Act, 2013. Your Company has been selected as the winner by Tata Engage for the Highest Participation Rate Award in the small category, for clocking a total of 864 hours during Tata Volunteering Week (TVW) 16. This milestone was achieved with efforts of 199 volunteers in over 46 events.

The CSR initiatives of your Company is focused towards "A Sustainable Tomorrow" with an special focus and emphasis on Sustainability & Environment, Diversity & Inclusion, Healthcare, Education and Sports.

Apart from partnering with Tata Steel Foundation (TSF) for implementing substantial portion of CSR Initiatives, your Company has also partnered with various Charitable and other organisations having CSR-1 Certificate issued by the Ministry of Corporate Affairs, to meet the expectations of society at large.

During the period under review, the Company through its Corporate Social Responsibility initiatives has helped in setting up the first SABAL Centre at Jamshedpur to support the cause for Persons with Disabilities (PWDs) to lead their life with dignity by providing opportunity to improve their skill, employability and financial independence. Your Company has also been actively supporting the "Masti Ki Pathshala" initiative in Jamshedpur with an ambition to enable Jamshedpur to be a city free of the worst forms of child labour, by mainstreaming these children. Apart from these a number of healthcare and environmental initiatives have also been taken. During FY22, the Company spent Rs. 159.20 lakh on CSR activities. The Annual Report on CSR activities, in terms of Section 135 of the Companies Act, 2013 ('the Act') and the Rules framed thereunder, is annexed to this report as **Annexure-1**.

## H. SHIKHAR-25 INITIATIVES:

Shikhar 25 is an initiative being practiced at Tata Steel Limited to drive breakthrough improvements with best of rigor practices without compromising the safety, environment, and people norms and to benchmark with the best of Industry practices. Tata Steel has achieved substantial benefits through this drive.

With this background, during the year your Company kicked -off the Shikhar-25 initiatives across the Company, with major objectives of:

1. Benchmark with best of Industry practices
2. Drive breakthrough improvements with best of rigor practices without compromising safety, environment, and people norms
3. Collaborate with internal and external stakeholders to achieve best in class
4. Develop capability across hierarchy to drive improvement culture and skill

The ideation sessions are being carried out with different stakeholders for capturing ideas and business case are being developed. It is estimated that due to Shikhar-25 initiative the additional saving would be ~Rs. 18 crore in FY'22.

## I. KEY ACHIEVEMENTS AND CHALLENGES:

### Achievements:

1. Achieved cumulative sales of 1.5 million T to Automotive Customers
2. Highest ever annual sales of ~ 3,58,000T surpassing previous best of ~292000T in FY21
3. Toyota Kirloskar Motors Limited 2nd year in a row to achieve Zero Rank A & Zero PPM
4. Introduced Felt Free concept and Operation at RCL to address the Customer's Complaints and Quality Enhancement.
5. Best ever annual Automotive CR production of 4,44,925T achieved in FY 22, surpassing previous best of 3,76,952 T in FY20.
6. Highest ever monthly production of 55,371 T achieved in July'21 surpassing previous best 53,655 T achieved in January'21
7. Achieved lowest ever N<sub>2</sub> Consumption of "47.2 Nm<sup>3</sup>/T", surpassing previous lowest of "53.8 Nm<sup>3</sup>/T in FY21.
8. Implementation of QR CODE on WIP and FG coils to bring robustness in Coil Identification and process validation.
9. Rework on account of Crane damages reduced through introduction of ID & OD protector in Skin panel material.
10. Best ever over all Prime Yield 79.2% surpassing the previous best of FY21 over all prime Yield 74%
11. Lowest ever Customer Rejection return 720 ppm; surpassing previous lowest of 1006 ppm in FY19.

### Challenges:

The Company is faced with the following challenges in FY22

1. Managing Yields / Quality performance at OEMs
2. Meeting EPCG Obligation
3. Initiate commercial sales of 780MPa Steel
4. Obtaining grade approvals using Tata Steel Kalinganagar Substrate for enhancing GWT
5. CRDP 780 additional component approvals from OEMs & Quality stabilization
6. Sustenance of overall prime yield through Shikar Initiatives and TSL substrate quality consistency

## J. CORPORATE GOVERNANCE:

The Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency, trusteeship, ethical, fairness and responsibility in all transactions. It provides the fundamental value framework for the culture of an organisation which ensures efficient functioning of enterprises on sound ethical values and principles to create and maximize shareholder value and to protect the interest of all stakeholders.

The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the management's higher echelons. The demands of Corporate Governance require professionals to raise their competence and capability levels to meet the expectations in managing the enterprise and its resources effectively with the highest standards of ethics. The Company believes that any meaningful policy on Corporate Governance must empower the executive management of the Company. At the same time, Governance should create a mechanism of checks and balances to ensure that the decision-making powers vested in the executive management are used with care and responsibility to meet stakeholders' aspirations and societal expectations. At JCAPCPL, It has been our constant endeavour to ensure that we evolve and to follow the best governance practices to create and enhance the long-term sustainable value for all stakeholders.

The Company has put in place an internal governance structure with defined roles and responsibilities of every constituent of the system. This has resulted in provision of quality product and services to 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 value creation to the stakeholders.

The Committees constituted by the Board of Directors viz. (i) Audit Committee, (ii) Nomination and Remuneration Committee, and (iii) Corporate Social Responsibility 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 is at the core of the Company's Corporate Governance practice and oversees and ensures that the Management serves and protects the long-term interest of all the stakeholders. The Board meets at regular intervals. Policy formulation, review and guidance of corporate strategy, business plans, monitoring effectiveness of the company's governance practices, performance evaluation, overseeing of succession planning and financial control functions etc are vested with the Board. During the Financial Year ended March 31, 2022, eight Board Meetings were held. Apart from meetings, the Board also transacted business through Circular Resolutions.

As on March 31, 2022, your Board comprises seven (7) Directors, five (5) of whom are Non-Independent, Non -Executive Directors, and Two (2) Executive Directors. In terms of Notification G.S.R. 839 (E) dated July 5, 2017 issued by the Ministry of Corporate Affairs, the Company is not required to appoint Independent Director.

The details of Board of Directors as on March 31, 2022 are tabled below.

SN	Name of the Director	DIN	Designation/ Status	Category
1.	Mr. Hiroshi Ebina	08224876	Chairman	Non - Independent, Non - Executive Director
2.	Mr. Rajeev Singhal	02719570	Director	Non - Independent, Non - Executive Director
3.	Mr. Dibyendu Dutta	01111150	Director	Non - Independent, Non - Executive Director
4.	Mr. Soichi Yonezawa	07130030	Director	Non - Independent, Non - Executive Director
5.	Ms. Jaya Singh Panda	08734069	Director	Non - Independent, Non - Executive Director

SN	Name of the Director	DIN	Designation/ Status	Category
6.	Mr. C. V. Sastry #	03434562	Managing Director	Executive Director
7.	Mr. Ujjal Chakraborti ##	07854466	Managing Director	Executive Director
8.	Mr. Junichi Matsunaga ###	09119707	Executive Director	Executive Director

# Mr. Sastry was Managing Director till his demise on June 6, 2021.

## Appointed as the Managing Director with effect from June 14, 2021 and his appointment was regularised at the 10<sup>th</sup> AGM held on July 13, 2021.

### Appointed as the Executive Director with effect from April 15, 2021 and his appointment was regularised at the 10<sup>th</sup> AGM held on July 13, 2021. The Company has also received approval from the Central Government on September 29, 2021 in terms of Section 196 read with Schedule V to the Companies Act, 2013.

**(b) Directors:**

Mr. C.V. Sastry, Managing Director whose tenure as Managing Director was upto August 16, 2021, has demised on June 6, 2021. On behalf of your Company, the Board of Directors expressed their heartfelt condolence and placed on record the invaluable contribution made by Mr. Sastry since the inception of the Company. The values and guiding principles of Mr. Sastry shall be the torch bearer for the Company.

In accordance with the provisions of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mr. Rajeev Singhal (DIN-02719570) and Mr. Dibyendu Dutta (DIN- 01111150), Non-Executive Directors retire by rotation at the ensuing Annual General Meeting and being eligible, seek re-appointment. Your Board of Directors recommends their re-appointment at the forthcoming Annual General Meeting.

**(c) Independent and Non-Executive Directors:**

In terms of Notification G.S.R. 839 (E) dated July 5, 2017 issued by the Ministry of Corporate Affairs, the Company is not required to appoint Independent Director.

**(d) Shareholder Notice:**

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 & Remuneration, and Corporate Social Responsibility 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 your Company.

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 (NRC) at its meeting reviewed the performance of the Board as a whole and that of the individual Directors. The Board at its meeting also reviewed the performance of the Board as a whole, its Committees, Chairman and individual Directors taking into account feedback of the Nomination and Remuneration Committee.

**(f) 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 2021-22 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:**

As on March 31, 2022 the Audit Committee of the Board has three (3) members comprising Non- Independent Non Executive Directors.

The Audit Committee met five times during the financial year ended March 31, 2022. Apart from meetings, the Audit Committee also transacted business through Circular Resolutions.

The composition of the Audit Committee as on March 31, 2022 is as below:

SN	Name of the Director	Status	Category
1.	Mr. Dibyendu Dutta	Chairman	Non - Independent, Non - Executive Director
2.	Mr. Hiroshi Ebina	Member	Non - Independent, Non - Executive Director
3.	Mr. Rajeev Singhal	Member	Non - 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. The Company Secretary acts as Secretary to the Audit Committee.



**(b) Nomination & Remuneration Committee:**

As on March 31, 2022 the Nomination & Remuneration Committee has three (3) members comprising Non-Independent Non-Executive Directors.

The composition of the Nomination & Remuneration Committee as on March 31, 2022 is as below:

SN	Name of the Director	Status	Category
1.	Mr. Rajeev Singhal	Chairman	Non - Independent, Non - Executive Director
2.	Mr. Dibyendu Dutta	Member	Non - Independent, Non - Executive Director
3.	Mr. Soichi Yonezawa	Member	Non - Independent, Non - Executive Director

The Nomination and Remuneration Committee met four times during the financial year ended March 31, 2022. The Nomination and Remuneration Committee has functioned effectively during the year under review. The Company Secretary acts as Secretary to the Nomination and Remuneration Committee.

**(c) Corporate Social Responsibility Committee:**

The Board of Directors had constituted Corporate Social Responsibility Committee (CSR) as required under Section 135 of the Companies Act, 2013 and rules made there under.

As on March 31, 2022 the Corporate Social Responsibility Committee has three (3) members comprising both Non-Independent Non-Executive Directors and Executive Director.

The composition of the Corporate Social Responsibility Committee as on March 31, 2022 is as below:

SN	Name of the Director	Status	Category
1	Mr. Dibyendu Dutta	Chairman	Non - Independent, Non - Executive Director
2	Mr. Soichi Yonezawa	Member	Non - Independent, Non - Executive Director
3	Mr. C. V. Sastry#	Member	Non - Independent, Executive Director
4	Mr. Ujjal Chakraborti ##	Member	Non - Independent, Executive Director

# Mr. Sastry was Managing Director till June 6, 2021.

## Appointed as the Managing Director with effect from June 14, 2021.

The Corporate Social Responsibility Committee meet four time during the financial year ended March 31, 2022. The Company Secretary acts as Secretary to the Corporate Social Responsibility Committee.

The details of the meetings held by the Board and its various Committees and attendance of Directors during the year under review are given in **Annexure 2** 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 3** to this report.

### Directors and Key Managerial Personnel

Pursuant to the provisions of Section 203 of the Act, Mr. Ujjal Chakraborti, Managing Director, Mr. Pranav Kumar Jha, Chief Financial Officer and Mr. Prashant Kumar, Company Secretary are the Key Managerial Personnel (KMP) of the Company as on date of this report. Mr. C. V. Sastry Ex- Managing Director demised on June 6, 2021 and Mr. Atish Mangal, Ex- Chief Financial Officer has stepped down as the Chief Financial Officer of the Company with effect from close of the business hour on April 14, 2021. The remuneration and other details of KMP for FY22 are provided in the extract of the Annual Return which forms part of this Directors' Report.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company. The Company doesn't pay any sitting fees, commission to them for attending meetings of the Board/Committee of the Company.

### Directors' Responsibility Statement

Based on the framework of internal financial controls established and maintained by the Company, work performed by the Internal, Statutory, Cost and Secretarial auditors and external agencies including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during Financial Year 2021-22.

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 March 31, 2022, 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, 2022 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. Thereafter, the Board approved the Policy for framing, implementing and monitoring the Risk Management Framework of the Company. The Board regularly review the Risk Management Framework.

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 continued to monitor its Enterprise Risk Management framework which was rolled out in FY'18. Through a structured and focussed approach, the Enterprise Wide Risks, along with cause/s, effect/s, Early Warning Indicators (EWI) and Risk Mitigation plans were reviewed on a continuous basis. Based on the current business scenario as well as an impact of changes in macro-economic environment, new risks have also been identified and appropriate changes were carried out in the existing risks, their associated EWI's and mitigation strategies.

The Board of Directors at its meeting held on July 13, 2021, had approved the revised ERM and Risk Heat Map of the Company to align it with the revised ERM guidelines released by Tata Steel.

Based on the revised guidelines, the Mitigation Strategy/ Plan and Early Warning Indicator of Enterprise Risk Management of the Company to monitor the performance of KPIs of High-Risk areas and review the effectiveness of the Mitigation plans were identified. The Risk Registers and Risk heat maps including status of EWI & Mitigation strategies were presented to 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 LLP as its Internal Auditors. The scope and authority of the Internal Audit function is defined in the Internal Audit Charter at the beginning of the financial 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. Based on the self certification of internal controls by the executives, with reference to the financial statements, the Managing Director and the Chief Financial Officer certify to the Audit Committee regarding effectiveness of such control systems, their adherence to Code of Conduct and Company's policies.

As per requirement of section 143(3)(l) of the Companies Act 2013, Price Waterhouse & Co. Chartered Accountants LLP, the Statutory Auditors of the Company, have carried out an audit of Internal Financial Control over financial reporting as at March 31, 2022 and submitted their report that the Company, has in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022.

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.

### Frauds reported by Auditor

During the financial year under review, no fraud has been reported by both the Statutory Auditor and Secretarial Auditor.

### Vigil Mechanism / Whistle Blower Policy

In compliance with provisions of Section 177 of the Act, the Board of Directors of the Company has adopted and updated the Whistle Blower Policy for its employees as well as for its supplier partners in order to ensure that the activities of the Company, supplier partners 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, supplier partners and other stakeholders to approach the Tata Steel Ethics Counsellor / Company's 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 Management affirms that no personnel have been denied access to the Audit Committee Chairman during the year under review.

### 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 (RPTs) were placed before the Audit Committee for approval before entering in to such transactions either through the omnibus approval route or as new transactions, as required. Details of the actual transactions entered into, pursuant to the such RPTs approval are 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 there under.

None of the Directors have any pecuniary relationship or transaction 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 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 are not required to be provided.

For the details of all RPTs as required by the Accounting Standard on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India, please refer Note No 24 of notes to the Financial Statements for the year ended March 31, 2022.

### **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. An Internal Complaints Committee (ICC) exists to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary and trainees) are covered under this policy. During the year, your Company has not received any complaint of sexual harassment.

#### **Auditors:**

##### **Statutory Auditors**

As per provisions of Section 139 of the Companies Act, 2013, at 6th Annual General Meeting held on August 30, 2017, M/s Price Waterhouse & Co., Chartered Accountants LLP (Firm Registration No. 304026E/E-300009), was appointed as Statutory Auditors of the Company for a term of five years commencing from the conclusion of 6th Annual General Meeting till the conclusion of 11th Annual General Meeting to be held in FY23, subject to annual ratification by the members at every Annual General Meeting.

However, vide Notification No. DL—(N)04/0007/2003—18, dated January 3, 2018, issued by the Central Government in the Official Gazette, the Companies (Amendment) Act, 2017 was notified whereby the provision regarding annual ratification of appointment of Statutory Auditors by the members at Annual General Meeting has been done away.

The Company proposes to re-appoint M/s Price Waterhouse & Co, Chartered Accountants LLP (FRN: 304026E/E-300009) as its Statutory Auditors for a term of five years commencing from the conclusion of the 11th Annual General Meeting of the Company to be held in FY23 till the conclusion of the 16th Annual General Meeting to be held in FY28. The proposal for re-appointment of M/s Price Waterhouse & Co, Chartered Accountants LLP (FRN: 304026E/E-300009) as the Statutory Auditors of the Company is included as Item No. 4 of the Notice convening the forthcoming Annual General Meeting.

The Statutory Auditor's Report is annexed to this Report. It does not contain any qualification, reservation or adverse remark, which warrants Management comments.

##### **Secretarial Auditors**

Pursuant to the provisions of Section 204 (1) of the Companies Act, 2013 and the Rules made thereunder, the Company had appointed Mr. Sital Prasad Swain, Practicing Company Secretary to undertake the Secretarial Audit of the Company for FY22. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark, which warrants Management comments. The Secretarial Audit Report is annexed to this report as **Annexure 4**.

On the recommendation of the Audit Committee, the Board of Directors has appointed Mr. Sital Prasad Swain, Practicing Company Secretary as the Secretarial Auditor of the Company for FY22. Mr. Swain confirmed that they are not subject to any disqualification as Secretarial Auditor of the Company in terms of Section 204 of the Companies Act, 2013 read with the existing guidelines of the Institute of Company Secretaries of India. They also have confirmed their independent status and an arm's length relationship with the Company.

The Secretarial Auditor's Report is annexed to this Report. It does not contain any qualification, reservation or adverse remark, which warrants Management comments

### Cost Auditors

In terms of 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 Practicing Cost Accountants. 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 FY23.

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 at Annual General meeting for its ratification. Accordingly, a Resolution seeking Members' ratification to the remuneration payable to M/s. Shome & Banerjee, Cost Auditors for FY23 is included as Item No. 5 of the Notice convening the forthcoming Annual General Meeting.

### Annual General Meeting

The 11<sup>th</sup> Annual General Meeting of the Company will be held on Wednesday, July 13, 2022 at 3.50 p.m. (IST) at a shorter notice through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM). The deemed venue for the 11<sup>th</sup> Annual General Meeting shall be the 7<sup>th</sup> Floor, Tata Centre, 43, Jawahar Lal Nehru Road, Kolkata- 700071.

### 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 FY22.

1. Replacement of oversized condensate water pumps & motors in Chiller Plant with low-capacity energy efficient pumps & motors which resulted into potential annual energy saving of 404 MWH in FY22.
2. Energy Saving of around 17.6 MWH due to power generation by grid tied 20KW rooftop solar plant.
3. The Company achieved targeted specific electrical energy consumption for FY22 i.e., 85.12 KWh/T (86.46 KWh/T in FY21) i.e. leading to potential energy saving of 1.5 % i.e. 1.34KWh/T.

#### B. Technology Absorption:

1. Electrolytic Cleaning Tank (ECT) Rubber lining upgraded with Fiber Reinforced Plastic (FRP) to reduce damages to the inner surface and enhance life of the Tank.

2. Lighting arrangement at the Recoiling Line Inspection Station has been upgraded with LED based system, having facility with colour and intensity adjustment, to enable users for better inspection.
3. Water consumption is reduced by ~300m<sup>3</sup> per day by using recycled waste water.
4. To recycle COG wastage, Tail Gas cleaning system is being installed.
5. Developing TSKHR Substrate to enhance Grade Width Thickness to improve Company's Share of Business.
6. The Company upgraded its Hole Detection System to avoid major defect outflow to the Customers.

### C. Foreign Exchange Earnings & Outgo:

This information has been covered as a part of the Notes to the Financial Statements for the year ended March 31, 2022.

### 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 5**.

### 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 FY22.

### Compliance with Secretarial Standards

The Company has complied with all the applicable Secretarial Standards during the financial year under review.

### 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 Limited , Nippon Steel Corporation, Tata Steel Downstream Products Limited, Customers, Supplier Partners, 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 and co-operation extended by the Trade Union 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**

Hiroshi Ebina  
Chairman  
(DIN: 08224876)

Dated: April 18, 2022  
Place: Kolkata



## Annexure-1

**Annual Report on Corporate Social Responsibility Activities**  
**[Pursuant to Section 135 of the Companies Act, 2013 and the Companies**  
**(Corporate Social Responsibility Policy) Rules, 2014]**

**1. Brief outline on CSR Policy of the Company:**

Our CSR initiatives are guided by our CSR Policy ('Policy'). The Policy was first adopted on March 31, 2015. Our CSR activities focus on education, health, livelihood, rural development, environment and are in alignment with key focus areas of the Tata Group. We also undertake community-centric interventions in the areas of sports, disaster relief, ethnicity etc.

**2. Composition of Corporate Social Responsibility Committee (CSR):**

SN	Name of the Director	Designation / Nature of Directorship	Number of meetings held during the year	Number of meetings attended during the year
1	Mr. Dibyendu Dutta	Non-Executive Director (Chairman)	4	4
2	Mr. Soichi Yonezawa	Non-Executive Director	4	4
3	Mr. C. V. Sastry#	Executive Director	4	0
4	Mr. Ujjal Chakraborti ##	Executive Director	4	4

# Mr. C. V. Sastry demised on June 6, 2021.

## Mr. Ujjal Chakraborti was appointed as the Managing Director and CSR Committee Member with effect from June 14, 2021.

**3. The web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company are provided below:**

SRCommittee composition: <http://www.jcapcpl.com/management.php>

CSR Policy: <http://www.jcapcpl.com/admin/uploads/CSR-Policy.pdf>

CSR Projects as approved by the Board: <http://www.jcapcpl.com/admin/uploads/CSRPLANFORFY22.pdf>

**4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:**

The Impact assessment is not applicable to the Company.

**5. Details of the amount available for set-off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set-off for the financial year, if any:**

SN	Financial Year	Amount available for set-off from preceding financial years (Rs, Lakh)	Amount required to be set-off for the financial year, if any (Rs, Lakh)
Not Applicable			

		Rs, Lakh
<b>6.</b>	Average net profit of the Company as per Section 135(5) of the Companies Act, 2013	7735
<b>7.</b>	Two percent of average net profit of the Company as per Section 135(5) of the Companies Act, 2013	154.69
	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
	Amount required to be set - off for the financial year, if any	Nil
	Total CSR obligation for the financial year 2022	154.69

8. (a) CSR amount spent or unspent for the financial year:					
Amount Spent (Rs, Lakh)		Amount Unspent (Rs, Lakh)			
Total Amount Spent for the financial year	Total Amount transferred to Unspent CSR Account as per Section 135(6)	Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)			
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
159.20	Nil	Nil	Nil	Nil	Nil
(b)	Details of CSR amount spent against ongoing projects for the financial year			Nil	
(c)	Details of CSR amount spent against other than ongoing projects for the financial year			158.45 (Details are provided in <b>Annexure-A</b> )	
(d)	Amount spent in Administrative Overheads			0.77	
(e)	Amount spent on Impact Assessment, if applicable			Nil	
(f)	Total amount spent for the financial year			159.21	
(g)	Excess amount for set - off, if any:			Nil	
SN	Particular			Amount (Rs, Lakh)	
(i)	Two percent of average net profit of the Company as per Section 135(5)			154.69	
(ii)	Total amount spent for the financial year			159.21	
(iii)	Excess amount spent for the financial year (ii) - (i)			4.52	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any			Nil	
(v)	Amount available for set - off in succeeding financial years [(iii) - (iv)]			4.52 #	

- # The Company does not propose to avail any set-off, against the excess amount spent in FY 2021-22, for succeeding financial years.

9. (a) Details of Unspent CSR amount for the preceding three financial years:

SN	Preceding financial year	Amount transferred to Unspent CSR Account under Section 135 (6) (Rs, Lakh)	Amount spent in the reporting financial year (Rs, Lakh)		Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any (Rs, Lakh)	Amount remaining to be spent in succeeding financial years (Rs, Lakh)
			Name of the Fund	Amount (Rs, Lakh)	Date of transfer	
NA	NA	Nil	NA	NA	NA	NA

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

SN	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (Rs, Lakh)	Amount spent on the project in the reporting financial year	Cumulative amount spent at the end of reporting financial year (Rs, Lakh)	Status of the project - Completed /Ongoing
NA	NA	NA	NA	NA	Nil	Nil	Nil	Nil

10. Details of creation or acquisition of capital asset acquired through CSR spent in the financial year:

(a)	Date of creation or acquisition of the capital asset(s):	None
(b)	Amount of CSR spent for creation or acquisition of capital asset:	Nil
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc	Not applicable
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):	Not applicable

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5) of the Companies Act, 2013

Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5) of the Companies Act, 2013	Not Applicable
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Dibyendu Dutta	Ujjal Chakraborti
Chairman CSR Committee DIN: 01111150	Managing Director DIN: 07854466
Date: April 18, 2022	

## Annexure-A

## Details of CSR amount spent against other than ongoing projects for the financial year

SN	Project Name	Items from the list of activities in Schedule VII to the Company Act, 2013 (Section-135)	Local Area Yes/No	Location (State)	Amount spent in the current financial year (Rs, Lakh)	Mode of implementation Direct (Yes/No)	Implementing Agency	CSR Registration Number
1	Enhancing employability amongst especially abled persons (Donation for SABAL Centre)	Clause (ii)	Yes	Jharkhand	50.00	No	Tata Steel Foundation	CSR00001142
2	Support to Tata Main Hospital to Combat Covid-19 (Donation for Oxygen Concentrator)	Clause (i)	Yes	Jharkhand	35.00	No	Tata Steel Foundation	CSR00001142
3	Promoting education and mainstreaming of underprivileged children (Donation for Masti Ki Pathshala)	Clause (ii)	Yes	Jharkhand	21.00	No	Tata Steel Foundation	CSR00001142
4	Promoting education and main streaming of underprivileged children (Donation for Masti Ki Pathshala)	Clause (i)	Yes	Jharkhand	17.70	Yes	----	---
5	Support to ecological balance and animal welfare (Donation to Zoo)	Clause (iv)	Yes	Jharkhand	11.00	No	Tata Steel Zoological Society	CSR000007552

SN	Project Name	Items from the list of activities in Schedule VII to the Company Act, 2013 (Section-135)	Local Area Yes/No	Location (State)	Amount spent in the current financial year (Rs, Lakh)	Mode of implementation Direct (Yes/No)	Implementing Agency	CSR Registration Number
6	Promoting special education amongst differently abled children (Donation to CHIC)	Clause (ii)	Yes	Jharkhand	8.50	No	Centre for Hearing impaired Children	CSR00009486
7	Arranging makeshift Hospital for Covid patient	Clause (i)	Yes	Jharkhand	5.25	No	Tata Steel Foundation	CSR00001142
8	Promoting health care including preventive health care for Covid patient	Clause (i)	Yes	Jharkhand	5.00	No	CII Foundation	CSR00001013
9	Promoting health care including preventive health care amongst Thalassemia patients	Clause (i)	Yes	Jharkhand	5.00	No	Anurag Foundation	CSR00011290
		<b>TOTAL</b>			<b>158.45</b>			

## Annexure-2

Meetings of the Board of Directors convened and held during the financial year ended March 31, 2022

SN	Name of the Director	Number of Meetings held during the financial year 2021-22	Category
1	Mr. Hiroshi Ebina	8	8
2	Mr. Rajeev Singhal	8	8
3	Mr. Dibyendu Dutta	8	8
4	Mr. Soichi Yonezawa	8	8
5	Ms. Jaya Singh Panda	8	8
6	Mr. C.V. Sastry #	8	2
7	Mr. Ujjal Chakraborti ##	8	4
8	Mr. Junichi Matsunaga ###	8	7

# Mr. Sastry was Managing Director till his demise on June 6, 2021.

## Appointed as the Managing Director with effect from June 14, 2021 and his appointment was regularised at the 10th AGM held on July 13, 2021.

### Appointed as the Executive Director with effect from April 15, 2021 and his appointment was regularised at the 10th AGM held on July 13, 2021. The Company has also received approval from the Central Government on September 29, 2021 in terms of Section 196 read with Schedule V to the Companies Act, 2013.

## Meetings of the Audit Committee

SN	Name of the Director	Number of Meetings held during the financial year 2021-22	Category
1	Mr. Dibyendu Dutta	5	5
2	Mr. Hiroshi Ebina	5	5
3	Mr. Rajeev Singhal	5	5

## Meetings of the Nomination &amp; Remuneration Committee

SN	Name of the Director	Number of Meetings held during the financial year 2021-22	Category
1	Mr. Rajeev Singhal	4	4
2	Mr. Dibyendu Dutta	4	4
3	Mr. Soichi Yonezawa	4	4

## Meetings of the Corporate Social Responsibility Committee

SN	Name of the Director	Number of Meetings held during the financial year 2021-22	Category
1	Mr. Rajeev Singhal	4	4
2	Mr. Dibyendu Dutta	4	4
3	Mr. Soichi Yonezawa	4	-
4		4	4

# Mr. Sastry was member of the CSR Committee till his demise on June 6, 2021.

## Appointed as a member of CSR Committee with effect from June 14, 2021.

## Annexure-3

**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, TSL may make suggestions from time to time, to Chairman, NRC or to the 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, 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 short listed 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. 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 Centre, 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 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 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 3 financial years immediately preceding the financial year, of:
  - a) a firm of Auditors or Company Secretaries in practice or Cost Auditors of the Company or its holding, subsidiary or associate Company;
  - b) any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate Company amounting to 10% or more of the gross turnover of such firm;
  - c) holds together with his relatives 2% or more of the total voting power of the Company ("Substantial Shareholder");
  - d) a Chief Executive or Director, by whatever name called, of any non-profit organization that receives 25% or more of its receipts from the Company, any of its promoters, Directors or its holding, subsidiary or associate Company or that holds 2% or more of the total voting power of the Company. [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.

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

However, in terms of Notification G.S.R. 839 (E) dated July 5, 2017 issued by the Ministry of Corporate Affairs, the Company is not required to appoint Independent Director.

### 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 Co. Pvt. Ltd.
"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" or "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 Centre" or "GIM Centre"	Group Investment Management Centre 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 Company Private (“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's committee meetings, general meetings, court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training (organized by the company for directors) and in obtaining professional advice from independent advisors in the furtherance of his/ her duties as a Director.

## 2. Remuneration for Managing Director ("MD")/ Executive Directors ("EDs")/ KMP/ rest of the employees

- 2.1. The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be
  - 2.1.1. Market competitive (market for every role is defined as companies from which the company attracts talent or companies to which the company loses talent)
  - 2.1.2. Driven by the role played by the individual,
  - 2.1.3. Reflective of size of the company, complexity of the sector/ industry/ company's operations and the company's capacity to pay,
  - 2.1.4. Consistent with recognized best practices and
  - 2.1.5. Aligned to any regulatory requirements.
- 2.2. In terms of remuneration mix or composition:
  - 2.2.1. The remuneration mix for the MD/ EDs is as per the contract approved by the shareholders. In case of any change, the same would require the approval of the shareholders.
  - 2.2.2. Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.
  - 2.2.3. In addition to the basic/ fixed salary, the company may provide employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where possible. The company may also provide all employees with a social security net (subject to limits) by covering medical expenses and hospitalization through re-imbursements or insurance cover and accidental death and dismemberment through personal accident insurance.
  - 2.2.4. The company provides retirement benefits as applicable.
  - 2.2.5. In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the company may provide MD/ EDs such remuneration by way of bonus/performance linked incentive and/or commission calculated with reference to the net profits of the company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the MD/ EDs would be based on performance as evaluated by the Board or the NRC and approved by the Board.
  - 2.2.6. The company may provide the rest of the employees a performance linked bonus and/or performance linked incentive. The performance linked bonus/performance linked incentive would be driven by the outcome of the performance appraisal process and the performance of the company.

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

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

- ❖ The services rendered are of a professional nature; and
- ❖ 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.

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022**

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 with regard to 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"). The 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 Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period i.e for the Financial Year ended **March 31, 2022**, 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, forms and returns filed and other records maintained by the Company for the Financial Year ended **March 31, 2022**, and verified the provisions of the following acts and regulations and also their applicability as far as the Company is concerned during the period under audit:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; (Not applicable since the Company is unlisted)
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-  
Not applicable since the Company is unlisted)

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d. The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;



We believe that the audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion. In our opinion and to the best of our information and according to explanations given to us, we believe that the systems and mechanisms established by the Company are adequate to ensure compliance of laws as mentioned above. Based on the information & explanations provided by the Management and Officers of the Company and certificates placed before the Board of Directors, we report that adequate systems are in place to monitor and ensure compliance.

**We have also examined** compliance with the applicable clauses of the following:

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. (Not applicable since the Company is unlisted)

During the period under review, the Company generally has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. issued by the Ministry of Corporate Affairs and such other regulatory authorities for such acts, rules, regulations, standards etc. as mentioned above.

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

**We further report that:-**

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Director/s and Non - Executive Director/s. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- (ii) Adequate notice is given to all directors to schedule the Board Meetings, Agenda and detailed Notes on Agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the Agenda items before the meeting and for meaningful participation at the meeting. Notice for meetings called for at a shorter notice and notes on agenda which are circulated less than the specified period, necessary compliances under the Act and Secretarial Standards on Board Meeting are complied with.
- (iii) Based on the verification of the records and minutes, the decisions were carried out with the consent of the Board of Directors /Committee Members and no Director /Member dissented on the decisions taken at such Board / Committee Meetings. Further, in the minutes of the General Meeting, the number of votes cast against the resolutions has been recorded.

We have examined the systems and processes established by the Company to ensure the compliance with general laws including Labour Laws, Employees Provident Funds Act, Employees State Insurance Act, Payment of Gratuity Act & other State Laws, considering and relying upon representations made by the Company and its Officers for systems and mechanisms formed by the Company for compliance under these laws and other applicable sector specific Acts, Laws, Rules and Regulations applicable to the Company and its observance by them.

Further, the Circulars, Regulations and Guidelines issued by the Ministry of Corporate Affairs and other relevant regulatory authorities in view of the pandemic pertaining to Board/ Committee meetings, General Meetings and other provisions of the Act, Rules and Regulations have been complied with by the Company.

**We further report that** based on the review of compliance mechanism established by the Company and on the basis of our review and audit of the records and books, we are of the opinion that the Management has adequate systems and processes in the Company commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Based on such checks as considered appropriate and documents provided by the Company, we observed that the specific laws, as applicable to the Company are being duly complied with.

Date: 04.04.2022  
Place: Jamshedpur

**Sital Prasad Swain**  
Practicing Company Secretary  
F6338; CP No. 6814  
UDIN: F006338D000012718

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

### Annexure-I

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. Where ever 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 management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date: 04.04.2022  
Place: Jamshedpur

**Sital Prasad Swain**  
Practicing Company Secretary  
F6338; CP No. 6814  
UDIN: F006338D000012718

## Annexure-5

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31st March, 2022**

## I. REGISTRATION &amp; OTHER DETAILS:

1.	CIN	U27310WB2011PTC160845
2.	Registration Date	17 <sup>th</sup> March, 2011
3.	Name of the Company	Jamshedpur Continuous Annealing & Processing Company Private Limited
4.	Category/ Sub category of the Company	Manufacturing Cold Rolled Continuous Annealed Steels
5.	Address of the Registered office, & contact details	Tata Centre, 43, Jawahar Lal Nehru Road, Kolkata- 700 071, E-mail: <a href="mailto:communication@jcapcpl.com">communication@jcapcpl.com</a> Ph: 09031000750
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	TSR Darashaw Consultants Private Limited C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400083

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

SN	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 Steel	24105	98 %
2	Manufacture of Cold Rolled Continuous Annealed Steel on Tolling basis	24105	2%

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

**Holding Company:** Tata Steel Downstream Products Limited  
**Subsidiary/ Associate Companies:** Nil

**IV. SHAREHOLDING 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, 2021]				At the end of the year [As on 31st March, 2022]				
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>						-			
<b>(1) Indian</b>						-			
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt. (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	7303.2	-	7303.2	51%	7303.2	-	7303.2	51%	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total A(1)</b>	<b>7303.2</b>	<b>-</b>	<b>7303.2</b>	<b>51%</b>	<b>7303.2</b>	<b>-</b>	<b>7303.2</b>	<b>51%</b>	<b>-</b>
<b>(2) Foreign</b>						-			
(a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b) Other – Individuals	-	-	-	-	-	-	-	-	-
© Bodies Corp.	7,016.8	-	7,016.8	49%	7,016.8	-	7,016.8	49%	-
(d) Banks / FI	-	-	-	-	-	-	-	-	-
(e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub Total A(2)</b>	<b>7,016.8</b>	<b>-</b>	<b>7,016.8</b>	<b>49%</b>	<b>7,016.8</b>	<b>-</b>	<b>7,016.8</b>	<b>49%</b>	<b>-</b>
<b>Total shareholding of Promoter</b>	<b>14,320</b>	<b>-</b>	<b>14,320</b>	<b>100%</b>	<b>14,320</b>	<b>-</b>	<b>14,320</b>	<b>100%</b>	<b>-</b>

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

SN	Category of Shareholders	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 Downstream Products Limited	7303.2	51%	Nil	7303.2	51%	Nil	Nil
2.	Nippon Steel Corporation	7,016.8	49%	Nil	7,016.8	49%	Nil	Nil

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

SN	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.	<b>Tata Steel Downstream Products Limited :</b>				
	At the beginning of the year	7303.2	51%	7303.2	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):	Nil		7303.2	51%
	At the end of the year	7303.2	51%	7303.2	51%

b.	<b>Nippon Steel Corporation:</b>				
	At the beginning of the year	7,016.8	49%	7,016.8	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):	Nil		7,016.8	49%
	At the end of the year	7,016.8	49%	7,016.8	49%

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

The Company has two Promoters Shareholders only.

(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.	<b>Tata Steel Downstream Products Limited:</b>				
	At the beginning of the year	7303.2	51%	7303.2	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):	Nil		7303.2	51%
	At the end of the year	7303.2	51%	7303.2	51%

b.	<b>Nippon Steel Corporation :</b>				
	At the beginning of the year	7,016.8	49%	7,016.8	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):	Nil		7,016.8	49%
	At the end of the year	7,016.8	49%	7,016.8	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 KMPs 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 KMPs hold shares in Company.			
	At the end of the year	None of the Directors or KMPs 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	99,837	-	-	99,837
ii) Interest due but not paid	-	-	-	-

iii) Interest accrued but not due	474			474
<b>Total (i+ii+iii)</b>	<b>1,00,312</b>	-	-	<b>1,00,312</b>
Change in Indebtedness during the financial year				
* Addition	1,247	-	-	1,247
* Reduction	18,886	-	-	18,886
Net Change	<b>-17,639</b>	-	-	<b>-17,639</b>
Indebtedness at the end of the financial year				
i) Principal Amount	81,477	-	-	81,477
ii) Interest due but not paid	-			-
iii) Interest accrued but not due	317	-	-	317
<b>Total (i+ii+iii)</b>	<b>81,806</b>	-	-	<b>81,806</b>

**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				Total Amount
		C.V. Sastry, Managing Director #	Ujjal Chakraborti, Managing Director ##	Junichi Matsunaga, Executive Director ###	
1	Gross salary		Pls see note below		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	143.77*	177.39	43.07	186.84
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.33	-	-	0.33
	(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 (Retirement) Benefits)	1.76	-	-	1.76
	<b>Total (A)</b>	<b>145.86*</b>	<b>177.39</b>	<b>43.07</b>	<b>366.32</b>
	<b>Ceiling as per the Act</b>				



- \* includes payment of Long Term Incentive Plan (LTIP) for FY19.
- # Mr. Sastry was Managing Director till his demise on June 6, 2021.
- ## Appointed as the Managing Director with effect from June 14, 2021 and his appointment was regularised at the 10<sup>th</sup> AGM held on July 13, 2021. Mr. Chakraborti is on deputation from TSL and the Company pays deputation cost to TSL.
- ### Appointed as the Executive Director with effect from April 15, 2021 and his appointment was regularised at the 10<sup>th</sup> AGM held on July 13, 2021. The Company has also received approval from the Central Government on September 29, 2021 in terms of Section 196 read with Schedule V to the Companies Act, 2013.

## B. Remuneration to other Directors

In Rs. Lakh

SN.	Particulars of Remuneration	Name of Directors					Total Amount
		Hiroshi Ebina	Rajeev Singhal	Dibyendu Dutta	Soichi Yonezawa	Jaya Singh Panda	
1	<b>Independent Directors</b>						
	Fee for attending board & committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	<b>Total (1)</b>	-	-	-	-	-	-
2	<b>Other Non - Executive Directors</b>	-	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	<b>Total (2)</b>	-	-	-	-	-	-
	<b>Total (B)=(1+2)</b>	-	-	-	-	-	-
	<b>Total Managerial Remuneration (A) + (B)</b>						
	<b>Overall Ceiling as per the Act</b>						

**C. Remuneration to Key Managerial Personnel other than MD/ Manager/WTD**

In Rs. Lakh

SN	Particulars of Remuneration	Key Managerial Personnel			
		Atish Mangal #	Pranav Kumar Jha ##	Prashant Kumar	Total
		CFO	CFO	CS	
1	Gross salary		Pls see note below		
	(a) Salary as per provisions contained in section 17(1) of the Income - tax Act, 1961	21.14	101.99	18.84	
	(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 (Retirement Benefits)	0.07		1.20	
5	Others, please specify				
	<b>Total</b>	<b>21.21</b>	<b>101.99</b>	<b>20.04</b>	

# Mr. Mangal was the Chief Financial Officer till April 14, 2021.

## Mr. Jha was appointed as the Chief Financial Officer with effect from April 15, 2021. Mr. Jha is on deputation from TSL and the Company pays deputation cost to TSL.

**V. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There were no penalties, punishment or compounding of Offences during the year ended March 31, 2022.

## Independent Auditor's Report

### To the Members of

### Jamshedpur Continuous Annealing and Processing Company Private Limited

### Report on the Audit of the financial statements

#### Opinion

1. We have audited the accompanying financial statements of Jamshedpur Continuous Annealing and Processing Company Private Limited ("the Company"), which comprise the Balance Sheet as at March, 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March, 31, 2022, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

#### Basis for Opinion

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

#### Other Information

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report and annexures there to, but does not include the financial statements and our auditor's report thereon.

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

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

We have nothing to report in this regard.

#### Responsibilities of management and those charged with governance for the financial statements

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

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

6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's responsibilities for the audit of the financial statements**

7. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
8. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
  - ❖ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - ❖ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
  - ❖ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - ❖ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - ❖ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

### Report on other legal and regulatory requirements

11. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure B", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
12. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (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 financial statements – Refer Note 30 to the financial statements;
    - ii. The Company has long-term contracts including derivative contracts as at March 31, 2022 for which there were no material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2022.
    - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 43 to the financial statements).

- (b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 44 to the financial statements); and
  - (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year.

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

For Price Waterhouse & Co. Chartered Accountants LLP  
Firm Registration Number: 304026E / E300009

Chartered Accountants  
Sonika Burman  
Partner  
Membership Number: 504839  
UDIN: 22504839AHGFDZ3536

Place: Gurugram  
Date: April 18, 2022

## Annexure A to Independent Auditor's Report

**Referred to in paragraph 12(f) of the Independent Auditor's Report of even date to the members of Jamshedpur Continuous Annealing and Processing Company Private Limited on the financial statements for the year ended March 31, 2022**

### **Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act**

1. We have audited the internal financial controls with reference to financial statements of Jamshedpur Continuous Annealing and Processing Company Private Limited ("the Company") as of March, 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

#### **Meaning of Internal Financial Controls with reference to financial statements**

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls with reference to financial statements**

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

**Opinion**

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March, 31, 2022, 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 issued by ICAI.

For Price Waterhouse & Co. Chartered Accountants LLP  
Firm Registration Number: 304026E / E300009

Sonika Burman  
Partner  
Membership Number: 504839  
UDIN:22504839AHGFDZ3536

Place: Gurugram  
Date: April 18, 2022



## Annexure B to Independent Auditors' Report

### Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Jamshedpur Continuous Annealing and Processing Company Private Limited on the financial statements as of and for the year ended March 31, 2022

- I. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.
  - (B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) According to the information and explanations given to us and the records of the Company examined by us, the Company does not own any immovable properties (Refer Note 3 to the financial statements). Therefore, the provisions of clause 3(i)(c) of the Order are not applicable to the Company.
- (d) The Company has not revalued its Property, Plant and Equipment or intangible assets or both during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment or intangible assets does not arise.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on, or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.
- ii. (a) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. The discrepancies noticed on physical verification of inventory by Management, as compared to book records were not material.
  - (b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of account. Also refer Note 36 to the financial statements.
- iii. The Company has not made any investments, granted secured/ unsecured loans/advances in nature loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii), (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund and income tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including employees' state insurance, service tax, duty of customs, duty of excise, value added tax, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities. Also, refer note 48 to the financial statements regarding management's assessment on certain matters relating to provident fund.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of provident fund, employees' state insurance, service tax, duty of customs, goods and services tax which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at March 31, 2022 which have not been deposited on account of a dispute, are as follows:

Name of the stature	Nature of dues	Amount (Rs. In Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income tax	0.15	2013 - 14	Commissioner of Income Tax (Appeals)
Jharkhand Value Added Tax Act, 2005	Value Added Tax	90.68	2016 - 18	Joint Commissioner of Commercial Taxes (Appeals)
The Central Sales Tax Act, 1956	Sales Tax	11.32	2016 - 17	Joint Commissioner of Commercial Taxes (Appeals)
Central Excise Act, 1944	Duty of Excise	3,224.07	2013 - 14	Customs Excise and Service Tax Appellate Tribunal (CESTAT)
Central Excise Act, 1944	Duty of Excise	448.67	2014 - 17	Appeal yet to be filed

- viii. According to the information and explanations given to us and the records of the Company examined by us, there is no income surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix. (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender as at the balance sheet date.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained. Also refer Note 13 (III)(vii) to the financial statements.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, was not required to be filed. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.
- xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
  - (d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 28 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.
- xx. (a) In respect of other than ongoing projects, as at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act.
- (b) In respect of ongoing projects, as at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under this clause is not applicable.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Price Waterhouse & Co. Chartered Accountants LLP  
Firm Registration Number: 304026E / E300009

Sonika Burman  
Partner  
Membership Number: 504839  
UDIN: 22504839AHGFD23536

Place: Gurugram  
Date: April 18, 2022

**Balance Sheet as at 31st March, 2022**

In Rs. Lakhs

Particulars	Note	As at 31.03.2022	As at 31.03.2021
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant & Equipment	03	1,71,784.89	1,78,754.51
(b) Capital work-in-progress	03	2,585.53	232.21
(c) Other Intangible assets	04	1,271.62	1,546.99
(d) Financial Assets			
Swap and Derivative Receivables		785.66	1,002.86
(e) Deferred Tax Assets (Net)	05	2,844.44	-
(f) Other Non-current Assets	06	863.20	378.25
<b>Total Non-Current Assets</b>		<b>1,80,135.34</b>	<b>1,81,914.82</b>
<b>(2) Current assets</b>			
(a) Inventories	07	46,044.13	30,757.67
(b) Financial Assets			
(i) Trade Receivables	08	25,349.10	33,635.98
(ii) Cash and Cash Equivalents	09	10,344.19	8,565.81
(iii) Interest Accrued on Bank Deposits		1.01	6.82
(iv) Swap and Derivative Receivables		2,406.88	1,904.75
(v) Unbilled Revenue (contract assets)		200.69	20.87
(c) Other Current Assets	10	10,556.86	2,753.26
<b>Total Current Assets</b>		<b>94,902.86</b>	<b>77,645.16</b>
<b>Total Assets</b>		<b>2,75,038.20</b>	<b>2,59,559.98</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	11	1,43,200.00	1,43,200.00
(b) Other Equity	12	9,184.80	(30,507.00)
<b>Total Equity</b>		<b>1,52,384.80</b>	<b>1,12,693.00</b>
<b>Liabilities</b>			
<b>(1) Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	13	44,698.78	77,348.27
(ii) Deferred Liability		-	5,199.27
(b) Provisions	14	130.81	152.05
<b>Total Non-Current Liabilities</b>		<b>44,829.59</b>	<b>82,699.59</b>
<b>(2) Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	13	36,778.20	22,489.13
(ii) Trade Payables	15		
Total outstanding dues of Micro enterprises and Small enterprises	15	1,464.90	143.00
Total outstanding dues to creditors other than Micro enterprises and Small enterprises	15	26,813.36	35,671.67
(iii) Other Financial Liabilities	16	4,458.65	2,951.04
(iv) Deferred Liability		3,755.81	-
(b) Other Current Liabilities	17	4,310.59	2,689.11
(c) Provisions	14	242.30	223.44
<b>Total Current Liabilities</b>		<b>77,823.81</b>	<b>64,167.39</b>
<b>Total Equity and Liabilities</b>		<b>2,75,038.20</b>	<b>2,59,559.98</b>

The above Balance Sheet should be read in conjunction with the accompanying notes. This is the Balance Sheet referred to in our report of even date.

For and on behalf of the Board of Directors

For Price Waterhouse & Co Chartered Accountants LLP  
Firm Registration No: 304026E/E-300009

Sonika Burman  
Partner  
Membership No: 504839  
Gurugram, 18th April, 2022

Prashant Kumar  
Company Secretary  
ACS: A19510

Pranav Kumar Jha  
Chief Financial Officer

Kolkata, 18th April, 2022

Hiroshi Ebina  
Chairman  
(DIN: 08224876)

Dibyendu Dutta  
Director  
(DIN: 01111150)

Ujjal Chakraborti  
Managing Director  
(DIN: 07854466)

Statement of Profit and Loss for the year ended 31st March, 2022

In Rs. Lakhs

Particulars	Note	Year ended 31.03.2022	Year ended 31.03.2021
<b>I REVENUE</b>			
(a) Revenue from operations	18	3,64,465.28	2,16,609.57
(b) Other Income	19	1,116.30	285.78
<b>Total Revenue</b>		<b>3,65,581.58</b>	<b>2,16,895.35</b>
<b>II EXPENSES</b>			
(a) Cost of raw materials consumed	20	2,67,716.52	1,44,367.78
(b) Changes in inventories of finished goods	21	45.37	2,283.28
(c) Employee benefits expense	22	4,011.34	2,847.78
(d) Finance costs	23	6,902.37	9,372.09
(e) Depreciation and amortisation expenses	03 & 04	8,089.06	8,498.91
(f) Other expenses	24	41,947.88	28,909.32
<b>Total Expenses</b>		<b>3,28,712.54</b>	<b>1,96,279.16</b>
<b>III Profit before tax (I - II)</b>		<b>36,869.04</b>	<b>20,616.19</b>
<b>IV Tax Expense</b>			
Current tax		-	-
Deferred Tax	05	(2,844.44)	-
		(2,844.44)	-
<b>V Profit after tax (III - IV)</b>		<b>39,713.48</b>	<b>20,616.19</b>
<b>VI Other Comprehensive Income</b>			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurement of defined benefit plan		(21.68)	37.10
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
		(21.68)	37.10
<b>VII Total Comprehensive Profit (V + VI)</b>		<b>39,691.80</b>	<b>20,653.29</b>
<b>VIII Earnings per share:</b>			
(1) Basic earnings per equity share in Rs.	31	2.77	1.45
(2) Diluted earnings per equity share in Rs.	31	2.77	1.45

The above Balance Sheet should be read in conjunction with the accompanying notes. This is the Balance Sheet referred to in our report of even date.

For and on behalf of the Board of Directors

For Price Waterhouse & Co Chartered Accountants LLP  
Firm Registration No: 304026E/E-300009

Hiroshi Ebina  
Chairman  
(DIN: 08224876)

Prashant Kumar  
Company Secretary  
ACS: A19510

Dibyendu Dutta  
Director  
(DIN: 01111150)

Sonika Burman  
Partner  
Membership No: 504839  
Gurugram, 18th April, 2022

Pranav Kumar Jha  
Chief Financial Officer

Ujjal Chakraborti  
Managing Director  
(DIN: 07854466)

Kolkata, 18th April, 2022

## Statement of Cash Flows for the year ended 31st March, 2022

Particulars	In Rs. Lakhs	
	Year ended 31.03.2022	Year ended 31.03.2021
<b>A. Cash Flow from Operating activities:</b>		
<b>Profit before taxes</b>	<b>36,869.04</b>	<b>20,616.19</b>
Adjustments for:		
Depreciation and Amortisation expenses	8,089.06	8,498.91
Interest income on Bank Deposits	(217.25)	(55.34)
Gain on sale of current investments	(63.96)	(21.30)
Allowance for doubtful debts (net)	-	(500.00)
Finance costs	6,902.37	9,372.09
Deferred Liability	(1,443.46)	(3,594.75)
Loss on Assets Discarded/Written Off	1,904.25	23.00
Change in fair value of Swap & Derivative	(2,502.49)	1,755.47
Net (gain) / loss on foreign currency transactions	1,566.38	(1,868.38)
	<b>14,234.90</b>	<b>13,609.70</b>
<b>Operating profit before working capital changes</b>	<b>51,103.94</b>	<b>34,225.89</b>
Adjustments for:		
(Increase) / Decrease in Trade Receivables	8,312.11	(21,983.45)
Decrease / (Increase) in Inventories	(15,286.46)	1,048.08
Increase/ (Decrease) in Trade Payables, Other Current Liabilities, Other Financial Liabilities & Provisions	(5,493.06)	18,180.21
Decrease / (Increase) in Other Current Assets and Unbilled Revenue	(7,983.42)	1,323.15
	<b>(20,450.83)</b>	<b>(1,432.01)</b>
<b>Cash generated from operations</b>	<b>30,653.11</b>	<b>32,793.88</b>
Tax Refund/(Deposit) [Including TDS Deducted]	(486.32)	147.30
<b>Net cash from Operating activities</b>	<b>30,166.79</b>	<b>32,941.18</b>
<b>B. Cash Flow from Investing activities:</b>		
Purchase of Property, Plant & Equipment	(3,851.08)	(541.57)
Gain on sale of Investments (net)	63.96	21.30
Proceeds from maturity of Fixed Deposits	-	1.00
Interest Income	223.06	48.97
	<b>(3,564.06)</b>	<b>(470.30)</b>
<b>C. Cash Flow from Financing activities:</b>		
Proceeds from Long Term borrowings	4,406.25	20,162.50
Proceeds/Repayments (net) from/of Short-Term borrowings	1,247.41	(7,219.56)
Repayment of Long Term borrowings	(23,292.86)	(35,986.59)
Issue of Equity Share Capital	-	8,000.00
Finance Costs	(7,185.15)	(9,686.29)
	<b>(24,824.35)</b>	<b>(24,729.95)</b>
<b>Net increase/ (decrease) in cash or cash equivalents: (A+B+C)</b>	<b>1,778.38</b>	<b>7,740.93</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>8,565.81</b>	<b>824.88</b>
<b>Cash and cash equivalents at the end of the year comprises:</b>	<b>10,344.19</b>	<b>8,565.81</b>
(a) Balances with banks:		
- in current /cash credit accounts	2,844.19	2,815.81
- in deposit accounts	7,500.00	5,750.00
	<b>10,344.19</b>	<b>8,565.81</b>

1. Previous year figures have been recasted / regrouped where necessary.

2. The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

3. The above Statement of Cash Flows has been prepared under the indirect method as set out in Indian Accounting Standards (Ind AS) 7 'Statement of Cash Flows' notified under section 133 of the Companies Act, 2013 ('Act') read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the Act.

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

For and on behalf of the Board of Directors

For Price Waterhouse & Co Chartered Accountants LLP  
Firm Registration No: 304026E/E-300009

Hiroshi Ebina  
Chairman  
(DIN: 08224876)

Prashant Kumar  
Company Secretary  
ACS: A19510

Dibyendu Dutta  
Director  
(DIN: 01111150)

Sonika Burman  
Partner  
Membership No: 504839  
Gurugram, 18th April, 2022

Pranav Kumar Jha  
Chief Financial Officer

Ujjal Chakraborti  
Managing Director  
(DIN: 07854466)

Kolkata, 18th April, 2022

## Statement of Changes in Equity for the year ended 31.03.2022

In Rs. Lakhs	
Particulars	Total
<b>A. Equity Share Capital</b>	
Balance at 31.03.2020	1,35,200
Change in Equity Share Capital	8,000
<b>Balance at 31.03.2021</b>	<b>1,43,200</b>
Change in Equity Share Capital	-
<b>Balance at 31.03.2022</b>	<b>1,43,200</b>
<b>B. Other Equity</b>	
<b>Reserves and Surplus</b>	
Retained Earnings	(51,096.26)
Other items of Other Comprehensive Income	37.10
<b>Balance as at 31.03.2020</b>	<b>(51,096.26)</b>
Remeasurement of defined benefits	37.10
Profit for the year	20,616.19
<b>Balance as at 31.03.2021</b>	<b>(30,480.07)</b>
Remeasurement of defined benefits	(21.68)
Profit for the year	39,713.48
<b>Balance as at 31.03.2022</b>	<b>9,233.41</b>
<b>Total</b>	<b>9,184.80</b>

The above Statement of Change in Equity should be read in conjunction with the accompanying notes.  
This is the Statement of Change in Equity referred to in our even date

**For Price Waterhouse & Co Chartered Accountants LLP**  
Firm Registration No: 304026E/E-300009

<p><b>Sonika Burman</b> Partner Membership No: 504839 Gurugram, 18<sup>th</sup> April, 2022</p>	<p><b>Hiroshi Ebina</b> Chairman (DIN: 08224876)</p>
<p><b>Prashant Kumar</b> Company Secretary ACS: A19510</p>	<p><b>Dibyendu Dutta</b> Director (DIN: 01111150)</p>
<p><b>Pranav Kumar Jha</b> Chief Financial Officer Kolkata, 18th April, 2022</p>	<p><b>Ujjal Chakraborti</b> Managing Director (DIN: 07854466)</p>

**For and on behalf of the Board of Directors**



## Notes to Financial Statements

### 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 is 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 section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015. The financial statements were adopted and authorised for issue with the resolution of the Company's Board of Directors on 18<sup>th</sup> April, 2022.

#### (b) Basis of preparation and presentation

These 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 & Intangible Assets

##### (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."

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognised upon its 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 and amortisation 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 Plant & Machinery and 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

## Notes to Financial Statements

- iii) Plant and Machinery- (Continuous Processing Plant)\* - 45 years
- iv) Plant and Machinery (Others) \* -5 to 45 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 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 the 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:
- (II) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (III) 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 and loss (FVTPL). Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit and Loss account.

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through other comprehensive income. The Company recognises lifetime expected credit losses for all trade receivables that do not constitute a financing transaction.

#### (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.

## Notes to Financial Statements

### 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) Investments

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

### (h) Revenue Recognition

**Sale of Goods-** The Company manufactures and sells Automotive and Nonautomotive CRCA Steel. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer. Delivery occurs when the products have been shipped or delivered to the specific location as the case may be, the risks of obsolescence and loss have been transferred, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.

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

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

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

Revenue includes consideration received or receivable but excludes Goods and Service Taxes, and are net of discounts and rebates."

**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.

**Export Incentive Scheme-** Export Incentive under various schemes notified by the government has been recognised on the basis of amount received/license received.

### (i) Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred recognised in the profit & loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non current liabilities as deferred income/liabilities and are credited to the statement of profit and loss on straight line basis over the expected life of the assets or based on satisfying stipulation/obligation in this regard.

### (j) 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

## Notes to Financial Statements

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.

### (k) Employee's benefits

#### (i) Short-term Employee Benefits

Liabilities for short-term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current (creditors for accrued wages and salaries) in Balance Sheet.

#### (ii) Post - employment benefits

##### Defined Benefit Plans

The liability or asset recognised in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually at year end by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in 'Employee Benefits Expense' in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in Other Comprehensive Income. These are included in 'Retained Earnings' in the Statement of Changes in Equity. Changes in the present value of the defined benefit obligations resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

##### Defined Contribution Plans

Contributions under Defined Contribution Plans payable in keeping with the related schemes are recognised as expenses for the period in which the employee has rendered the service.

#### (iii) Other long-term employee benefits

The liabilities for leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured annually at year end by actuaries as the present value of expected future benefits in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields on government bonds at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the statement of profit and loss.

### (l) 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.

### (m) 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

## Notes to Financial Statements

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.

### (n) **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.

### (o) **Contingent Liabilities**

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.

### (p) **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.

### (q) **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.

### (r) **Impairment of Assets**

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

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

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

### (s) **Earnings per share**

Basic earnings per shares has been computed by dividing profit or loss of the year by the weighted average number of shares outstanding during the period. Diluted earnings per share has been computed using the weighted average

## Notes to Financial Statements

number of shares and dilutive potential shares except where the results would be anti dilutive.

(t) **Lease**

The Company has assessed the applicability of Ind AS 116 and concluded that identified lease is not material and hence not accounted for in line with the standard.

(u) **Use of estimates and critical accounting judgements**

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

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

Key source of estimation of uncertainty at the date of standalone financial statements, which may cause material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment, useful lives of property, plant and equipment and intangible assets, valuation of deferred tax assets as discussed below. Key source of estimation of uncertainty in respect of revenue recognition, employee benefits, Provisions, Contingent liabilities and fair value measurements of financial instruments have been discussed in the respective policies.

**Impairment**

The Company estimates the value in use of the cash generating unit (CGU) based on future cash flows after considering current economic conditions and trends, estimated future operating results and growth rate and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The cash flows are discounted using a suitable discount rate in order to calculate the present value.

**Useful lives of property, plant and equipment and intangible assets**

The Company reviews the useful life of property, plant and equipment and intangible assets at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods.

**Valuation of deferred tax assets**

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. This Policy has been detailed in note 2 (m)

(v) **Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

(w) **Recent Accounting Pronouncement**

❖ The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment 2021 (the 'Rules') on June 18, 2021. The Rules have come into force on the date of its publication in the official gazette i.e., June 18, 2021. The amendments brought in by the Rules are intended to converge Ind AS with the amendments made to IFRS by the International Accounting Standards Board (IASB).

❖ Extension of COVID-19 related concessions – amendments to Ind AS 116

❖ Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

❖ **Reclassifications consequent to amendments to Schedule III**

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on 24 March 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from 1 April 2021.

Consequent to above, the company has changed the classification/presentation of current maturities of long-term borrowings, in the current year (for comparative period also) from 'Other Financial Liabilities' to "Current Borrowings" line item.

The Company has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1. As an impact of such re-classification, the "Other Financial Liabilities (current)" as at 31.03.2021 has decreased by Rs. 21,092.09 Lakhs and "Current Borrowings" has increased by the same amount.

**New amendments issued but not effective**

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

## Notes to Financial Statements

### 03 - Property, Plant & Equipment and Capital work-in-progress

Particulars	Building*	Plant and Machineries	Furniture and Fixtures	Vehicles	Office Equipments	Roads	Railway Sidings	Total Assets	CWIP
<b>Gross Block at 31.03.2020</b>	<b>25,225.60</b>	<b>2,00,799.65</b>	<b>282.47</b>	<b>22.82</b>	<b>684.98</b>	<b>932.64</b>	<b>701.30</b>	<b>2,28,649.46</b>	<b>310.76</b>
Additions during the year	66.51	2,222.40	-	-	45.47	-	-	2,334.38	2,189.78
Deletions during the year	-	(161.02)	-	-	-	-	-	(161.02)	(2,268.33)
<b>Gross Block at 31.03.2021</b>	<b>25,292.11</b>	<b>2,02,861.03</b>	<b>282.47</b>	<b>22.82</b>	<b>730.45</b>	<b>932.64</b>	<b>701.30</b>	<b>2,30,822.82</b>	<b>232.21</b>
Additions during the year	0.36	2,583.09	0.36	7.68	26.91	-	-	2,618.04	4,028.50
Deletions during the year (Refer note (i) below)	-	(2,342.94)	-	-	-	-	-	(2,342.94)	(1,675.18)
<b>Gross Block at 31.03.2022</b>	<b>25,292.11</b>	<b>2,03,101.18</b>	<b>282.83</b>	<b>30.50</b>	<b>757.36</b>	<b>932.64</b>	<b>701.30</b>	<b>2,31,097.92</b>	<b>2,585.53</b>
<b>Accumulated Depreciation at 31.03.2020</b>	<b>4,136.89</b>	<b>38,310.11</b>	<b>173.55</b>	<b>22.82</b>	<b>508.99</b>	<b>932.64</b>	<b>230.66</b>	<b>44,315.66</b>	<b>-</b>
Depreciation during the year	830.91	6,906.59	18.91	-	86.80	-	47.46	7,890.67	-
Depreciation on assets written off during the year	-	(138.02)	-	-	-	-	-	(138.02)	-
<b>Accumulated Depreciation at 31.03.2021</b>	<b>4,967.80</b>	<b>45,078.68</b>	<b>192.46</b>	<b>22.82</b>	<b>595.79</b>	<b>932.64</b>	<b>278.12</b>	<b>52,068.31</b>	<b>-</b>
Depreciation during the year	831.18	6,725.15	18.91	-	60.70	-	47.46	7,683.40	-
Depreciation on assets written off during the year	-	(438.68)	-	-	-	-	-	(438.68)	-
<b>Accumulated Depreciation at 31.03.2022</b>	<b>5,798.98</b>	<b>51,365.15</b>	<b>211.37</b>	<b>22.82</b>	<b>656.49</b>	<b>932.64</b>	<b>325.58</b>	<b>59,313.03</b>	<b>-</b>
<b>Net book value</b>									
<b>At 31.03.2022</b>	<b>19,493.13</b>	<b>1,51,736.03</b>	<b>71.46</b>	<b>7.68</b>	<b>100.87</b>	<b>-</b>	<b>375.72</b>	<b>1,71,784.89</b>	<b>2,585.53</b>
<b>At 31.03.2021</b>	<b>20,324.31</b>	<b>1,57,782.35</b>	<b>90.01</b>	<b>-</b>	<b>134.66</b>	<b>-</b>	<b>423.18</b>	<b>1,78,754.51</b>	<b>232.21</b>

\* Represents building constructed on leasehold land.

(i) Assets amounting to Rs. 2,342.93 Lakhs have been discarded due to two fire incidents in the plant, during the year ended 31.03.2022.

(ii) Included in the carrying value of property, plant and equipment are assets amounting to Rs. 171,784.89 Lakhs (31.03.2021: Rs. 178,754.51 Lakhs) which are pledged as collateral against borrowings. Refer note 13 (iii).

(iii) The Company has not revealed its property, plant and equipment or intangible assets or both during the current or previous year.

(iv) Projects in progress are detailed below. There is no project whose completion is overdue or has exceeded its cost compared to its original plan.

#### CWIP ageing schedule as at 31.03.2022

Particulars	Amount in CWIP for			Total
	Less than 1 year	1-2 years	2-3 years	
Project in Progress	2,499.47	35.90	42.64	2,585.54
Projects temporarily suspended	-	-	-	-

#### CWIP ageing schedule as at 31.03.2021

Particulars	Amount in CWIP for			Total
	Less than 1 year	1-2 years	2-3 years	
Project in Progress	82.87	140.67	4.34	232.21
Projects temporarily suspended	-	-	-	-

#### 04 - Other Intangible Assets

Particulars	Software Costs		Technological Licences		Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Gross Block at 31.03.2020</b>	<b>1,582.72</b>	<b>3,692.41</b>	<b>5,275.13</b>	<b>-</b>	<b>5,275.13</b>
Additions during the year	7.63	-	7.63	-	7.63
<b>Gross Block at 31.03.2021</b>	<b>1,590.35</b>	<b>3,692.41</b>	<b>5,282.76</b>	<b>-</b>	<b>5,282.76</b>
Additions during the year	-	130.29	130.29	-	260.58
<b>Gross Block at 31.03.2022</b>	<b>1,590.35</b>	<b>3,822.70</b>	<b>5,413.05</b>	<b>-</b>	<b>5,413.05</b>
<b>Accumulated amortisation at 31.03.2020</b>	<b>1,483.02</b>	<b>1,644.51</b>	<b>3,127.53</b>	<b>-</b>	<b>3,127.53</b>
Amortisation during the year	107.33	500.91	608.24	-	1,216.48
<b>Accumulated amortisation at 31.03.2021</b>	<b>1,590.35</b>	<b>2,145.42</b>	<b>3,735.77</b>	<b>-</b>	<b>3,735.77</b>
Amortisation during the year	-	405.66	405.66	-	811.32
<b>Accumulated amortisation at 31.03.2022</b>	<b>1,590.35</b>	<b>2,551.08</b>	<b>4,141.43</b>	<b>-</b>	<b>4,141.43</b>
<b>Net book value</b>					
<b>At 31.03.2022</b>	<b>-</b>	<b>1,271.62</b>	<b>1,271.62</b>	<b>-</b>	<b>1,271.62</b>
<b>At 31.03.2021</b>	<b>-</b>	<b>1,546.99</b>	<b>1,546.99</b>	<b>-</b>	<b>1,546.99</b>

## Notes to Financial Statements

In Rs. Lakhs

### 05 - Deferred Tax Assets (Net)

(i) Components of deferred tax assets and liabilities as at 31.03.2022 is as below

	Balance as at 31.03.2021	Recognised/ (reversed) in profit and loss during the year	Recognised in other comprehensive income during the year	Recognised in equity during the year	Balance as at 31.03.2022
<b>Deferred Tax Assets :</b>					
Tax Losses	-	22,013.33	-	-	22,013.33
Expenses allowable for tax purposes when paid/written off	-	402.45	-	-	402.45
	-	22,415.78	-	-	22,415.78
<b>Deferred Tax Liabilities :</b>					
Property, plant and equipment and intangible assets		(19,571.34)			(19,571.34)
	-	(19,571.34)	-	-	(19,571.34)
<b>Net deferred tax assets /(liabilities)</b>	-	<b>2,844.44</b>	-	-	<b>2,844.44</b>

(ii) The Company had started its commercial operation in March, 2015 and has completed its 7 years of commercial operation. In the absence of past history of the taxable profits till 31.03.2021, the Company had not recognised net deferred tax assets on unused tax losses (business losses and unabsorbed depreciation) and carrying value of assets on prudent basis. Deferred tax assets of Rs. 2844.44 lakhs has been recognised during the year since it has become reasonably certain that future taxable profits will be available for recovery of deferred tax assets.

### 06 - Other Non-current Assets

	As at 31.03.2022	As at 31.03.2021
(I) Capital advances	-	1.37
(II) Advances other than capital advances		
(a) Security Deposits	2.52	2.52
(b) Current Tax Assets (net)	860.68	374.36
<b>Total Other Non-current Assets</b>	<b>863.20</b>	<b>378.25</b>

### 07 - Inventories

	As at 31.03.2022	As at 31.03.2021
(I) Raw Materials (at lower of cost and net realisable value)	15,190.72	888.50
(II) Finished Goods (at lower of cost and net realisable value)	21,656.13	21,701.50
(III) Stores and spares (at cost)	9,197.28	8,167.67
<b>Total Inventories</b>	<b>46,044.13</b>	<b>30,757.67</b>

### 08 - Trade Receivables

(I) Trade Receivables (Unsecured, considered good)

	As at 31.03.2022	As at 31.03.2021
(i) Trade Receivables	24,358.51	32,900.23
(ii) Trade Receivables from Related Parties (Refer note 25)	990.59	735.75
	<b>25,349.10</b>	<b>33,635.98</b>

(II) Trade Receivables ageing schedules

**Undisputed Trade Receivables- Considered good**

**(Outstanding for following period from due date of payment)**

	As at 31.03.2022	As at 31.03.2021
Less than 6 Months	25,343.96	33,634.96
6 Months - 1 Year	5.12	1.00
1 Year - 2 Years	-	0.02
2 Years - 3 Years	0.02	-
More than 3 Years	-	-
<b>Total</b>	<b>25,349.10</b>	<b>33,635.98</b>



## Notes to Financial Statements

In Rs. Lakhs

<b>09 - Cash and cash equivalents</b>		<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>	
(l) Balances with banks				
(a) In current /cash credit accounts		2,844.19	2,815.81	
(b) Deposit with maturity less than three months		7,500.00	5,750.00	
<b>Total Cash and cash equivalents</b>		<b>10,344.19</b>	<b>8,565.81</b>	
<b>10 - Other Current Assets</b>		<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>	
( Unsecured, considered good )				
(a) Advance with public bodies		907.39	635.22	
(b) GST Input Credit		8,478.47	1,272.11	
(c) Advance to related parties		648.27	317.71	
(d) Other advances		522.73	528.22	
<b>Total Other Current Assets</b>		<b>10,556.86</b>	<b>2,753.26</b>	
Note:				
1. The Company has not granted any loans and advances in the nature of loans granted to promoters, directors, key managerial personnel and related parties (as defined under Companies Act, 2013).				
<b>11 - Equity Share Capital</b>				
<b>(1) Authorised Share Capital</b>	<b>No. of Shares</b>	<b>Amount In Rs. Lakhs</b>		
<b>As at 31.03.2020</b>	<b>1,45,00,00,000</b>	<b>1,45,000</b>		
Increase/(Decrease) during the year	-	-		
<b>As at 31.03.2021</b>	<b>1,45,00,00,000</b>	<b>1,45,000</b>		
Increase/(Decrease) during the year	-	-		
<b>As at 31.03.2022</b>	<b>1,45,00,00,000</b>	<b>1,45,000</b>		
<b>Terms / rights attached to equity shares</b>				
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, theholders 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.				
<b>(2) Issued and Subscribed Share capital</b>	<b>No. of Shares</b>	<b>Amount In Rs. Lakhs</b>		
<b>Equity shares of Rs.10 each issued and subscribed</b>				
<b>As at 31.03.2020</b>	<b>1,35,20,00,000</b>	<b>1,35,200</b>		
Increase during the year	8,00,00,000	8,000		
<b>As at 31.03.2021</b>	<b>1,43,20,00,000</b>	<b>1,43,200</b>		
Increase during the year	-	-		
<b>As at 31.03.2022</b>	<b>1,43,20,00,000</b>	<b>1,43,200</b>		
<b>(3) Fully Paid Equity Share Capital</b>	<b>No. of Shares</b>	<b>Amount In Rs. Lakhs</b>		
<b>Equity shares of Rs.10 each issued, subscribed and fully paid</b>				
<b>As at 31.03.2020</b>	<b>1,35,20,00,000</b>	<b>1,35,200</b>		
Increase during the year	8,00,00,000	8,000		
<b>As at 31.03.2021</b>	<b>1,43,20,00,000</b>	<b>1,43,200</b>		
Increase during the year	-	-		
<b>As at 31.03.2022</b>	<b>1,43,20,00,000</b>	<b>1,43,200</b>		
<b>(4) Shareholders holding more than 5 percent shares in the Company, shares held by the holding company and promoters shareholding.</b>				
Name of Shareholders	As at 31.03.2022		As at 31.03.2021	
	No of Shares	% of holding of equity shares	No of Shares	% of holding of equity shares
Tata Steel Downstream Products Limited*	73,03,20,000	51%	73,03,20,000	51%
Nippon Steel Corporation	70,16,80,000	49%	70,16,80,000	49%
	<b>1,43,20,00,000</b>		<b>1,43,20,00,000</b>	

## Notes to Financial Statements

\* On 01.01.2021, Tata Steel Limited transferred its stake to Tata Steel Downstream Products Limited.

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

296,483,085 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.

In Rs. Lakhs

### 12- Other Equity

#### Retained Earnings

Balance at the beginning of the year  
Profit for the year

(30,507.00)  
39,691.80

(51,160.29)  
20,653.29

#### Total Other Equity

9,184.80

(30,507.00)

### 13 - Borrowings

#### (I) Non-current Borrowings

##### Secured Borrowings

Term loan from banks and financial institutions

44,698.78

77,348.27

#### Total Non-current Borrowings

44,698.78

77,348.27

#### (II) Current Borrowings

##### Secured Borrowings

Current maturities of long-term borrowings (Refer note 13 (i)(F))

34,133.75

21,092.09

Bill Discounted (Export Sales)

1,873.41

-

Bills Discounted (Domestic Sales)

771.04

1,397.04

#### Total Current Borrowings

36,778.20

22,489.13

#### Net Debt Reconciliation

Cash and Cash Equivalents

10,344.19

8,565.81

Current Borrowings

(36,778.20)

(22,489.13)

Non-Current Borrowings (Including Accrued Interest 31.03.2022 Rs. 316.57 Lakhs and 31.03.2021 Rs. 474.07 Lakhs)

(45,015.35)

(77,822.34)

(71,449.36)

(91,745.66)

Particulars	Cash and Cash Equivalents	Non Current Borrowings	Current Borrowings	Total
<b>Net debt as at 01.04.2021</b>	<b>8,565.81</b>	<b>(77,822.34)</b>	<b>(22,489.13)</b>	<b>(91,745.66)</b>
Cash Flow	1,778.38	-	17,639.20	19,417.58
Reclassification from Non current to current	-	34,133.75	(34,133.75)	-
Forex Adjustment	-	(1,343.75)	2,205.48	861.73
Interest Expenses	-	(6,656.51)	(12.63)	(6,669.14)
Interest Paid	-	6,814.01	12.63	6,826.64
Net Loan Processing Cost	-	(140.51)	-	(140.51)
<b>Net debt as at 31.03.2022</b>	<b>10,344.19</b>	<b>(45,015.35)</b>	<b>(36,778.20)</b>	<b>(71,449.36)</b>

Particulars	Cash and Cash Equivalents	Non Current Borrowings	Current Borrowings	Total
<b>Net debt as at 01.04.2020</b>	<b>824.88</b>	<b>(1,00,065.73)</b>	<b>(28,248.66)</b>	<b>(1,27,489.51)</b>
Cash Flow	7,740.93	-	23,043.65	30,784.58
Reclassification from Non current to current	-	21,092.09	(21,092.09)	-
Forex Adjustment	-	629.02	3,807.97	4,436.99
Interest Expenses	-	(8,810.55)	(409.45)	(9,220.00)
Interest Paid	-	9,445.29	409.45	9,854.74
Net Loan Processing Cost	-	(112.46)	-	(112.46)
<b>Net debt as at 31.03.2021</b>	<b>8,565.81</b>	<b>(77,822.34)</b>	<b>(22,489.13)</b>	<b>(91,745.66)</b>

## Notes to Financial Statements

### (III) Additional information:

#### (i) Non Current Borrowings

- A. Indian Rupee Loan from HDFC Bank, amounting to Rs. 5,850 Lakhs is outstanding till 31.03.2022 (31.03.2021 :Rs 8,600 Lakhs). The loan is repayable in 40 quarterly instalments commenced from 30.06.2016. 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 15.87 Million equivalent to Rs. 12,026.90 Lakhs is outstanding on 31.03.2022 (31.03.2021: USD 31.73 Million equivalent to Rs. 23,202.52 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 09.05.2013. The Loan is repayable in 16 semi-annual instalments commenced from 09.05.2015. 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 Corporation, the Joint Venturer.
- C. Indian Rupee Loan from Kotak Mahindra Bank, amounting to Rs. NIL outstanding till 31.03.2022 (31.03.2021 :Rs 4,500 Lakhs). The loan is repayable in 16 quarterly instalments commencing from 05.02.2018. The loan is secured by first pari passu hypothecation charge to be shared with Multiple Banks/Term Lenders on Project ssets and Current Assets.
- D. Indian Rupee Loan from Tata Capital Finance Service Ltd, EXIM Bank and ICICI Bank amounting to Rs. 32,343.75 Lakhs drawn till 31.03.2022 (31.03.2021 :Rs 34,687.50 Lakhs). The loan is repayable in 28 quarterly instalments commencing from 30.06.2019. The loan is secured by first pari passu hypothecation charge to be shared with Multiple Banks/Term Lenders on Project Assets and Current Assets.
- E. Foreign currency loan ( External Commercial Borrowing) from Sumitomo Mitsui Banking Corporation amounting to USD 38.06 Million equivalent to Rs. 28,850.42 Lakhs is outstanding on 31.03.2022 (31.03.2021 : USD 38.06 Million equivalent to Rs.27,829.40 Lakhs). Interest is payable semi-annually, commencing from 08.05.2020. The Loan is repayable in 3 annual instalments commencing from 08.11.2023. The loan is secured by first pari passu charge over all the Fixed and Movable Assets created by the Borrower by way of hypothecation in favour of the Security Trustee for the benefit of the Lenders.
- F. The outstanding balances as indicated in (i) A to (i) E are inclusive of current maturity of long term borrowings amounting to Rs. 34,133.75 Lakhs (31.03.2021 :Rs 21,092.09 Lakhs) disclosed under the head "Current Borrowings" and loan processing cost amounting to Rs. 238.54 Lakhs (31.03.2021 :Rs. 379.06 Lakhs).
- G. Interest of ECB loan is 6 months LIBOR and spreads in range of 0.60% to 1.95%. For rupee term loan, rate of interest is ranging from 6.55% to 7.8% during the year.

#### (ii) Current Borrowings

- A. Export Receivables amounting to Rs. 1,873.41 Lakhs discounted till 31.03.2022 (31.03.2021: Rs. NIL ) with HDFC Bank and the same has lien on Cash Credit facility.
- B. Domestic Receivables amounting to Rs. 771.04 Lakhs discounted till 31.03.2022 (31.03.2021: Rs 1,397.04 Lakhs) with HDFC Bank.

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

	In Rs. Lakhs	
	31.03.2022	31.03.2021
In one year or less or on demand	-	-
Between one and two years	15,529.32	18,820.01
Between two and three years	13,335.56	18,688.97
Between three and four years	13,773.06	17,245.22
Between four and five years	2,187.50	18,182.72
More than 5 years	-	4,687.49
<b>Total contractual cash flows</b>	<b>44,825.44</b>	<b>77,624.41</b>
Less: Capitalisation of transactions cost	126.66	276.14
<b>Total Non-Current Borrowings</b>	<b>44,698.78</b>	<b>77,348.28</b>
Total Current Borrowings	2,644.45	1,397.04
Total Current Maturity of Long Term Borrowings	34,133.75	21,092.09
<b>Total Borrowings</b>	<b>81,476.98</b>	<b>99,837.40</b>

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

	INR (In lakhs)	
	31.03.2022	31.03.2021
Fixed	-	-
Floating	38,193.75	47,787.50
<b>USD (In million)</b>		
Fixed	-	-
Floating	53.93	69.80

- (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.
- (v) Some of the Company major financing arrangements include financial covenants, which require compliance to certain financial indebtedness to tangible net worth (Maximum 3 times) and fixed assets coverage ratios (Minimum 1.25 times). The Company has complied with these covenant's requirement throughout the applicable period.
- (vi) The Company availed the moratorium of 6 months i.e till 31.08.2020 on certain long-term borrowings for interest and principal payment as per the RBI circular dated 27.03.2020. Based on the assessment, there is no significant impact on the carrying values of the borrowings.
- (vii) Loans taken during the year have been utilised for the intended purpose.

## Notes to Financial Statements

In Rs. Lakhs

	As at 31.03.2022	As at 31.03.2021
<b>14 - Provisions</b>		
<b>(I) Non Current Provisions</b>		
<b>Provision for employee benefits</b>		
Provision for gratuity	130.81	152.05
	<b>130.81</b>	<b>152.05</b>
<b>(II) Current Provisions</b>		
<b>Provision for employee benefits</b>		
Provision for compensated absences*	242.30	223.44
	<b>242.30</b>	<b>223.44</b>
<b>Total Provisions</b>	<b>373.11</b>	<b>375.49</b>
<p>*The entire amount of provision of compensated absences of Rs. 242.30 Lakhs (31.03.2021: Rs. 223.44 Lakhs) is presented as current, since the Company does not have an unconditional right to defer settlement of any of these obligations. However, based on past experience, the Company does not expect all employees to avail the full amount of accrued leaves or require payment for such leaves within the next 12 months.</p>		
<b>15 - Trade Payables</b>		
Total outstanding dues of Micro enterprises and Small enterprises (Refer note 33)	1,464.90	143.00
Total outstanding dues to creditors other than Micro enterprises and Small enterprises	26,813.36	35,671.67
<b>Total Trade Payables</b>	<b>28,278.26</b>	<b>35,814.67</b>
<b>Ageing of Trade Payables (Undisputed)</b>		
<b>(I) Dues to Micro enterprises and small enterprises</b>		
Unbilled Dues	-	-
Amounts not yet due	869.32	28.62
Less than 1 Year	526.64	48.36
1 Year - 2 Years	11.46	49.72
2 Years - 3 Years	43.34	15.50
More than 3 Years	14.14	0.80
	<b>1,464.90</b>	<b>143.00</b>
<p>Dues to Micro enterprises and small enterprises as on 31.03.2021 does not include GRIR balance of Rs. 26.27 lakhs.</p>		
<b>(II) Dues to creditors other than Micro enterprise and small enterprises</b>		
Unbilled Dues	16,995.35	30,648.81
Amounts not yet due	6,059.55	1,368.27
Less than 1 Year	2,231.58	1,941.04
1 Year - 2 Years	527.10	1,056.40
2 Years - 3 Years	382.00	242.71
More than 3 Years	617.78	414.53
	<b>26,813.36</b>	<b>35,671.76</b>
<b>16 - Other Financial Liabilities</b>		
(a) Interest accrued but not due on borrowings	316.57	474.07
(b) Derivative financial liabilities	26.34	36.59
(c) Creditors for capital supplies/services	2,685.37	1,436.18
(d) Employees benefit payables	1,110.18	1,004.20
(e) Payable to Bank (Against Bill Discounting)	320.19	-
<b>Total Other Financial Liabilities</b>	<b>4,458.65</b>	<b>2,951.04</b>

## Notes to Financial Statements

In Rs. Lakhs

	As at 31.03.2022	As at 31.03.2021
<b>17 - Other Current Liabilities</b>		
(a) Advance from customers (contract liabilities)	2,513.49	1,402.04
(b) Statutory tax payables	1,797.10	1,287.07
<b>Total Other Current Liabilities</b>	<b>4,310.59</b>	<b>2,689.11</b>
<b>18 - Revenue From Operations</b>	<b>Year ended 31.03.2022</b>	<b>Year ended 31.03.2021</b>
(I) Sale of Products	3,61,502.04	2,11,678.81
(II) Rendering of services	1,069.62	1,112.83
(III) Other Operating Income	1,893.62	3,817.93
<b>Total Revenue From Operations</b>	<b>3,64,465.28</b>	<b>2,16,609.57</b>
<b>19 - Other Income</b>	<b>Year ended 31.03.2022</b>	<b>Year ended 31.03.2021</b>
(I) Interest income on bank deposits	217.25	55.34
(II) Gain on sale of current investments	63.96	21.30
(III) Insurance claim received	700.00	-
(IV) Other Miscellaneous Income	113.78	182.44
(V) Interest on Income Tax Refund	21.31	26.70
<b>Total Other Income</b>	<b>1,116.30</b>	<b>285.78</b>
<b>20 - Cost of Raw Materials Consumed</b>	<b>Year ended 31.03.2022</b>	<b>Year ended 31.03.2021</b>
Full hard cold rolled coils	2,67,716.52	1,44,367.78
<b>Total Cost of Raw Materials Consumed</b>	<b>2,67,716.52</b>	<b>1,44,367.78</b>
<b>21 - Changes In Inventories of Finished Goods</b>	<b>Year ended 31.03.2022</b>	<b>Year ended 31.03.2021</b>
<b>Inventories at the end of the year</b>		
Finished goods	21,656.13	21,701.50
<b>Inventories at the beginning of the year</b>		
Finished goods	21,656.13	21,701.50
<b>Net Change in Inventories</b>	<b>45.37</b>	<b>2,283.28</b>
<b>22 - Employee Benefits Expense</b>	<b>Year ended 31.03.2022</b>	<b>Year ended 31.03.2021</b>
(I) Salaries and wages, including bonus	3,798.39	2,561.05
(II) Contribution to provident funds and others	103.95	96.74
(III) Contribution to gratuity funds	62.17	65.25
(IV) Staff welfare expenses	46.83	124.74
<b>Total Employee Benefits Expense</b>	<b>4,011.34</b>	<b>2,847.78</b>

Notes to Financial Statements

In Rs. Lakhs

	Year ended 31.03.2022	Year ended 31.03.2021
<b>23- Finance Costs</b>		
(I) Interest expense		
(a) On Long Term Borrowings	4,048.30	5,826.64
(b) On Short Term Borrowings	12.63	375.00
(II) Other borrowings cost	233.23	186.54
(III) Interest Swap cost	2,608.21	2,983.91
<b>Total Finance Cost</b>	<b>6,902.37</b>	<b>9,372.09</b>
<b>24 - Other Expenses</b>		
(I) Power and fuel	5,359.00	4,259.32
(II) Rent	78.47	76.80
(III) Rates and taxes	49.46	223.42
(IV) Insurance charges	299.56	199.07
(V) Consumption of Stores & Spares	1,639.04	1,392.55
(VI) Operation & Maintenance Services	1,727.68	1,274.13
(VII) Freight and handling charges	18,754.56	12,555.45
(VIII) Roll grinding & texturing expenses	292.39	185.89
(IX) Conversion charges	4,849.13	4,013.21
(X) Inspection, Testing & Analysis Charges	83.39	31.23
(XI) Packing Charges	3,018.99	2,212.93
(XII) Repairs to Machinery	2,707.98	2,022.19
(XIII) Repairs to Building	71.49	19.94
(XIV) Loss on Assets Discarded/Written Off	1,904.25	23.00
(XV) Allowance for doubtful debts (net)	-	(500.00)
(XVI) Sales Commission	963.57	799.01
(XVII) Expenses towards Corporate Social Responsibility	159.21	-
(XVIII) Others *	(10.29)	121.18
<b>Total Other Expenses</b>	<b>41,947.88</b>	<b>28,909.32</b>
<b>* Others include:</b>		
(a) (Gain) / Loss on cancellation of forwards, swaps and options	(22.74)	(306.36)
(b) Net (gain) / loss on foreign currency transactions	1,566.38	(1,868.38)
(c) Change in Fair value of Swaps and Derivatives	(2,502.49)	1,755.47
(d) Legal and other professional costs	67.17	76.62
(e) Auditors remuneration and out-of-pocket expenses		
(i) Statutory Audit Fees	12.20	12.70
(ii) Tax Audit Fees	1.50	1.00
(iii) For Other services	2.50	2.00
(iv) Auditors out of pocket expenses	1.17	0.76
(f) Cost Audit Fees (Including out of pocket expenses)	1.60	1.60

## Notes to Financial Statements

### 25. Related party transactions

#### List of Related Party and relationships

##### Name of Party

**A. Ultimate Holding Company** - Tata Steel Limited (Effective from 01.01.2021)

**B. Holding Company** - Tata Steel Downstream Products Limited (Tata Steel Limited upto 31.12.2020)

##### C. Fellow Subsidiaries

i) TM International Logistics Limited

ii) TKM Global Logistics Limited

iii) Tata Steel Downstream Products Limited (upto 31.12.2020)

iv) Tata Steel Foundation

v) Tata Steel Utilities and Infrastructure Services Limited

vi) T S Global Procurement Company Pte Ltd

##### D. Associate of Holding

Metal Junction Services Limited

##### E. Co-Venturer Group

i) Nippon Steel Corporation

ii) Nippon Steel Engineering Company

iii) Nippon Steel Technology

iv) Nippon Steel Engineering India Pvt Ltd

##### F. Trustee of Company Employees Post Retirements Benefits

JCAPCPL Employees Gratuity Trust

##### G. Key Management Personnel –

Mr. Rajeev Singhal- Director

Mr. Hiroshi Ebina- Chairman

Mr. Dibyendu Dutta- Director

Ms. Jaya Singh Panda- Director

Mr. Soichi Yonezawa- Director

Mr. C.V. Sastry - Managing Director (upto 06.06.2021)

Mr. Ujjal Chakraborti - Managing Director (w.e.f 14.06.2021)

Mr. Junichi Matsunaga - Executive Director (w.e.f 15.04.2021)

#### Related Party Transactions/Balances

Amount In Lakhs

Transaction	Holding	Ultimate Holding	Fellow Subsidiaries	Associate of Holding	Co-Venturer having significant influence	Key Management Personnel	Trustee of Company Employees Post Retirements Benefits	Gross Total
Receiving of Services	2,187.94 4,779.26	7,525.66 1,388.48	1,759.59 2,522.93	928.60 455.54	- -	- -	- -	12,401.79 9,146.21
Expenditure towards Corporate Social Responsibility	-	-	111.25	-	-	-	-	111.25
Leasing or hire purchase arrangements	- 47.59	67.32 16.41	-	-	-	-	-	67.32 64.00
Purchase of Goods	- 84,378.54	2,82,026.39 60,176.45	-	-	1,219.57 206.41	-	-	2,83,245.96 1,44,761.40
Outstanding Payable - Vendor	314.84 14.93	20,499.02 27,678.93	115.85 409.19	116.41 206.50	- 20.23	-	-	21,046.12 28,329.80
Finance received (including loans and equity contributions in cash or in kind)	- 4,080.00	-	-	-	- 3,920.00	-	-	- 8,000.00
Rendering of Services	- 1,022.10	1,212.32 276.74	-	-	-	-	-	1,212.32 1,298.84
Sale of Goods	10,769.86 3,696.84	4,476.00 1,451.19	-	-	-	-	-	15,245.86 7,369.74
Outstanding Receivables-Debtors	424.16 197.70	566.43 538.05	-	-	-	-	-	990.59 735.75
Outstanding Receivables-Advances	-	648.27 233.51	-	-	-	-	-	648.27 317.71
Balance payable to Fund	-	-	-	-	-	-	130.81 152.05	130.81 152.05
Managerial Remuneration/ Sitting Fees	-	-	-	-	-	469.92 172.06	-	469.92 172.06
Mr. C. V. Sastry – Managing Director	-	-	-	-	-	249.46 172.06	-	249.46 172.06
Mr. Junichi Matsunaga- Executive Director	-	-	-	-	-	43.07	-	43.07
Mr. Ujjal Chakraborti – Managing Director	-	-	-	-	-	177.39	-	177.39

#### The remuneration of key management personnel during the year are as follows

Short term benefits

Post employments benefits

**Total**

31.03.2022

468.66

1.26

**469.92**

31.03.2021

165.54

6.52

**172.06**

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

#### Note

1. Nippon Steel Corporation has given financial guarantee for External Commercial Borrowing taken by the Company [Refer note 13(III)(i)(B)].

2. Tata Steel Limited has given financial guarantee for fulfilment of Export Obligation under Export Promotion Credit Guarantee Scheme. Current outstanding amount of Export Obligation is Rs. 3,755.81 Lakhs (31.03.2021 Rs. 5,199.27 Lakhs) (Refer Balance Sheet).

## Notes to Financial Statements

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 31.03.2022								
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	
<b>Financial Assets</b>								
Trade Receivables	25,349.10	-	-	-	-	25,349.10	25,349.10	
Derivative financial assets	-	-	-	-	3,192.54	3,192.54	3,192.54	
Other financial assets	201.70	-	-	-	-	201.70	201.70	
Cash and cash equivalents	10,344.19	-	-	-	-	10,344.19	10,344.19	
<b>Total financial assets</b>	<b>35,894.99</b>	-	-	-	<b>3,192.54</b>	<b>39,087.53</b>	<b>39,087.53</b>	
<b>Financial Liabilities</b>								
Borrowings	81,476.98	-	-	-	-	81,476.98	81,476.98	
Derivatives financial liabilities	-	-	-	-	26.34	26.34	26.34	
Trade Payables	28,278.26	-	-	-	-	28,278.26	28,278.26	
Other financial liabilities	4,432.31	-	-	-	-	4,432.31	4,432.31	
<b>Total financial liabilities</b>	<b>1,14,187.55</b>	-	-	-	<b>26.34</b>	<b>1,14,213.89</b>	<b>1,14,213.89</b>	
As at 31.03.2021								
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	
<b>Financial Assets</b>								
Trade Receivables	33,635.98	-	-	-	-	33,635.98	33,635.98	
Derivative financial assets	-	-	-	-	2,907.61	2,907.61	2,907.61	
Other financial assets	27.69	-	-	-	-	27.69	27.69	
Cash and cash equivalents	8,565.81	-	-	-	-	8,565.81	8,565.81	
<b>Total financial assets</b>	<b>42,229.48</b>	-	-	-	<b>2,907.61</b>	<b>45,137.09</b>	<b>45,137.09</b>	
<b>Financial Liabilities</b>								
Borrowings	99,837.40	-	-	-	-	99,837.40	99,837.40	
Derivatives financial liabilities	-	-	-	-	36.59	36.59	36.59	
Trade Payables	35,814.67	-	-	-	-	35,814.67	35,814.67	
Other financial liabilities	2,914.45	-	-	-	-	2,914.45	2,914.45	
<b>Total financial liabilities</b>	<b>1,38,566.52</b>	-	-	-	<b>36.59</b>	<b>1,38,603.11</b>	<b>1,38,603.11</b>	
The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into level 1 to level 3, as described below:								
<b>Quoted price is an active market (Level 1):</b>								
This level of hierarchy includes financial assets that are measured by reference to quoted price in active markets for identical assets and liabilities.								
<b>Valuation techniques with observable inputs (Level 2):</b>								
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.								
<b>Valuation techniques with significant unobservable inputs (Level 3)</b>								
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.								
						<b>As at 31.03.2022</b>		
						<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Financial assets and liabilities measured at fair value</b>								
Derivative financial assets						-	3,192.54	-
						-	3,192.54	-
Derivative financial liabilities						-	26.34	-
						-	26.34	-
						<b>As at 31.03.2021</b>		
						<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Financial assets measured at fair value</b>								
Derivative financial assets						-	2,907.61	-
						-	2,907.61	-
Derivative financial liabilities						-	36.59	-
						-	36.59	-
<b>Notes</b>								
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. There is no investment except fixed deposits with bank as at year ended 31.03.2022.								
iv. There have been no transfer between level 1 and level 2 for the years ended 31.03.2022 and 31.03.2021.								



## Notes to Financial Statements

### (b) Transfer of financial assets

The Company has certain trade receivables under the Bill Discounting arrangements with Banks. These do not qualify for derecognition, due to the recourse arrangement and credit enhancement being in place. Consequently the proceeds received from Bills Discounting arrangement are recorded and classified as short term loan.

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

Nature of Asset	As at 31.03.2022		As at 31.03.2021	
	Carrying amount of asset sold	Carrying amount of associated Liability	Carrying amount of asset sold	Carrying amount of associated Liability
Trade Receivables	2,644.45	2,644.45	1,397.04	1,397.04

### Jamshedpur Continuous Annealing and Processing Company Private Limited

#### Notes to Financial Statements

### (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.

Particulars	As at 31.03.2022		As at 31.03.2021	
	USD	EURO	USD	EURO
<b>Financial Assets</b>				
Trade Receivables	1,873.41	-	-	-
<b>Derivative Assets</b>				
Cross Currency Interest Rate Swap	-	-	-	-
Foreign exchange forward Contracts	-	-	-	-
<b>Net Exposure to foreign currency risk (assets)</b>	<b>1,873.41</b>	-	-	-
<b>Financial Liabilities</b>				
Borrowings	40,877.32	-	51,031.92	-
Other financial Liabilities (interest and other payable)	277.57	-	302.35	-
Bill Discounted (Export Sales)	1,873.41	-	-	-
<b>Derivative Liabilities</b>				
Foreign exchange forward Contracts	-	-	-	-
Cross Currency Interest Rate Swap	(41,154.90)	-	(51,334.27)	-
<b>Net exposure to Foreign Currency Risk</b>	-	-	-	-

#### Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments. 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. 4,115.49 Lakhs (31.03.2021 Rs. 7,313.79 Lakhs) and Rs. 4,115.49 Lakhs (31.03.2021 Rs. 7,313.79 Lakhs) respectively. Out of the Rs. 4,115.49 Lakhs (31.03.2021: Rs. 7,313.79 Lakhs), Rs. 4,115.49 Lakhs (31.03.2021: Rs. 7,313.79) is on USD 53.93 Million ECB (31.03.2021: USD 69.79 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 31.03.2022, a 100 basis points increase in interest rate over the 12 months period would increase the net finance expenses by approximately Rs. 763.80 Lakhs (31.03.2021: Rs. 933.93 Lakhs) and decrease equity by approximately Rs. 763.80 Lakhs (31.03.2021: Rs. 933.93 Lakhs).

#### 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 is generally a bank or a financial institution. These derivatives financial instruments are valued based on inputs that are directly or indirectly observable in the market place.

	As at 31.03.2022		As at 31.03.2021	
	In Instrument Currency	In Rs. Lakhs	In Instrument Currency	In Rs. Lakhs
Cross Currency Interest Rate Swaps (USD)	5,39,29,640	40,877.32	6,97,96,779	51,031.92
<b>Forward Contracts</b>				
In USD	66,28,159	5,023.98	19,752	14.44
In EURO	48,569	40.86	78,668	67.49
In GBP	7,114	7.08	-	-
In JPY	3,15,72,806	196.60	13,51,93,678	893.36
<b>Total</b>		<b>46,145.84</b>		<b>52,007.21</b>

## Notes to Financial Statements

### (ii) Credit Risk

Credit risk is the risk of financial loss arising from counter party 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 8.

### (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.

(a) The Company has access to following undrawn borrowing facilities at the end of the reporting period

Particulars	In Rs. Lakhs	
	31.03.2022	31.03.2021
Expiring within one year (Cash Credit)	27,000	25,500

(b) The table below analyse the Company financial liabilities maturity based on their contractual maturities.

Contractual maturities of financial liabilities 31.03.2022	In Rs. Lakhs					
	Less than six months	6-12 months	Between 1 to 2 years	Between 2 to 5 years	Over 5 years	Total
Borrowings including current maturity of borrowings	26,697.13	10,081.07	15,529.32	29,296.12	-	81,603.64
Trade Payables	28,278.26	-	-	-	-	28,278.26
Other financial liabilities	4,432.31	-	-	-	-	4,432.31
<b>Contractual maturities of financial liabilities 31.03.2021</b>						
Borrowings including current maturity of borrowings	11,322.67	11,166.46	18,709.01	53,951.77	4,687.49	99,837.40
Trade Payables	35,814.67	-	-	-	-	35,814.67
Other financial liabilities	2,914.45	-	-	-	-	2,914.45

## Notes to Financial Statements

### 27. Employees Benefits

<b>1. Defined Contribution Plan</b>						
The Company participates in number of defined contribution plans on behalf of its employees. 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 31.03.2022 amounted to Rs. 103.95 Lakhs (31.03.2021:Rs. 96.74 Lakhs).						
(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 Employees Pension Scheme						
<b>2. Defined Benefit Plan</b>						
(i) Retiring Gratuity : The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination 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 (constitutes 100% of plan assets investments). The Company accounts 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.						
<b>In Rs. Lakhs</b>						
<b>Change in defined benefit obligation</b>		<b>Year ended 31.03.2022</b>	<b>Year ended 31.03.2021</b>			
Obligation as at beginning of the year		419.08	383.02			
Current service cost		55.21	56.77			
Interest cost		25.06	25.85			
Actuarial (gain)/loss		21.67	(40.85)			
Benefits paid		(122.05)	(5.71)			
<b>Obligation as at end of the year</b>		<b>398.97</b>	<b>419.08</b>			
<b>Change in Plan Assets</b>						
Fair value of plan assets as at beginning of the year		267.03	257.41			
Interest income		18.10	17.37			
Expected return on plan assets greater/(lesser) than discount rate		-	(3.74)			
Contributions		105.08	1.70			
Benefits paid		(122.05)	(5.71)			
<b>Fair value of plan assets as at end of the year</b>		<b>268.16</b>	<b>267.03</b>			
<b>Amount recognised in the balance sheet consist of</b>						
Fair value of plan assets as at end of the year		268.16	267.03			
Present value of obligation as at end of the year		398.97	419.08			
<b>Net obligations recognised in the balance sheet</b>		<b>130.81</b>	<b>152.05</b>			
<b>Expenses recognised in the statement of profit and loss</b>						
Current service cost		55.21	56.77			
Interest cost		6.96	8.48			
		62.17	65.25			
<b>Expenses recognised in the statement of other comprehensive income</b>						
Actuarial (gain) / loss		21.68	(37.10)			
<b>Total Cost Recognised in the statement of profit and loss</b>		<b>83.85</b>	<b>28.15</b>			
The assumption used in accounting for the retiring gratuity plans are as follows						
a. Discount rate		7.30%	7.00%			
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.						
<b>Assumption</b>		<b>Change in assumption</b>	<b>Impact on scheme liabilities</b>			
Discount Rate		Increase by 1%, decrease by 1%	Decrease by Rs. 57.40 Lakhs (-14.4%) Increase by Rs. 70.71 Lakhs (17.7%)			
Salary escalation		Increase by 1%, decrease by 1%	Decrease by Rs. 68.81 Lakhs (17.2%) Increase by Rs. 57.08 Lakhs (-14.3%)			
Expected contributions to post employment benefit plan (gratuity) for the year ending 31 March 2023 are Rs.130.88 Lakhs.						
The weighted average duration of the defined benefit obligation is 17 years (31.03.2021 16 years). The expected maturity analysis of gratuity is as follows:						
<b>Defined Benefit Obligation (Gratuity)</b>		<b>less than 1 year</b>	<b>Between 1-2 years</b>	<b>Between 2-5 years</b>	<b>Over 5 years</b>	<b>Total</b>
Defined Benefit Obligation (Gratuity)- 31 March 2022		10.33	12.47	52.87	5,345.92	5,421.59
Defined Benefit Obligation (Gratuity)- 31 March 2021		17.35	13.49	148.24	4,509.76	4,688.84
<b>3. Other Long Term Benefits</b>						
The leave obligation cover the Company's liability for leave encashment scheme. Provision is recognised based on actuarial valuation.						

## Notes to Financial Statements

### 4. Risk Exposure of the Defined Benefit Plan

Defined benefit plan typically expose the Company to actuarial risks, the significance 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.

<b>28 - Ratios</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>	<b>% change from 31.03.2021 to 31.03.2022</b>			
1. Current Ratio:	1.2	1.2	0.8%			
2. Debt-Equity Ratio:	0.5	0.9	-39.6%			
3. Debt Service Coverage Ratio:	1.8	0.8	109.2%			
4. Return on Equity (ROE):	26.1%	18.3%	42.5%			
5. Inventory Turnover Ratio:	9.5	6.7	41.0%			
6. Trade Receivables Turnover ratio:	12.4	9.7	27.8%			
7. Trade Payables Turnover ratio:	8.8	5.2	68.4%			
8. Net Capital Turnover ratio:	21.3	16.1	32.8%			
9. Net Profit Ratio:	10.9%	9.5%	14.5%			
10. Return on Capital Employed (ROCE):	18.8%	14.2%	32.4%			
11. Return on Investment:	15.9%	11.6%	37.7%			
1. Reasons for variance of more than 25% in above ratios						
<b>Particulars</b>	<b>% change from 31.03.2021 to 31.03.2022</b>					
Debt- Equity Ratio	Due to lower debts on account of scheduled repayment and improvement in Shareholders equity due to higher profit earned during the year. Profit has increased due to higher sales and improved margin.					
Debt Service Coverage ratio	Debt Service Coverage Ratio has improved due to improved profitability due to higher sales and improved margin. Further debt repayment and interest cost payment was lower due to reduction in overall debt.					
Return on Equity ratio	Profit has increased due to higher sales and improved margin. Return on Equity has improved due to improved profitability during the year.					
Inventory Turnover ratio	Despite of higher inventory on account of price increase, inventory turnover ratio is high mainly due to higher sales during the year.					
Trade Receivable Turnover Ratio	Despite of higher average debtor, debtors turnover ratio is high as compared to last year because of higher sales. During the year sales was high due to high demand of Steel.					
Trade Payable Turnover Ratio	Due to higher purchase on account of high sales, trade payable turnover ratio has increase.					
Net Capital Turnover Ratio	Net Capital Turnover ratio has increased due to higher sales during the year partially offset by higher net working capital on account of higher Inventory, Debtors and Other current Assets.					
Return on Capital Employed	Return on Capital Employed has improved due to higher profitability during the year on account of higher sales and improved margin.					
Return on Investment	Return on Investment has improved due to higher profitability during the year on account of high sales and improved margin. Total assets has also been increase mainly due to increase in current assets.					
2. Elements of Ratio						
<b>Ratios</b>	<b>Numerator</b>	<b>Denominator</b>	<b>In Rs. Lakhs</b>			
			<b>As at 31.03.2022</b>		<b>As at 31.03.2021</b>	
			<b>Numerator</b>	<b>Denominator</b>	<b>Numerator</b>	<b>Denominator</b>
Current ratio	Current Assets	Current Liabilities	94,902.86	77,823.81	77,645.16	64,167.39
Debt- Equity Ratio	Total Debt	Shareholder's Equity	81,476.98	1,52,384.80	99,837.40	1,12,693.00
Debt Service Coverage ratio	Earnings available for debt service	Debt Service	53,764.72	30,478.01	38,510.19	45,672.89
Return on Equity ratio	Net Profit after taxes less Preference Dividend (if any)	Average Shareholder's Equity	39,713.48	1,52,384.80	20,616.19	1,12,693.00
Inventory Turnover ratio	Sales	Average Inventory	3,64,465.28	38,400.90	2,16,609.57	32,178.61
Trade Receivable Turnover Ratio	Net Credit Sales	Average Trade Receivable	3,64,465.28	29,492.54	2,16,609.57	22,394.26
Trade Payable Turnover Ratio	Net Credit Purchase	Average Trade Payable	2,82,018.52	32,046.47	1,44,425.78	27,631.35
Net Capital Turnover Ratio	Net Sales	Working Capital	3,64,465.28	17,079.05	2,16,609.57	13,477.77
Net Profit ratio	Net Profit	Net Sales	39,713.48	3,64,465.28	20,616.19	2,16,609.57
Return on Capital Employed	Earning before interest and taxes	Capital Employed	43,771.41	2,32,590.16	29,988.28	2,10,983.40
Return on Investment	Profit Before Tax + Finance cost	Total assets	43,771.41	2,75,038.20	29,988.28	2,59,559.98

## Notes to Financial Statements

### 29. Capital Management

In Rs. Lakhs

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

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

The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the debt portfolio of the group. The table below summarises the capital, net debt and net debt to equity ratio of the Company.

	As at 31.03.2022	As at 31.03.2021
Equity Share Capital	1,43,200.00	1,43,200.00
Other Equity	9,184.80	(30,507.00)
<b>Total Equity (A)</b>	<b>1,52,384.80</b>	<b>1,12,693.00</b>
Non current borrowings	44,698.78	77,348.27
Current borrowings	36,778.20	22,489.13
<b>Gross Debt (B)</b>	<b>81,476.98</b>	<b>99,837.40</b>
Less: Cash and Cash Equivalents	10,344.19	8565.81
<b>Net Debt (C)</b>	<b>71,132.79</b>	<b>91,271.59</b>
<b>Net Debt to Equity (C/A)</b>	<b>0.47</b>	<b>0.81</b>

### 30. Contingent Liabilities

- 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 25.10.2013.  
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 (31.03.2021: Rs. 186.54 Lakhs), excluding interest, if any.
- The Company has received a demand notice of Rs. 0.15 Lakhs (31.03.2021: Rs. 0.15 Lakhs) from Income Tax Department in connection with the income tax assessment for F.Y. 2013-14. The Company has not found any merit on the demand and accordingly had filed an Appeal against the Order with the Commissioner Appeal of Income Tax.
- The Company has received a demand notice of Rs. 239 Lakhs (31.03.2021: Rs. 239 Lakhs) from Sales Tax Department in connection with the sales tax assessment for F.Y. 2014-15. The Company has not found any merit on the demand and accordingly had filed an Appeal against the Order with the Joint Commissioner of Commercial Taxes (JCCT). The JCCT has remanded back the case to original authority.
- The Company has received a demand notice of Rs. 26 Lakhs (31.03.2021: Rs. 26 Lakhs) from Sales Tax Department in connection with non payment of duty on material used in Job Work. The Company has not found any merit on the demand and accordingly had filed an Appeal against the Order with the Joint Commissioner of Commercial Taxes (JCCT). The JCCT has remanded back the case to original authority.
- The Company has received a demand notice of Rs. 10.84 Lakhs (31.03.2021: Rs. 10.84 Lakhs) from Sales Tax Department in connection with Sales Tax Assessment of for F.Y. 2015-16. The Company has not found any merit on the demand and accordingly had filed an Appeal against the Order with the Joint Commissioner of Commercial Taxes (JCCT). The JCCT has remanded back the case to original authority.
- The Company has received a demand notice of Rs. 3,486.06 Lakhs (31.03.2021: Rs. 3,486.06 Lakhs) from Central Excise Department in connection with availment of wrong input credit in the F.Y. 2013-14. The Company has not found any merit on the demand and accordingly had filed an Appeal against the Order with the CESTAT.
- The Company has received a demand notice of Rs. 84.82 Lakhs (31.03.2021: Rs. 84.82 Lakhs) from Jharkhand Value Added Tax Department in connection with ITC reversal on Stock Transfer and enhanced purchases for the F.Y. 2016-17. The Company has not found any merit on the demand and accordingly has filed an Appeal against the Order with the Joint Commissioner (Appeal) of Commercial Tax.
- The Company has received a demand notice of Rs. 11.32 Lakhs (31.03.2021: Rs. 11.32 Lakhs) from Central Sales Tax Department in connection with non submission of Form C in the F.Y. 2016-17. The Company has not found any merit on the demand and accordingly has filed an Appeal against the Order with the Joint Commissioner (Appeal) of Commercial Tax.
- The Company has received a demand notice of Rs. 2.1 Lakhs (31.03.2021: Rs. NIL) from Sales Tax Department in connection with wrong input tax credit utilisation for the F.Y. 2017-18. The Company has not found any merit on the demand and accordingly has filed an Appeal against the Order with the Joint Commissioner (Appeal) of Commercial Tax.
- The Company has received a demand notice of Rs. 448.67 Lakhs (31.03.2021: Rs. NIL) from Central Excise Department in connection with availment of wrong input credit in the F.Y. 2014-15, F.Y. 2015-16 and F.Y. 2016-17. The Company has not found any merit on the demand and accordingly has decided to file an Appeal against the Order with the CESTAT.

### 31. Earnings Per Share (EPS)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Profit/ (Loss) available to Equity Shareholders (A) (In Rs. Lakhs)	39,713.48	20,616.19
Weighted Average number of Equity Shares (B) (In Number)	1,43,20,00,000	1,41,89,86,302
Basic & Diluted earnings/(loss) per share = A / B (In Rs.)	2.77	1.45

### 32. Commitment

Estimated amounts of contracts remaining to be executed on Capital Account and not provided for: Rs 1,422.39 Lakhs (31.03.2021: Rs 1,623.24 Lakhs).

- 33.** 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 are as under:

Particulars	As at 31.03.2022	As at 31.03.2021
(i) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at the end of accounting year	1,464.90	143.00
(ii) The interest due thereon remaining unpaid to supplier as at the end of the year	2.23	1.21
(iii) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	865.88	145.04
(iv) Interest paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(v) Interest due and payable for the period, where the principal has been paid but interest under the MSMED Act, 2006 not paid	5.32	1.92
(vi) The amount of interest accrued and remaining unpaid at the end of the year	14.01	6.46

## Notes to Financial Statements

### 34. Asset pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Particular	As at 31.03.2022	As at 31.03.2021
<b>Current</b>		
<b>Financial Assets</b>		
Trade receivables	25,349.10	33,635.98
Cash and Cash Equivalent	10,344.19	8,565.81
<b>Non Financial Asset</b>		
Inventories	46,044.13	30,757.67
<b>Total current assets pledged as security (A)</b>	<b>81,737.42</b>	<b>72,959.46</b>
<b>Non-Current</b>		
Property, Plant & Equipment	1,71,784.89	1,78,754.51
<b>Total Non-current assets pledged as security (B)</b>	<b>1,71,784.89</b>	<b>1,78,754.51</b>
<b>Total assets pledged as security (A+B)</b>	<b>2,53,522.31</b>	<b>2,51,713.97</b>

### 35. Corporate Social Responsibility (CSR)

In Rs. Lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
Contribution to Enhancing employability amongst especially abled persons (Donation for SABAL Centre)	50.00	-
Contribution to Tata Main Hospital to Combat Covid-19 (Donation for Oxygen Concentrator)	35.00	-
Contribution to Promoting education and mainstreaming of underprivileged children (Donation for Masti Ki Pathshala)	21.00	-
Contribution to Promoting Health Care	32.94	-
Contribution to Support to ecological balance and animal welfare (Donation to Zoo)	11.00	-
Contribution to Promoting special education amongst differently abled children (Donation to CHIC)	8.50	-
Administrative Expenses relating to above	0.77	-
<b>Total</b>	<b>159.21</b>	<b>-</b>
Amount required to be spent as per Section 135 of the Act	154.69	-
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	159.21	-

#### Details of CSR expenditure under section 135 (5) of the Act in respect of other than ongoing projects

Balance unspent as at 01.04.2021	Amount deposited in Specified fund of Schedule VII of the Act within 6 Months	Amount Required to be spent during the year	Amount Spent during the Year	Balance unspent as at 31.03.2022
-	-	154.69	159.21	-

#### Details of excess CSR expenditure under section 135 (5) of the Act

Balance excess spent as at 01.04.2021	Amount required to be spent during the year	Amount spent during the year	Balance excess spent as at 31.03.2022
-	154.69	159.21	4.52

### 36. Borrowings/ Quarterly Return -

Company has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the group with banks and financial institutions are in agreement with the books of accounts.

Quarter	Bank	Particulars of Securities Provided	Amount as per books of account as at 31.03.2022*	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
June'21	HDFC Bank	Stock & Book Debts	37,542	37,542	-	Not Applicable
Sep'21	HDFC Bank	Stock & Book Debts	23,018	23,018	-	
Dec'21	HDFC Bank	Stock & Book Debts	42,321	42,321	-	
Mar'22	HDFC Bank	Stock & Book Debts	43,115	43,115	-	

Quarter	Bank	Particulars of Securities Provided	Amount as per books of account as at 31.03.2021*	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
June'20	Punjab National Bank	Stock & Book Debts	26,049	26,049	-	Not Applicable
Sep'20	Punjab National Bank	Stock & Book Debts	14,710	14,710	-	
Dec'20	Punjab National Bank	Stock & Book Debts	29,280	29,280	-	
Mar'21	Punjab National Bank	Stock & Book Debts	28,580	28,580	-	

\* Amount includes Inventory and Trade Receivables net of Trade Payables.

### 37. Relationship with Struck off Companies

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding as at 31.03.2022	Relationship with the struck off company, if any, to be disclosed	Balance outstanding as at 31.03.2021	Relationship with the struck off company, if any, to be disclosed
Ford India Ltd.	Receivables	18.25	Customer	260.10	Customer

## Notes to Financial Statements

### 38. Segment information

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.

#### Entity-wide Disclosures

All non-current assets of the company (excluding financial assets) are located in India. The amount of its revenue from external customer broken down by location of customers is shown below:

Particulars	As at 31.03.2022	As at 31.03.2021
India	3,45,982.93	2,02,813.86
Rest of the world	16,588.73	9,977.78
<b>Total</b>	<b>3,62,571.66</b>	<b>2,12,791.64</b>

The Company has more than 10% of revenue from a single external customer during the year ended 31.03.2022 amounting to Rs. 35,543.06 Lakhs (31.03.2021 - Rs. 20,663.61 lakhs).

- 39.** Registration of charge or satisfaction with Registrar of Companies - There is no case where any charge or satisfaction is yet to be registered with Registrar of Companies beyond the statutory period.
- 40.** No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- 41.** The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- 42.** The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- 43.** The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
- 44.** The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like on behalf of the ultimate beneficiaries
- 45.** There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- 46.** The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- 47.** The Company has assessed the possible impact of COVID-19, internal and external factors, on liquidity position, carrying amount of Property, Plant and Equipment, Other Intangible Assets, Inventories, Receivables and Other Current Assets as at 31.03.2022. Based on the assessment performed, the Company expects to recover the carrying amount of these assets. The management has also assessed that there are no events or conditions that impact the ability of the Company to continue as a going concern.
- 48.** The Company has evaluated the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-1/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management these amounts are not payable and have not been deposited during the year. The aforesaid matter is not likely to have a significant impact and accordingly no provision has been made in these financial statements.
- 49.** Previous year's figures have been recast / restated where ever necessary.
- 50.** Figures in italics are in respect of the previous year.

For and on behalf of the Board of Directors

**Hiroshi Ebina**  
Chairman  
(DIN: 08224876)

For Price Waterhouse & Co Chartered Accountants LLP  
Firm Registration No: 304026E/E-300009

**Prashant Kumar**  
Company Secretary

**Dibyendu Dutta**  
Director  
(DIN: 01111150)

**Sonika Burman**  
Partner  
Membership No: 504839  
Gurugram, 18th April, 2022

**Pranav Kumar Jha**  
Chief Financial Officer  
Kolkata, 18th April, 2022

**Ujjal Chakraborti**  
Managing Director  
(DIN: 07854466)





# Our Presence

## Jamshedpur Continuous Annealing & Processing Company Private Limited

