



JCAPCPL

**MOVING
AHEAD
ON A LEGACY
OF TRUST**

12th ANNUAL REPORT
2022 - 23

Lightweight ...
Yet Strong



Advanced high strength steel for stronger, lighter & safer cars

Jamshedpur Continuous Annealing & Processing Company Private Limited

ENVIRONMENTAL, SOCIAL & CORPORATE GOVERNANCE



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 closure to the Automotive customers, caters to the demand of Automotive OEMs. In FY23 the total income of the Company was ~Rs.4025 crore and Profit After Tax ~Rs. 167 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. 243,353 crore in FY23.

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 FY23 TSDPL processed and distributed almost three and half million tons of steel with a total revenue surpassing Rs 7500 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 JPY7,976 billion in revenue with its crude steel production of 40 million Tons on a consolidated basis for the fiscal year ended March 31, 2023.

Milestones

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 2nd 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

2022-23

- Cumulative Automotive sales of 1.95 Million tons
- Supplied more than 1.00 million tons to Maruti Suzuki
- Acliened lower ever N2 7 co Consumption of 43.1 Nm³/T & 39.0 Nm³/T
- Awarded by Toyota Kirloskar Motor Limited 3rd year in a row for achiever Zero Rank A to Zero PPM.

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Board of Directors (as on 20.04.2023)



Mr. Hiroshi Ebina



Mr. Prabhat Kumar



Mr. Dibyendu Dutta



Mr. Soichi Yonezawa



Ms. Jaya Singh Panda



Mr. Ujjal Chakraborti



Mr. Junichi Matsunaga

Management Team (as on 20.04.2023)



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. Vikal Mahendra
AGM (Operations)



Mr. Kirit Daxini
DGM (EHS & Maintenance)



Ms. Radhika Singh Banerjee
AGM (HRM & Admin)



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

Corporate Information (as on 20.04.2023)

Board of Directors

- Mr. Hiroshi Ebina - Chairman
- Mr. Prabhat Kumar
- 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 - Chief Financial Officer
- Mr. Pranav Kumar Jha - Chief Financial Officer
- Mr. Ajay Gupta - GM (M&S and Supply Chain)
- Mr. Kirit B. Daxini - DGM (EHS & Maintenance)
- Mr. Vikal Mahendra - AGM (Operations)
- Mr. Thangaraj P. - AGM (Application Engineering & QA)
- Ms. Radhika Singh Banerjee - AGM (HRM & Admin)

Chief Financial Officer

- Mr. Pranav Kumar Jha

Company Secretary

- Mr. Prashant Kumar

Bankers

- Mizuho Bank Limited.
- ICICI Bank
- HDFC Bank
- Export- Import Bank of India
- Sumitomo Mitsui Banking Corporation
- Central Bank of India

Registered Office

Tata Centre, 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. Prabhat Kumar, Member

Nomination & Remuneration Committee

- Mr. Prabhat Kumar, Chairman
- Mr. Dibyendu Dutta, Member
- Mr. Soichi Yonezawa, Member

Corporate Social Responsibility Committee

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

Statutory Auditor

- Price Waterhouse & Co Chartered Accountants LLP

Internal Auditor

- Deloitte Touche Tohmatsu India, LLP

Secretarial Auditor

- Mr. 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, Jamsshedpur, Jharkhand -831001
Website: www.jcapcpl.com
Phone no : +91 9031000750

The image shows a vast industrial interior, likely a steel mill, with a complex network of multi-level walkways, railings, and machinery. The structure is illuminated by numerous bright, cool-toned lights, creating a high-contrast scene. The ceiling is a dark, grid-like steel truss structure with several recessed lights. The overall atmosphere is one of a modern, high-tech manufacturing environment.

Continuous Annealing and Processing Line

World Class Cold Rolled Automotive Steel in India

STAKEHOLDERS @ JCAPCPL



Recognitions from other Customers

Recognitions from TKML

1. Appreciation for meeting Quality targets
 2. Zero PPM Award
 3. Appreciation for meeting Quality targets
 4. Zero PPM Award
 5. Appreciation for meeting Quality targets
 6. Zero PPM Award
 7. Appreciation for meeting Quality targets

FY 23 Zero PPM & Meeting Quality Target appreciations at TKM ASM 2023

CELEBRATIONS



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, 2023.

As the threat of COVID pandemic dissipated, the economy opened up and PV industry saw phenomenal growth. During FY23, the Indian Automotive Industry Passenger Vehicles (PVs) segment registered a growth of 25% in production over the previous financial year. Domestic sales of PVs had grown by 27%. The export of PVs witnessed an increase of 11% over the previous year. Passenger cars production in FY23 increased by 19%, UVs production witnessed an increase of 33% and Vans by 21% as compared to the previous financial year.

FY23 had met with many challenging economical and financial market environments especially, high inflation, energy crisis in Europe, Ukraine war, zero covid policy in China and high interest rate etc.

The major challenges India is likely to face is high inflation, aggressive tightening of monetary policies across the central banks of advanced economies which is likely to cause a global slowdown this year, impacting domestic investment and consumer demand. The labor market is yet to improve, and the pandemic's seemingly imminent return remains a wild card. We expect India to grow (GDP) in the range of 6.5%–6.9% in FY 2022–23 and 5.8%–6.3% in FY 2023–24.

Apart from this, increase in the overall bank credit has also been influenced by the shift in borrower's funding choices from volatile bond markets, where yields have increased, and external commercial borrowings, where interest and hedging costs have increased, towards banks. If inflation declines in FY24 and if the real cost of credit does not rise, then credit growth is likely to be brisk in FY24.

During FY23, the Plant production was 6,27,474 T higher by 26% over FY22, out of which ~5,51,650T was Automotive CR with a Prime yield of 82.8% (Including Export). Tolling production was ~ 30,405 T with Prime yield of 95%. Production for Exports was ~ 45,418T during FY23. During the year the operations has outperformed to achieve production beyond its rated capacity. This was possible due to proper production and proactive maintenance planning.

In FY 23, the Company posted a total income of Rs. 402,514.36 Lakh, and an EBITDA of Rs. 34,964.39 Lakh as against a total income of Rs. 3,65,581.58 Lakh, and an EBITDA of Rs. 51,860.47 Lakh. After taking into account the Finance cost of Rs. 5,481.08 Lakh and Depreciation charge of Rs. 8,223.88 Lakh, the Company posted a net profit (Profit after Tax) of Rs.16,700.73 Lakh in FY 23, as compared to Rs. 39,713.48 Lakh in FY22.

Your Company will continue its journey seeking improvements in process safety, operational efficiencies & productivity, delivery management & order compliance, cost control, with enriching customer satisfaction and business performance.

Your Company has enhanced its emergency preparedness by providing ERT (Emergency Response Team) of 42 employees at Shop floor. Your Company has successfully achieved 4.3 million Injury free man hours including zero Loss Time Injury in FY23.

Although as 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.

During FY23, the CSR initiatives of your Company was focused towards "A Sustainable Tomorrow" with an especial 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's focus areas for developmental activities are in the proximate community at Jharkhand and West Bengal. While your Company ensure that all communities are benefited from the CSR activities, it also focuses on those groups that are socially and economically marginalized. These include women, girl child, scheduled caste & tribes and PWD.

The projects are implemented through partnership with different agencies / government bodies wherein we facilitate need identification, development of deployment strategies, provide financial assistance and drive implementation for the best interest of targeted population and the society at large.

During the year your Company has clocked best ever total of 3114 volunteering hours during Tata Volunteering Week (TVW)19 since inception. This could be achieved due to pro-active support and keen interest shown by the Senior Leaders in driving volunteerism by the employees and their family at the Company.

Mr. Rajeev Singhal has stepped down as Director with effect from closure of the business hours on March 31, 2023 and Mr. Prabhat Kumar has been appointed as a Director of the Company with effect from April 1, 2023. On behalf of your Company, the Board of Directors have placed on record their deep appreciation to the invaluable contribution made by Mr. Singhal during his tenure as the Director and also welcomed Mr. Prabhat Kumar on the Board.

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 20, 2023



Annual General Meeting NOTICE TO THE MEMBERS

Notice is hereby given that the Twelveth Annual General Meeting of M/s Jamshedpur Continuous Annealing & Processing Company Private Limited will be held on Wednesday, June 21, 2023 at 11.00 a.m. (IST) through Video Conferencing (VC)/ other Audio-Visual Means (OAVM) 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, 2023 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 Ms. Jaya Singh Panda (DIN-08734069), 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. Hiroshi Ebina (DIN- 08224876), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, seeks re-appointment.

SPECIAL BUSINESS

Item No. 4- Appointment of Mr. Prabhat Kumar (DIN-08263070), as Director of the Company

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

“RESOLVED THAT Mr. Prabhat Kumar (DIN-08263070), who was appointed by the Board of Directors as an Additional Director on the Board of Directors of the Company with effect from April 1, 2023 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 and other applicable provisions of the Companies Act, 2013 (‘Act’) read with Article 32 of the Articles of Association of the Company and who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

Item No. 5- Re-appointment of Mr. Junichi Matsunaga (DIN:09119707), as Executive Director of the Company

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

“RESOLVED THAT subject to the provisions of Section 196, 197, 203 and other applicable provisions of the Companies Act, 2013 (Act) (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V to the Act, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Articles of Association of the Company and approval of the Central Government, consent of the Members be and is hereby accorded to the re-appointment of Mr. Junichi Matsunaga (DIN-09119707), as Executive Director of the Company with effect from April 1, 2023 to March 31, 2024, not liable to retire by rotation, upon the term and conditions as set out in the statement annexed to the Notice convening 12th Annual General Meeting of the Company, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of Mr. Matsunaga within the overall limits of Section 197 read with Schedule V to the Act, as recommended by the Nomination & Remuneration Committee, with the liberty to the Board (including its Committee) to alter and vary the term and conditions of the said re-appointment in such a manner so as to not exceed the limits specified under the provisions of the Act and as may be agreed to between the Board and. Mr. Junichi Matsunaga.

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)“.

Item No. 6 – 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, 2024.

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: April 17, 2023
Registered Office:
Tata Centre,
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 4-6 of the accompanying Notice are annexed hereto.
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 11th Annual General Meeting of the Company is being held through VC / OAVM on Wednesday, June 21, 2023 at 11 a.m. (IST). The deemed venue for the 12th Annual General Meeting shall be the 7th 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, June 15, 2023 to Wednesday, June 21, 2023 (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 weblink 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 2022-23.
 - ii. Members are encouraged to join the Meeting through Laptops having webcam 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: April 17, 2023
Registered Office:
Tata Centre,
43, Jawahar Lal Nehru Road,
Kolkata – 700071
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 4-6 of the accompanying Notice dated April 17, 2023.

Item No. 4

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors ('Board') had appointed Mr. Prabhat Kumar as an Additional Director of the Company, with effect from April 1, 2023. Pursuant to the provisions of Section 161 of the Act read with Article 32 of the Articles of Association of the Company, Mr. Prabhat Kumar shall hold office up to the date of the ensuing Annual General Meeting ('AGM') and is eligible to be appointed as a Director of the Company. The Company has, in terms of Section 160 of the Act, received a notice in writing, from a Shareholder, proposing the candidature of Mr. Prabhat Kumar for the office of Director. Mr. Prabhat Kumar once appointed shall be liable to retire by rotation and shall be subject to the Company's Policy on appointment and removal of Directors. The Company has received from Mr. Prabhat Kumar (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act.

The profile and specific areas of expertise of Mr. Prabhat Kumar are as follows:

| | |
|---|---|
| Name | Prabhat Kumar |
| Date of Birth | January 16, 1968 |
| Date of Appointment | April 1, 2023 |
| Qualification | B.Tech (Mechanical)- BIT, Sindri, Banaras Hindu University, PGDBM- XLRI, CEDEP General Management- INSEAD, France |
| Expertise in specific functional area | General Administration, Marketing & Sales, Techno-Commercial function, Human Resources |
| Directorship held in other companies as at March 31, 2023 | Himalaya Steel Mill Services Private Limited, |
| Shareholding in the Company as of March 31, 2023 | NIL |
| Relationship between Directors inter-se | None |
| Category | Promoter, Non-Independent, Non-Executive Director |

Since regularization of the Director is a matter to be considered at the Annual General Meeting of the Company, the Board considered it unavoidable 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. 4 of the Notice for appointment of Mr. Prabhat Kumar as a Director of the Company.

The proposed resolution(s) is in the interest of the Company, and your Board recommends the resolution(s) set forth in Item No. 4 for the approval of Members.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, except Mr. Prabhat Kumar and his relatives, are concerned or interested in the resolution(s) mentioned at Item No. 4 of the Notice.

Item No- 5

On the recommendation of the Nomination & Remuneration Committee the Board has appointed Mr. Junichi Matsunaga (DIN: 09119707) as an Executive Director of the Company with effect from April 15, 2021, till March 31, 2023. Subsequently approval of shareholders by Special Resolution at the 10th Annual General Meeting and the Central Government have also been taken.

It is proposed to re-appoint Mr. Matsunga as the Executive Director of the Company for a further period of one year effective from April 1, 2023 to March 31, 2024. The Board at the recommendation of the Nomination & Remuneration Committee, has subject to the approval of shareholders by Special Resolution at the forthcoming Annual General Meeting and the Central Government have re-appointed Mr. Matsunaga as the Executive Director of the Company effective from April 1, 2023. The Company has received from Mr. Matsunaga (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act.

The profile and specific areas of expertise of Mr. Junichi Matsunaga are as follows:

| | |
|---|--|
| Name | Junichi Matsunaga |
| Date of Birth | July 4, 1967 |
| Date of Appointment | April 15, 2021 |
| Qualification | Master's degree, Specilizing in Mechanical Engineering at the Graduate School of Engineering , Kyusyu University |
| Expertise in specific functional area | Expert and Manager in the Technology of Sheet Metal production and in Health and Safety Management |
| Directorship held in other companies as at March 31, 2023 | NIL |
| Shareholding in the Company as of March 31, 2023 | NIL |
| Relationship between Directors inter-se | None |
| Category | Promoter, Non-Independent, Executive Director |

The key terms and condition for appointment of Mr. Matsunaga are as hereunder:

- a. Contract Period: Effective from April 1, 2023 till March 31, 2024 unless otherwise terminated earlier in accordance with the Personnel Dispatch Agreement.
- b. Duties:
 - (i) The Executive Director shall devote his whole time and attention to the business of the Company and perform such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Managing Director of the Company and in the best interests of the business of the Company including performing duties as assigned to the Executive Director from time to time.
 - (ii) Mr. Matsunaga undertakes to employ the best of his skill and ability and to make his utmost endeavours to promote the interests and welfare of the Company and to conform to and comply with the policies and regulations of the Company and all such orders and directions as may be given to him from time to time by the Board.
- c. Remuneration Package:
 - (i) Deputation Cost: Rs. 3,75,000/- per month Rupees Three Lakh Seventy Five Thousand only) equivalent to R s . 45,00,000/- per annum (Rupees Forty Five Lakh only)
 - (ii) Minimum Remuneration: In the event of absence or inadequacy of profits of the Company in any financial year during the period of Mr. Matsunaga's appointment, the Company shall pay to the Executive Director remuneration by way of salary, benefits, perquisites and allowances, performance linked bonus/ commission, as specified above, subject to provisions of the Companies Act, 2013.

- (iii) Mr. Matsunaga shall not, so long as he functions as the Executive Director of the Company be entitled to receive any fee for attending any meetings of the Board or any Committee thereof.

Information relevant to the appointment of Mr. Junichi Matsunaga (DIN: 09119707) as the Executive Director, as required under Section II of Part II of Schedule V to the Companies Act, 2013:

1. General Information:

- i) Nature of Industry: The Company is engaged in manufacture of Manufacturing Cold Rolled Continuous Annealed Steels.
- ii) Date of commencement of commercial production: The Company was incorporated on March 17, 2011 and started commercial production during FY 2014-15.
- iii) In case of new companies, expected date of commencement of activities as per Project approved by financial institutions appearing in the prospectus: Not Applicable.
- iv) Financial performance based on given indicators - as per published audited financial results for the year ended 31st March, 2023:

| Particulars | (Rupees in Lakh) |
|-------------------------|-------------------------|
| Turnover & Other Income | 402,514.26 |
| EBITDA | 34,964.39 |
| Profit before tax | 212,59.43 |
| Profit after tax | 16,700.73 |
| Net Worth | 169,084.37 |

- v) Foreign investments or collaborators, if any:

The Company is a Joint Venture between M/s Tata Steel Limited and M/s Nippon Steel Corporation, Japan. M/s Tata Steel Limited was holding 51% equity, which has subsequently been transferred to Tata Steel Downstream Products Limited (TSDPL) on January 1, 2021, a wholly owned subsidiary of Tata Steel; and M/s Nippon Steel Corporation, Japan holds 49% equity, respectively.

2. Information about the appointee:

- i) Background Details:

Mr. Matsunaga is having Master's degree, Speciliazation in Mechanical Engineering at the Graduate School of Engineering, Kyusyu University, with specialization in the Technology of Sheet Metal production and in Health and Safety Management. He joined Nippon Steel Corporation in 1992 and since then has been working in various capacity at Nippon Steel Corporation in the area of Safety, Health & Plant Safety and Technology Departments. Currently, Mr. Matsunaga is on deputation from Nippon Steel Corporation to the Company.

- ii) Past Remuneration drawn:

| During the financial year 2020-21 | (Rupees in Lakh) |
|--|-------------------------|
| Mr. Junichi Matsunaga | 45* |

*on deputation from Nippon Steel Corporation.

iii) Recognition & Awards/Achievements:

Mr. Matsunaga is a highly competent Safety and Quality professional and employed at a senior position in Nippon Steel Corporation.

iv) Job Profile and suitability:

Mr. Matsunaga has been nominated by Nippon Steel Corporation as a Nominee Director, and was appointed as an Executive Director of the Company with effect from April 15, 2021 till March 31, 2023. Currently, Mr. Matsunaga is serving as Executive Director- Safety, Quality, Operations and Maintenance (SQOM) and has been immensely contributing for around development of the Company. It is proposed to re-appoint Mr. Matsunaga as the Executive Director of the Company for a further period of one year effective from April 1, 2023 to March 31, 2024. The Board on the recommendation of the Nomination & Remuneration Committee, subject to the approval of shareholders by Special Resolution at the forthcoming Annual General Meeting and the Central Government have re-appointed Mr. Matsunaga as the Executive Director of the Company effective from April 1, 2023.

Mr. Matsunaga has been recognized as an experienced Engineer, and on deputation from Nippon Steel Corporation to the Company. His association with the Company will continue to contribute greatly for the growth of Company in future also.

The Board considered Mr. Matsunaga suitable for the position of Executive Director of the Company due to vast experience and managerial skill possessed by him.

v) Remuneration proposed:

(a) Deputation Cost: Rs. 3,75,000/- per month (Rupees Three Lakh Seventy Five Thousand only) equivalent to Rs. 45,00,000/- per annum (Rupees Forty Five Lakh only)

(b) Minimum Remuneration: In the event of absence or inadequacy of profits of the Company during the tenure of of Mr. Matsunaga's re-appointment, the Company shall pay to the Executive Director remuneration by way of salary, benefits, perquisites and allowances, performance linked bonus/commission, as specified above, subject to provisions of the Companies Act, 2013.

(c) Mr. Matsunaga shall not, so long as he functions as the Executive Director of the Company be entitled to receive any fee for attending any meetings of the Board or any Committee thereof.

vi) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates, the relevant details would be with respect to the country of his origin):

Taking into consideration the size and nature of business of the Company, the profile of Mr. Junichi Matsunaga, the responsibility to be shouldered by him and the industry bench mark, the remuneration proposed is commensurate with the remuneration packages paid to similar senior level executives.

vii). Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:

Beside the remuneration proposed, the Executive Director does not have any other pecuniary relationship with the Company and its Key Managerial Personnel.

III. Other Information:

(i) Reasons of loss or inadequate profits:

The Company was incorporated in March 2011, and its Commercial Production was started in FY 2014-15. Currently the Company is earning Profits.

(ii) Steps taken or proposed to be taken for improvement:

Safety is deep rooted in the organisation's way of working. So, is a strong focus on cost reduction and savings in all aspects of the business. Focus on component approvals and conversions of approvals into business has helped grow Automotive CR volumes. Standardisation, through an SOP base work culture, promotes consistency in all activities across the organisation. Employees are encouraged to participate in idea generation to improve their, and organisational performance leading to improvement of their capabilities & potential. Customer recognitions and growing credibility as a reliable & quality supplier of Automotive CR have helped market share growth in competition with larger steel suppliers.

The way forward is based on further growth of Automotive CR business and continuous Process & Quality improvements. Compliance to Annual Business Plans will be the key success factor; hence, alignment of the same to Long Term Business Plans will ensure that the Company remains financially stable.

(iii) Expected increase in productivity and profits in measurable terms:

Productivity improvement is being continuously driven through projects taken to reduce line downtime by adopting appropriate Maintenance practices, based on corresponding practice applicable at NSC, Japan. This also enables improvement in speed of work. Quality is continuously reviewed and Kaizens ensure identification of root causes for rejections & downgrades, which are shared with agencies concerned. In case of Substrate, all process & rejection information is made available to supplier and countermeasures are jointly developed & implemented. Automotive CR yield improvement is one of the key productivity improvement levers on which the Company will continue to work proactively & collaboratively with its Promoters.

In accordance with the provisions of Sections 196, 197, 201, 202, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder and as amended from time to time, the terms of re-appointment of Mr. Junichi Matsunaga, as Executive Director is placed before the Members in the forthcoming Annual General Meeting for their approval by way of Special Resolution, and subject to the approval of the Central Government. In the event the Company has no profits or inadequate profits in any financial year, approval of the shareholders is sought by way of Special Resolution for payment of remuneration to Mr. Matsunaga, as Executive Director, as laid down in Section II of Part II of Schedule V to the Companies Act, 2013. This shall be valid during the tenure of his appointment.

Mr. Junichi Matsunaga once re-appointed shall not be liable to retire by rotation and shall be subject to the Company's Policy on appointment and removal of Directors. The draft agreement to be entered into with Mr. Junichi Matsunaga, is available for inspection by the Members of the Company at its registered office between 11.00 a.m. to 1.00 p.m. on any working day.

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

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, except Mr. Junichi Matsunaga and his relatives, are concerned or interested in the resolution(s) mentioned at Item No. 5 of the Notice.

Item No. 6

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 2023-24 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 Annual General Meeting for their approval. Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 6 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 FY'24.

The proposed resolution(s) is in the interest of the Company, and your Board recommends the resolution(s) set forth in Item No. 6 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. 6 of the Notice.

By Order of the Board of Directors

Dated: April 17, 2023
Registered Office:
Tata Centre,
43, Jawahar Lal Nehru Road,
Kolkata – 700 071
CIN: U27310WB2011PTC160845

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

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. Hiroshi Ebina

The profile and specific areas of expertise of Mr. Hiroshi Ebina are as follows:

| | |
|---|---|
| Name | Hiroshi Ebina |
| Date of Birth | March 11, 1970 |
| Place of Birth | Japan |
| Date of Appointment | October 27, 2018 |
| Qualification | Department of Economics, Faculty of Economics, Kyoto University |
| Expertise in specific functional area | General Administration, Finance and Marketing |
| Directorship held on other companies as at March 31, 2023 | 1. AMNS Khopoli Limited 2. ArcelorMittal Nippon Steel India Ltd 3. ArcelorMittal India Pvt Limited 4. Odisha Slurry Pipeline Infrastructure Limited 5. Nippon Steel India Private Limited |
| Shareholding in the Company as of March 31, 2023 | NIL |
| Relationship between Directors inter-se | None |
| Category | Promoter, Non-Independent, Non-Executive Director |

2. Ms. Jaya Singh Panda

The profile and specific areas of expertise of Ms. Jaya Singh Panda are as follows:

| | |
|---|--|
| Name | Jaya Singh Panda |
| Date of Birth | October 15, 1966 |
| Date of Appointment | April 15, 2020 |
| Qualification | B.E. Electrical & Electronics, BIT- Mesra, PGBDM- XLRI |
| Expertise in specific functional area | General Administration, Total Quality Management, Marketing & Finance, Supply Chain Management |
| Directorship held on other companies as at March 31, 2023 | NIL |
| Shareholding in the Company as of March 31, 2023 | NIL |
| Relationship between Directors inter-se | None |
| Category | Promoter, Non-Independent, Non-Executive Director |

Directors' Report

Dear Members,

Your Directors have pleasure in presenting the 12th Annual Report of your Company along with the Audited Financial Statements for the Financial Year ended March 31, 2023.

A. FINANCIAL RESULTS:

The financial performance of your Company for the Financial Year ended March 31, 2023 is summarised below:

| Statement of Profit & Loss | (Rupees in Lakh) | |
|--|-------------------------|------------------|
| Particulars | 2022 - 23 | 2021 - 22 |
| Total Income | 402,514.36 | 36,5581.58 |
| Operating cost other than Depreciation & Finance costs | 367,549.97 | 313,721.11 |
| Earnings before Interest, Tax & Depreciation/Amortisation (EBITDA) | 34,964.39 | 51,860.47 |
| Depreciation/Amortisation | 8,223.88 | 8,089.06 |
| Finance Charge | 5,481.08 | 6,902.37 |
| Profit/ (Loss) Before Tax | 21,259.43 | 36,869.04 |
| Deferred Tax | 4,558.70 | (2,844.44) |
| Taxes | - | - |
| Profit/ (Loss) After Tax | 16,700.73 | 39,713.48 |
| Other Comprehensive Income | (1.56) | (21.68) |
| Total Comprehensive Income | 16,699.57 | 39,691.80 |
| Transfer to Reserve | - | - |
| Dividend | - | - |
| Balance brought forward from Previous Year | 9,182.87 | (30,507.00) |
| Balance carried to Balance Sheet | 25,884.37 | 91,84.80 |

Balance Sheet

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|-------------------------------------|-------------------------------|-------------------------------|
| Equity and Liabilities | | |
| Shareholders' Fund: | | |
| (a) Share Capital | 143,200.00 | 143,200.00 |
| (b) Reserves & Surplus | 25,884.37 | 9,184.80 |
| Sub Total | 169,084.37 | 152,384.80 |
| Non- Current Liabilities | 33,620.75 | 44,829.59 |
| Current Liabilities | 70,367.25 | 77,823.81 |
| Total Equity and Liabilities | 273,072.37 | 275,038.20 |
| Assets | | |
| Non- Current Assets | 175,293.20 | 180,135.34 |
| Current Assets | 97,779.17 | 94,902.86 |
| Total Assets | 273,072.37 | 275,038.20 |

Dividend:

The Board of Directors have not recommended dividend for the financial year ended March 31, 2023.

Transfer to Reserves:

In the financial year 2022-23, the Company has not transferred any amount to the Reserve.

B. EXTERNAL ENVIRONMENT:

Economic Outlook:

Fiscal year 2022-23 has met with many challenging economical and financial market environments especially, high inflation, energy crisis in Europe, Ukraine war, zero covid policy in China and high interest rate etc.

The January 2023 World Economic Outlook Update projected that global growth would fall to 2.9 percent in 2023 but rise to 3.1 percent in 2024. Rising interest rates and the war in Ukraine continue to weigh on economic activity. China's recent reopening has paved the way for a faster-than-expected recovery. Global inflation is expected to fall to 6.6 percent in 2023 and 4.3 percent in 2024, still above pre-pandemic levels.

It is unlikely that India will remain insulated from these developments but there were enough reasons to be optimistic about India's economic outlook in 2023. The private sector poised to increase spending, corporate deleveraging has improved banks' balance sheets, high GST and direct tax collections provided the government to spend and cushion the impact of the impending global slowdown and keep the economy buoyant. Consumer demand remained strong in the retail industry and the better profit performance of consumer staples and discretionary companies in recent quarters.

Major challenges India is likely to face is high inflation, aggressive tightening of monetary policies across the central banks of advanced economies which is likely to cause a global slowdown this year, impacting domestic investment and consumer demand. The labor market is yet to improve, and the pandemic's seemingly imminent return remains a wild card. We expect India to grow (GDP) in the range of 6.5%–6.9% in FY 2022–23 and 5.8%–6.3% in FY 2023–24.

The optimistic growth forecasts a number of positives like higher Capital Expenditure (Capex), universal vaccination coverage, return of migrant workers to cities to work in construction sites leading to a significant decline in housing market inventory, the strengthening of the balance sheets of the Corporates, a well-capitalised public sector banks ready to increase the credit supply and the credit growth to the Micro, Small, and Medium Enterprises (MSME) sector to name the major ones. Further support to economic growth will come from the expansion of public digital platforms and path-breaking measures such as PM Gati Shakti, the National Logistics Policy, and the Production-Linked Incentive schemes to boost manufacturing output.

The Economic Survey says, the credit growth to the Micro, Small, and Medium Enterprises (MSME) sector has been remarkably high, over 30.6 per cent, on average during Jan-Nov 2022, supported by the extended Emergency Credit Linked Guarantee Scheme (ECLGS) of the Union government.

Apart from this, increase in the overall bank credit has also been influenced by the shift in borrower's funding choices from volatile bond markets, where yields have increased, and external commercial borrowings, where interest and hedging costs have increased, towards banks. If inflation declines in FY24 and if the real cost of credit does not rise, then credit growth is likely to be brisk in FY24.

Outlook: 2023-24

Dwelling on the Outlook for 2023-24, the Survey says, India's recovery from the pandemic was relatively quick, and growth in the upcoming years will be supported by solid domestic demand and a pickup in capital investment. It says that aided by healthy financials, incipient signs of a new private sector capital formation cycle are visible and more importantly, compensating for the private sector's caution in capital expenditure, the government raised capital expenditure substantially.

Entrenched inflation may prolong the tightening cycle, and therefore, borrowing costs may stay 'higher for longer'. In such a scenario, global economy may be characterized by low growth in FY24. However, the scenario of subdued global growth presents two silver linings – oil prices will stay low, and India's CAD will be better than currently projected. The overall external situation will remain manageable.

Source: IMF sites, Economic Survey Report of FY'23 (India).

Industry Outlook:

During FY23, the Indian Automotive industry Passenger vehicles (PVs) segment registered a growth of 25% in production over the previous financial year. Domestic sales of PVs had grown by 27%. The export of PVs witnessed an increase of 11% over the previous year.

Although Maruti Suzuki continues to be the market leader with 43% market share, however their market share declined by 1% from the previous year. Market shares of Tata Motors increased by 2%, KIA by 2%, M&M by 2%, and on the other hand, Hyundai Motors lost market share by 1%.

Q1/FY23 was more productive and promising for the automotive manufactures compared to the same period last year. The threat of the COVID pandemic dissipated, the economy opened up and PV industry saw a growth of 33% in production and 41% in domestic Sales. High price of commodities like steel, copper, aluminum, zinc, nickel and precious metals along with semiconductor shortages were the major challenges during the quarter.

In Q2/FY23, with strong demand due to the onset of a Covid-free festive season for the first time in 2 years, Passenger vehicles segment registered one of the best-ever quarter with production crossing 1.2 million and sales crossing 1 million milestone. Period Q2 FY23, witnessed 38% growth as compared to same period during previous financial year.

In Q3/FY23, industry has sustained the momentum seen in the past quarters. PV production has grown by 22% while sales has grown by 23% as compared to Q3FY22. Festive season has helped in returning good sales while weakness in rural demand continues, as high inflation and increased financing cost is impacting the rural market.

In Q4/FY23 PVs continues to see high demand resulting in best ever production in history in Jan'23 with 0.42 million vehicles. Period of Q4/FY22 witnessed increase of 12% as compared to same period during previous financial year.

Passenger cars production in FY23 increased by 19%, UVs production witnessed an increase of 33% and Vans by 21% as compared to previous financial year.

C. OPERATIONS AND PERFORMANCE:

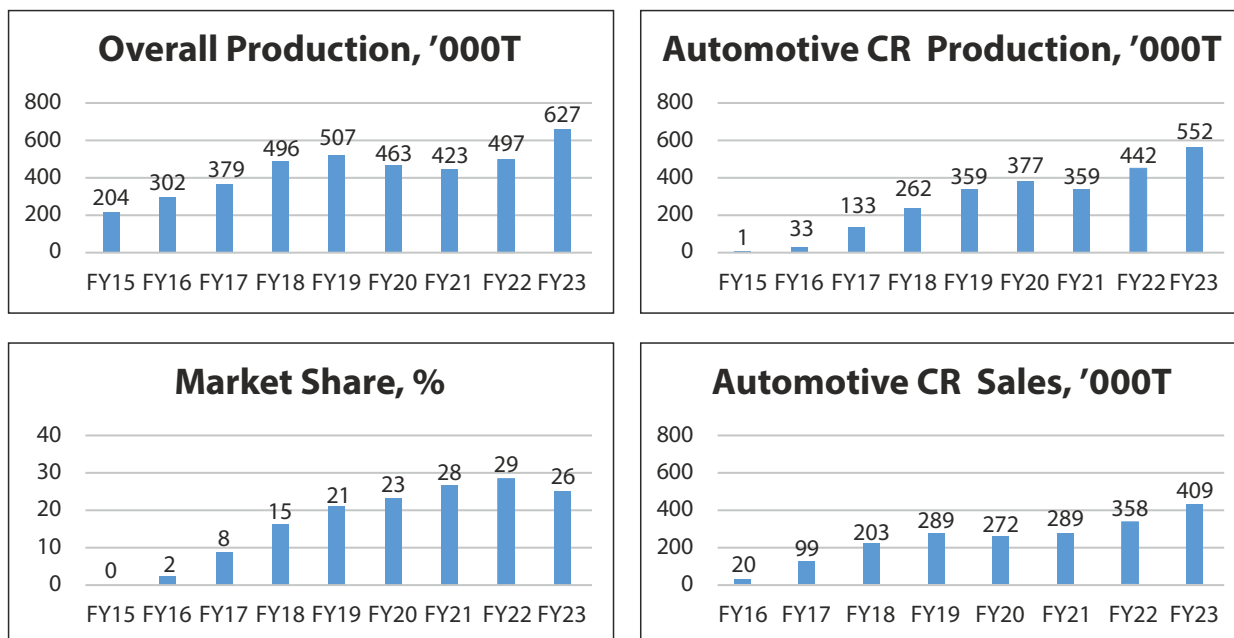
Operations:

During FY23, the Plant production was 6,27,474T higher by 26% over FY22, out of which ~5,51,650T was Automotive CR with a Prime yield of 82.8% (Including Export). Tolling production was ~ 30,405 T with Prime yield of 95%. Production for Exports was ~ 45,418T during FY23. During the year the operations has outperformed to achieve production beyond its rated capacity. This was possible due to proper production and proactive maintenance planning.

The component approval from the OEM is one of the most critical activities for the Company. During FY23, JCAPCPL has been able to obtain 207 component approvals as against 145 component approvals in FY22, taking cumulative approvals since inception to 1,980 components, the potential estimated volume of new component approvals during FY23 is ~6,100 T and ~43,600 T, respectively. The company got several approvals from MSIL, HCIL, M&M, TML, HMIL and KIA.

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 1.95 million T in FY'23 since inception.

Although the overall Production, Automotive CR Production and CR sales have substantially increased during FY23, but the market share of the Company has reduced due to change in required product mix by the Customers and corresponding addressable product mix offered by the Company. The production, sales and market share since the Company has started the commercial production is as follows:



Performance:

In FY 23, the Company posted a total income of Rs. 402,514.36 Lakh, and an EBITDA of Rs. 34,964.39 Lakh as against a revenue of Rs. 3,65,581.58 Lakh, and an EBITDA of Rs. 51,860.47 Lakh.

After taking into account the Finance cost of Rs. 5,481.08 Lakh and Depreciation charge of Rs. 8,223.88 Lakh, the Company posted a net profit (Profit after Tax) of Rs 16,700.73 Lakh in FY 23, as compared to Rs. 39,713.48 Lakh in FY22. The Company prepared its Financial Statements for the year ended on March 31, 2023 in accordance with Ind AS requirements.

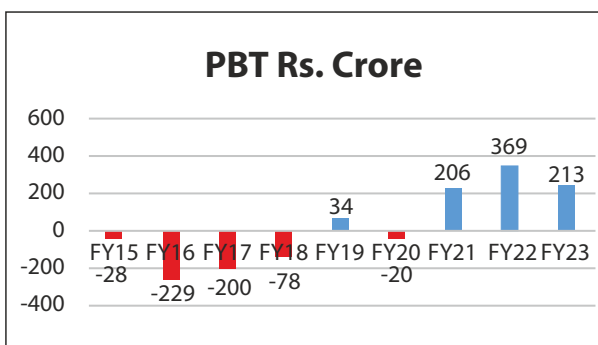
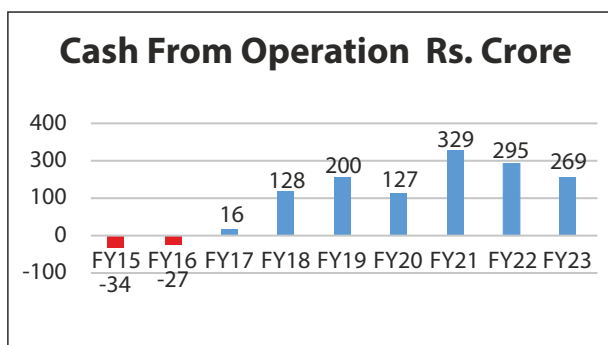
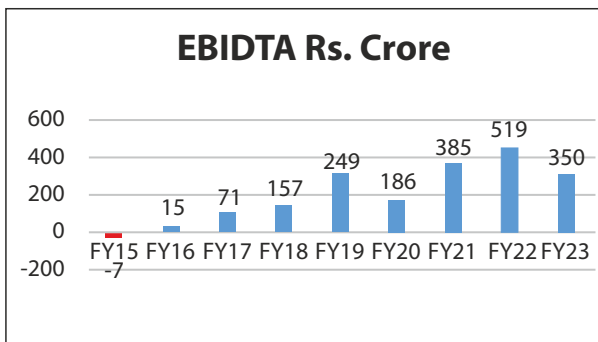
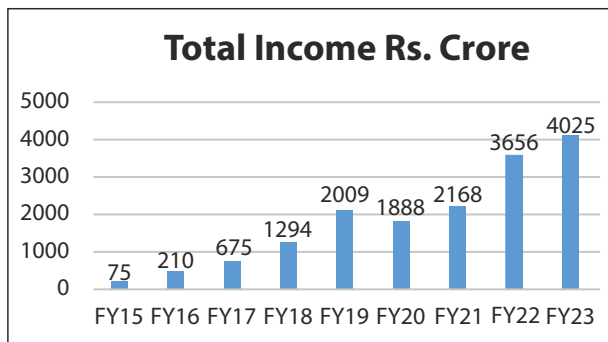
The Credit Rating by CARE for Term Loan has been maintained at "AA- with Stable outlook". The Company has been able to maintain highest Credit Rating for its Short-term bank facilities and Commercial Papers at A1+.

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.

During the year the Company has prepaid Rs. 8,625.00 Lakh to EXIM Bank and Rs. 3,781.25 Lakh to ICICI Bank.

The Company has also refinanced the Rupee Term Loan from ICICI Bank of ~Rs.10,000 Lakh with Central 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, 2023, 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. 791 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. 498.5 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. Apex Safety Sub-committees & Area Implementation Committees (AICs) are in place to drive Tata Safety and Health Management System (TSHMS).

The Company has been adopted "Safety First, Quality Must" as its work philosophy and culture. Employee had taken the responsibility and ownership for safety throughout the organization which helped to create a safe work environment in FY23. Your Company has successfully achieved 4.3 million Injury free man hours including zero Loss Time Injury in FY23.

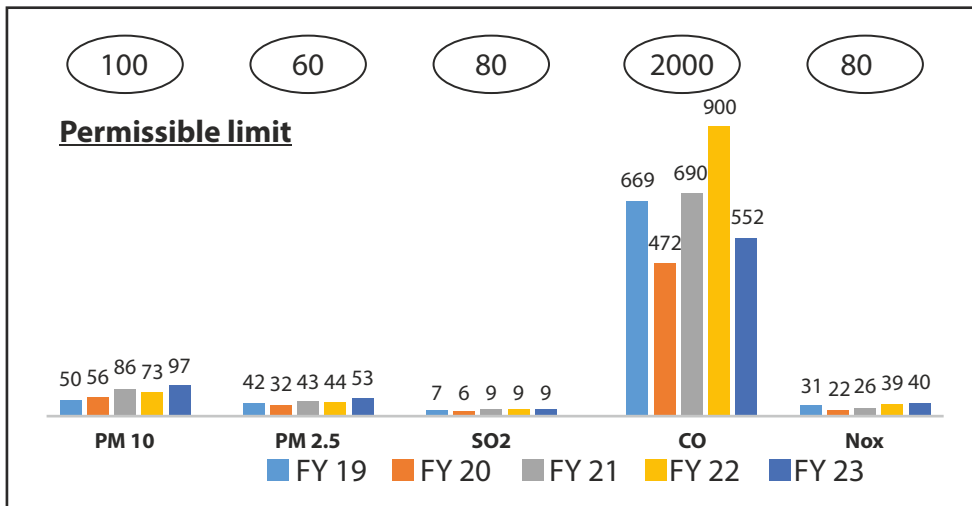
During the year under review, Company has successfully completed injury free Major Shut Down (~ 74,300 Man hours approx.). Cross Functional Teams (CFT) were formed to ensure compliance with various Safety Standards during shutdown. For the first time your Company has conducted Pre-Start-Up Check (PSSR) and deployment of fire watcher along with fire permit to ensure equipment health and to address abnormality, if any, with respect to operations including fire mitigation. Your Company has also participated in CII Jharkhand Industrial Safety Conclave with the theme of "Leveraging Digital Initiatives for Improving Industrial Safety".

The Company has enhanced its emergency preparedness by providing ERT (Emergency Response Team) of 42 employees at Shop floor. Trainings on defensive driving, Behavioural Based Safety, Electrical Safety, Emergency Preparedness & Response, Material Handling etc. were carried out by the competent authority for employees as well as 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. 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. Virtual audit along with compliance on various safety standards at SPC and Stockyard are being reviewed by the Apex Safety Committee. Operational Health & Safety performance rating for all High-Risk Vendors have marginally improved in FY23 over FY22.

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. The health index of Company's employees has increased through various initiatives such as health, wellness & awareness sessions, Work life balance, fitness session etc.

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



E. HUMAN RESOURCES MANAGEMENT:

The Company's Human Resources Management function aims to enhance employee experience and capability development and they are critical enablers to influence high performance, transformation and growth journey.

Enhancing employee experience was the core of our employee value proposition in FY'23. Your Company took up several new initiatives to strengthen employee connect, such as two ways regular dialogues, town halls meeting with the Senior Leaders shopfloor walkabout connect through HR, celebration of Company's milestones, developed employee engagement action plan through focus group discussions etc. Apart from these, focused group discussions of selected group employees with the Senior Leaders have also held to understand their views for further improvements.

Your Company focused on investing in capability and culture building go hand in hand as primary levers to achieve high performance, with an objective to provide industry diversified exposure to Company's employees. Your Company began its Excellence journey by inducting employees both in the areas of Business Excellence and Social Excellence. Employees successfully completed trainings of the Business Excellence Champion's Programme and the Tata Affirmative Action Orientation Programme. Your Company also focussed on introducing the model of Agile Behaviours at the Workplace. For the first time 360-degree survey was introduced and successfully completed for the Managers & Officers. As a leadership development intervention, the Company rolled out Outbound Leadership Programme organised by Tata Steel Adventure Foundation once again post covid. Several other training interventions have also been taken to strengthened technical skill sets of the employees. The Contractual Workforce is a key stakeholder and enabler of our business operations. Your Company revamped and launched online Contract Labour Management Portal thereby replacing several manual processes to digital thereby facilitating a seamless experience.

The Company adopted the Affirmative Action Policy and started to sensitize its employees through UNURUM, the inclusive leadership program and disability sensitization programs through our Partners at Sabal. International Women's week was celebrated with International Women's Organization's theme "#EmbraceEquity".

The Company remained committed for promoting employee volunteerism as a result thereof, your Company has achieved its best ever 3114 volunteering hours during Tata Volunteering Week (TVW-19) organised by the Tata Sustainability Group, with wholehearted and committed participation of more than 200 employees along with their family and friends. Your Company has also been recognized for TVW-16 for "Highest Participation Rate" under the Small Company category.

In the area of employee health and wellness, the Employee Health Index stands at 13.42. During the year your Company has organised several health awareness sessions, and tied-up with experts to provide fitness sessions for employees. For the first time, your Company has conducted health check-up of spouse.

The working conditions at your Company remained harmonious wherein JCAPCPL Workers Union (JWU) and the Management effectively partnered with each other leading to achievement of record Production and Despatch which ultimately led to achieving highest ever Sales. With a purpose to further strengthen this harmony, Joint Consultation has been launched. Your Company has signed MoU's (Memorandum of Understanding) for the 1) Leave Bank Scheme to support employees during major / prolonged absence due to medical conditions, 2) update of the Family Sahyog scheme (Social Security) and 3) Promotion Policy scheme to enable inter-grade mobility. In collaboration with Tata steel, Navchetna session were launched sensitising our unionised workforce about Company's values, Code of Conduct and the pride associated with the organization. The Union Committee members also attended several developmental residential programmes and participated in sports activities.

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 |
|-------------------|----------|-------------------|----------------------------------|-----------------------------|------------------|--------------------|--|
| Ujjal Chakraborti | 54 years | Managing Director | 190 | BE (Electrical), MBA (XLRI) | 33 years | 14.06.21 | Executive - In - Charge (Tubes Division) |

Mr. Ujjal Chakraborti joined the Company as Managing Director on June 14, 2021.

He is on deputation from TSL and the Company pays deputation charge to TSL.

The Agreement with the Managing Director is contractual in nature.

Mr. Ujjal Chakraborti is neither related to any Director nor any 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.

During the year under review the Company has taken initiatives to strengthen its Cyber Security under three categories viz protection, detection, and checker. The Company has also taken adequate steps to strengthen its IT infrastructure.

The Company has engaged Tata Consultancy Services to support its ongoing SAP applications and also for carrying out functional enhancements as per Business requirements. During the year under review following are the major IT enhancements on SAP Platform:

- I. MRP Item: Pop-up was added in SAP during manual DO creation
- II. Automatic Sales Order Generation by uploading excel file in SAP
- III. Automation of process for Purchase order delivery management
- IV. Auto Money receipt through interface with HDFC Bank
- V. Approval Mechanism for price Upload Programme
- VI. Automation of LD Deduction as per Clause given in Order
- VII. Canteen Deduction Automated in SAP
- VIII. Vendor Evaluation Report

The Company also has a Production recording and Quality Management System which is called as Manufacturing Execution System (MES). This system interfaces with the SAP System and relevant information are exchanged as per the business requirements. During the year under review, following significant improvements were done in this area:

- I. Development and movement of Schimadzu interface
- II. Development of new interface for new orders for TSL Kalinganagar for Tolling Business
- III. Development of new interface to fetch the Coil details from TSL Kalinganagar CRM
- IV. QA screen and DB jobs code optimization
- V. Development of QA Logbook
- VI. Development of SPC Yield Report
- VII. FHCR auto GRN from MES

Apart from the above, several new IT initiatives such as Tableau, Xtrim- Width Optimiser Software, Contract Labour Management, General Project Monitoring System, 360 feed back systems were also introduced during the year.

G. CORPORATE SOCIAL RESPONSIBILITY:

In line with Tata Group Core purpose, your Company's long term Corporate Social Responsibility ('CSR') objective is to improve the quality of life of communities through long-term value creation for all stakeholders. Your Company continuously strives to conduct its business responsibly, mindful of its social accountability, respecting applicable laws and with regard for human dignity.

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>

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

Your Company's focus areas for developmental activities are in the proximate community at Jharkhand and West Bengal. While we ensure that all communities are benefited from our CSR activities, we also focus on those groups that are socially and economically marginalized. These include women, girl child, scheduled caste & tribes and PWD.

The projects are implemented through partnership with different agencies / government bodies wherein we facilitate need identification, development of deployment strategies, provide financial assistance and drive implementation for the best interest of targeted population and society at large.

Apart from partnering with Tata Steel Foundation (TSF) and Tata Steel Adventure Foundation (TSAF) 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.

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. During the year your Company has clocked best ever total of 3114 volunteering hours during Tata Volunteering Week (TVW)19 since inception. This could be achieved due to pro-active support and keen interest shown by the Senior Leaders in driving volunteerism by the employees and their family at the Company.

During the period under review, the Company through its Corporate Social Responsibility initiatives has continued its support to 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 extended its support to the Centre for Hearing Impaired Children (CHIC), Gayanoday Nobel Academy as well as to the Parents Association of Mentally Handicapped of Jamshedpur to support especially abled children in their education and livelihood. 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. In the area of sports, the Company has tied-up with Tata Steel Adventure Foundation and Kolkata Ultra Trust to support the Sport Climbing and Athletics, with an ambition to support and nurture the budding players to win medal for the Country.

Apart from the above your Company has been actively participating and supporting number of healthcare and environmental initiatives. During FY23, the Company spent Rs. 401.21 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 FY22 your Company kicked-off the Shikhar-25.

The Knowledge Management (KM) and ideation sessions were carried out with different stakeholders as per the schedule for ideas capturing and business case development against various themes, which has resulted into validated saving of ~Rs 34.06 crore for Fy'23.

I. KEY ACHIEVEMENTS AND CHALLENGES:

Achievements:

- I. Achieved cumulative sales of 1.95 Million T to Automotive Customers
- II. Achieved highest ever annual automotive sales of 408,831 T in FY23 surpassing previous best of 358,097 T in FY22
- III. Supplied more than 1.0 Million T of Automotive steel to Maruti Suzuki since inception
- IV. Started commercial supplies to Toyota – Suzuki partnership models and achieved 24,620T;
- V. Achieved highest annual CR and Automotive CR production of 6,27,474T and 551650T, respectively, surpassing the previous best of 5,07,095 T in FY19 and 444925T in FY22, respectively
- VI. Achieved lowest ever N2 and CO consumption of 43.1 Nm³/T and 39.0 Nm³/T

Challenges:

The Company is faced with the following challenges in Fy23

- I. Manage customer demand with limited availability of HSS substrate in 590MPa grade.
- II. Improve consistency of delivery of skin panel to the customers considering high variability in substrate quality
- III. Ancillaries shifting to open market during downturn, violating central purchasing scheme.
- IV. Increasing overall share of business of Passenger vehicle.
- V. Sustenance of CAPL speed factor > 0.87 and RCL processing

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.

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 and fairness in all transactions in the widest sense. The objective is to meet stakeholders' aspirations and societal expectations. Good governance practices stem from the dynamic culture and positive mindset of the organisation. We are committed to meet the aspirations of all our stakeholders. This is demonstrated in shareholder returns, high credit ratings, awards and recognitions, governance processes and an entrepreneurial performance focussed work environment. Additionally, our customers have been benefited from high quality products delivered at extremely competitive prices.

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 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 Company has adopted the Tata Code of Conduct for its employees, including the Managing and Executive Directors, which encompasses an appropriate mechanism to report any concern pertaining to non adherence to the said Code. In addition, the Company has also adopted a Code of Conduct for its Non-executive Directors. The Corporate Governance mechanism is further strengthened with adherence to the Tata Business Excellence Model, as a means to drive excellence and the Balanced Scorecard methodology, for tracking progress on long-term strategic objective. The Company has also adopted the Governance Guidelines on Board Effectiveness based on best practices from both within and outside the Tata Companies.

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 of Directors is the apex body constituted by Shareholders, for overseeing the Company's overall functioning. It provides strategic direction, leadership and guidance to the Company's Management, monitoring effectiveness of the company's governance practices, performance evaluation, overseeing the succession planning and financial control functions and to monitor the performance of the Company with the objective of creating long-term value for the Company's stakeholders.

The Board meets at regular intervals During the Financial Year ended March 31, 2023, seven Board Meetings were held. Apart from meetings, the Board also transacted business through Circular Resolutions.

As on March 31, 2023, 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, 2023 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 |
| 6. | Mr. Ujjal Chakraborti | 07854466 | Managing Director | Executive Director |
| 7. | Mr. Junichi Matsunaga | 09119707 | Executive Director | Executive Director |

Mr. Rajeev Singhal has stepped down as Director with effect from closure of the business hours on March 31, 2023.

Note: With effect from April 1, 2023 Mr. Prabhat Kumar has been appointed as Director.

(b) Directors:

Mr. Rajeev Singhal (DIN- 02719570) has stepped down as Director with effect from closure of the business hours on March 31, 2023 due to his deputation to other Tata Group company. On behalf of your Company, the Board of Directors have placed on record their deep appreciation to the invaluable contribution made by Mr. Singhal during his tenure as the Director.

On the recommendation of the Nomination & Remuneration Committee, the Board has appointed Mr. Prabhat Kumar (DIN-08263070) as an additional Director on the Board of Directors of the Company with effect from April 1, 2023 to hold the office till the next Annual General Meeting of the Company. The Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013, proposing candidature of Mr. Prabhat Kumar for the office of Director of the Company, liable to retire by rotation. Mr. Junichi Matsunaga (DIN - 09119707) Executive Director is being re-appointed as an Executive Director for a further period of one year effecting from April 1, 2023.

In accordance with the provisions of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mr. Hiroshi Ebina (DIN- 08224876) and Ms. Jaya Singh Panda (DIN- 08734069), 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 / 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 2022-23 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, 2023 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, 2023. Apart from meetings, the Audit Committee also transacted business through Circular Resolutions.

The composition of the Audit Committee as on March 31, 2023 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 |

Consequent upon his stepping down as Director, Mr. Rajeev Singhal has also stepped down as a member of the Audit Committee with effect from closure of the business hours on March 31, 2023.

Note: With effect from April 1, 2023 Mr. Prabhat Kumar has been nominated as member of the Audit Committee.

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, 2023 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, 2023 is as below:

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

Consequent upon his stepping down as Director, Mr. Rajeev Singhal has also stepped down as Chairman of the Nomination & Remuneration Committee with effect from closure of the business hours on March 31, 2023.

Note: With effect from April 1, 2023 Mr. Prabhat Kumar has been nominated as the Chairman of the Nomination & Remuneration Committee.

The Nomination and Remuneration Committee met four times during the financial year ended March 31, 2023. 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, 2023 the Corporate Social Responsibility Committee has three (3) members comprising Non-Independent Non-Executive Directors.

The composition of the Corporate Social Responsibility Committee as on March 31, 2023 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. Ujjal Chakraborti | Member | Non-Independent, Non-Executive Director |

The Corporate Social Responsibility Committee meet four time during the financial year ended March 31, 2023. 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. The remuneration and other details of KMP for FY23 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 2022-23.

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, 2023, 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, 2023 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.

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 FY18. 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) (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 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 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, 2023 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, 2023.

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.

A detailed review of the existing compliance framework, procedures and infrastructure, has resulted in identification on the need to transform the compliance function, in terms of the following:

- I. Mind set towards compliance
- II. Building capability towards shaping & nurturing a strong compliance function
- III. Scalable technology and platform

- IV. Engagement with the customers and providing real time support and service;
- V. Providing confidence to the Audit Committee & Board on the robustness of design and effective implementation and functioning of the Compliance Framework.

To achieve the above objectives, Company's Compliance Function embarked on a transformation project named "Evolve" encompassing effective implementation, sustenance, audit & assurance of compliance through a holistic Compliance Framework.

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 either before entering into such transactions through the omnibus approval route or as new transactions, as required or taken approval in due course within the time frame provided under the Co. Act, 2013 read with the related rules thereunder. 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 26 of notes to the Financial Statements for the year ended March 31, 2023.

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 received one complaint of sexual harassment, which has been duly investigated and actioned upon as per the Consequence Management Policy.

Auditors:

Statutory Auditors

As per provisions of Section 139 of the Companies Act, 2013, at the 11th Annual General Meeting held on July 13, 2023, M/s Price Waterhouse & Co., Chartered Accountants LLP (Firm Registration No. 304026E/E-300009), has been re appointed as Statutory Auditors of the Company for a further term of five years commencing from the conclusion of 11th Annual General Meeting till the conclusion of 16th Annual General Meeting to be held in FY28.

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 FY23. 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** and does not contain any qualification, reservation or adverse remark, which warrants Management comments.

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 FY24. 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.

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 Fy24.

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 FY24 is included as Item No. 6 of the Notice convening the forthcoming Annual General Meeting.

Annual General Meeting:

The 12th Annual General Meeting of the Company will be held on Wednesday, June 21, 2023 at 11.00 a.m. (IST) through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM). The deemed venue for the 12th Annual General Meeting shall be 7th 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 Fy23.

- I. The Company achieved targeted specific electrical energy consumption for FY23 i.e., 84 Kwh/T (Previous best ever-88.51 Kwh/T in FY22) i.e. leading to energy saving of ~ 5 % i.e. 4.51 Kwh/T;
- II. Installation of tail gas cleaning system in COGD Plant which will lead to potential saving of the COG consumption by ~ 10% by reusing the tail gas (450 Nm³/h saving);
- III. Working on possibility to install of 2.8MW rooftop solar plant for renewable energy generation of approx. 3900 MWH/annum;
- IV. Reduction of specific water consumption from 0.9 M³/T to 0.6 M³/T by recycling of water used in different section of CAPL & utility.

B. Technology Absorption:

- I. The strip Surface Inspection System (SIS) has been integrated with Tata Steel SIS system for predictive quality analysis;
- II. Installation of central data acquisition system to monitor & analyze critical process data across different lines and systems (e.g CAPL, Recoiling Lines, Utility & Level 2). This analysis will help different teams to do real time data monitoring and process optimization;
- III. Installation of Internet of Things (IoT) based online dust monitoring system in coil storage yard;
- IV. The results of Installation of Internet of Things (IoT) based online condition monitoring system for predictive maintenance of critical equipment are encouraging;
- V. Automatic tube cleaning system is being installed in Chiller condensers to improve chiller efficiency.

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, 2023.

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 FY23.

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

Place: Kolkata
Dated: April 20, 2023

Hiroshi Ebina
Chairman
(DIN: 08224876)

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. In line with our philosophy of aligning our CSR initiative with the Board approved Schedule VII activities under the Companies Act 2013, as well as UN Sustainable Development Goals, the main objective of Company's CSR initiatives are : (i) Sustainability & Environment (ii) Diversity & Inclusion (iii) Healthcare (iv) Education and (v) Sports. 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. Ujjal Chakraborti | Managing Director | 4 | 4 |

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:

CSR Committee 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/CSRPLANFORFY23.pdf>

4. Details of executive summary along with web link(s) 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 | | |
|---|---|----------|
| a | Average net profit of the Company as per Section 135(5) of the Companies Act, 2013 | 19298.00 |
| b | Two percent of average net profit of the Company as per Section 135(5) of the Companies Act, 2013 | 386.00 |
| c | Surplus arising out of the CSR projects or programmes or activities of the previous financial years | Nil |
| d | Amount required to be set-off for the financial year, if any | Nil |
| e | Total CSR obligation for the financial year 2023 {(b+c) -d} | 386.00 |

| | | | | | | |
|---|--|---|------------------|---|--------|------------------|
| 6 | | | | | | |
| a | Amount spent on CSR projects (both ongoing Projects and other than ongoing Projects) | | | | 399.12 | |
| b | Amount spent in Administrative Overheads | | | | 2.09 | |
| c | Amount spent on Impact Assessment, if applicable | | | | Nil | |
| d | Total amount spent for the financial year | | | | 401.21 | |
| e | CSR amount spent or unspent for the financial year (a+b+c) | | | | 401.21 | |
| 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 |
| 401.21 | | Nil | Nil | Nil | Nil | Nil |

| | | | | | |
|-------|---|--|--|--|-------------------|
| f | Excess amount for set-off, if any: | | | | |
| SN | Particular | | | | Amount (Rs. Lakh) |
| (i) | Two percent of average net profit of the Company as per Section 135(5) | | | | 399.12 |
| (ii) | Total amount spent for the financial year | | | | 401.21 |
| (iii) | Total amount spent for the financial year | | | | 15.21 |
| (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)] | | | | 15.21# |

The Company does not propose to avail any set-off, against the excess amount spent in FY 2022-23, for succeeding financial years.

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

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|----|--------------------------|--|--|---|---|---|--------------------|
| SN | Preceding financial year | Amount transferred to Unspent CSR Account under Section 135 (6) (Rs. Lakh) | Balance amount in Unspent CSR Account under Section 135 (6) (Rs. Lakh) | Amount spent in the financial year (Rs. Lakh) | Amount transferred to a fund specified under Schedule VII as per second proviso to Section 135(5), if any | Amount remaining to be spent in succeeding financial years (Rs. Lakh) | Deficiency, if any |
| | | | | Amount (Rs. Lakh) | Date of transfer | | |
| 1 | FY20 | Nil | Nil | Nil | Nil | Nil | Nil |
| 2 | FY21 | Nil | Nil | Nil | Nil | Nil | Nil |
| 3 | FY22 | Nil | Nil | Nil | Nil | Nil | Nil |

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 (Rs. Lakh) | 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 |

8. whether any capital assets have been created or acquired through Corporate Social Responsibility spent in the year

| | | | |
|-----------------------|-----|----------------------------------|----|
| <input type="radio"/> | Yes | <input checked="" type="radio"/> | No |
|-----------------------|-----|----------------------------------|----|

If yes enter the number of capital assets created / acquired : Not Applicable

Furnish the details relating to such asset(s) created or acquired through CSR amount spent in the financial year:

| SN | Short particulars of the property or asset(s) including, complete address and location of the property | Pincode of the property or asset(s) | Date of creation | Amount of CSR amount spent | Details of entity/ Authority/ beneficiary of the registered owner |
|----|--|-------------------------------------|------------------|----------------------------|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
| NA | None | NA | NA | NA | NA |
| | | | | | CSR Registration No: Name: Registered Address: |

| | | |
|-----------|---|----------------|
| 9. | 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 |
|-----------|---|----------------|

(All the fields should be captured as appearing in the revenue record, flat No, house No, Municipal Office/ Municipal Corporation/ Gram Panchayat are to be specified and also the area of the immovable property)

Dibyendu Dutta

Ujjal Chakraborti

Chairman
CSR Committee
DIN: 01111150

Managing Director
DIN: 07854466

Date : April 17, 2023

Annexure-1

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 | Training to promote nationally recognised sports and Olympic sports | Item No (vii) | Yes | Jharkhand | 70.00 | No | Tata Steel Adventure Foundation | CSR00001142 |
| 2 | Environment – Life on land | Item No (iv) | Yes | Jharkhand | 67.50 | No | Tata Steel Zoological Society | CSR00007552 |
| 3 | Enhance employability and transform lives of specially abled persons through supporting the launch of SABAL initiative at Jamshedpur | Item No (ii) | Yes | Jharkhand | 45.00 | No | Tata Steel Foundation | CSR00001142 |
| 4 | Bridging education gaps in children from disadvantaged communities through main streaming initiative of Masti Ki Pathshala | Item No (ii) | Yes | Jharkhand | 43.00 | No | Tata Steel Foundation | CSR00001142 |
| 5 | Provide safe drinking water through water infrastructure, Plantation, including but not limited to promoting women health care and sanitation programme at Ghormara, Sundarbans | Item No (i) | Yes | West Bengal | 36.79 | No | Rotary Foundation (India) | CSR00008486 |
| 6 | Repair of Educational Institution, School, Toilets of Old Age Homes etc | Item No. (iii) | Yes | Jharkhand | 31.15 | YES | Directly by the Company | Direct |

| 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 |
|----|--|--|-------------------|------------------|---|--|--------------------------------------|-------------------------|
| 7 | Donation of Van and Blood Testing Equipment to upgrade the quality of Blood Bank | Item No. (i) | Yes | Jharkhand | 27.62 | No | Jamshedpur Blood Bank | CSR00022595 |
| 8 | Supporting hearing impaired children | Item No. (ii) | Yes | Jharkhand | 13.20 | No | Centre for Hearing Impaired Children | CSR00009486 |
| 9 | Providing advanced Microscope for Eye check-up and organising Eye operation camps | Item No. (i) | Yes | Jharkhand | 11.36 | No | Ram Manohar Lohia Sewa Sansthan | CSR00016032 |
| 10 | Support economically disadvantaged Cancer Patients for their treatment | Item No. (I) | Yes | Jharkhand | 10.00 | No | Jamshedpur Cancer Society | CSR00025281 |
| 11 | Mainstreaming of mentally challenged children- at Gyanoday Noble Academy | Item No. (ii) | Yes | Jharkhand | 9.32 | No | Through Disha Ki Aur | CSR00005691 |
| 12 | Medical support to children suffering from Thalassemia | Item No. (i) | Yes | Jharkhand | 7.50 | No | Anurag Foundation | CSR00011290 |
| 13 | Training to promote athletes from socially and economically underprivileged background | Item No. (vii) | Yes | West Bengal | 7.00 | No | Kolkata Ultra Trust | CSR00028804 |
| 14 | Tribal leadership development programme | Item No. (ii) | No | Odisha | 5.00 | No | Disom Foundation | CSR00041029 |

| 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 |
|----|---|--|-------------------|------------------|---|--|---|-------------------------|
| 15 | Har Ghar Tiranga Initiatives | Item No. (V) | Yes | Jharkhand | 5.00 | No | Tata Steel Foundation | CSR00001142 |
| 16 | Eradicating Hunger and malnutrition by providing nutritious food to the needy citizen | Item No. (I) | Yes | Jharkhand | 3.00 | No | Through Roti Bank | CSR00027417 |
| 17 | Main streaming of mentally challenged children | Item No. (II) | Yes | Jharkhand | 2.50 | No | Parents Association of Mentally Handicapped of Jamshedpur | CSR00023544 |
| 18 | Organising Eye operation camps | Item No. (I) | Yes | Jharkhand | 2.00 | No | Indian Red Cross Society | CSR00028762 |
| 19 | Supporting tribal development meet | Item No. (II) | Yes | Jharkhand | 1.18 | No | CII Foundation | CSR00001013 |
| 20 | Awareness session on Blood Donation | Item No. (I) | Yes | Jharkhand | 1.00 | No | Voluntary Blood Donors Association | CSR00038352 |
| 21 | CSR Administrative Overhead | — | — | ---- | 2.09 | ---- | ---- | ---- |
| | | | | Total | 401.21 | | | |

Annexure-2

Meetings of the Board of Directors convened and held during the financial year ended March 31, 2023

Meetings of Board of Directors

| SN | Name of Directors | Number of Meetings held during the financial year 2022-23 | Number of Meetings Attended |
|----|-----------------------|---|-----------------------------|
| 1. | Mr. Hiroshi Ebina | 7 | 7 |
| 2. | Mr. Rajeev Singhal | 7 | 7 |
| 3. | Mr. Dibyendu Dutta | 7 | 7 |
| 4. | Mr. Soichi Yonezawa | 7 | 7 |
| 5. | Ms. Jaya Singh Panda | 7 | 6 |
| 6. | Mr. Ujjal Chakraborti | 7 | 7 |
| 7. | Mr. Junichi Matsunaga | 7 | 7 |

Meetings of the Audit Committee

| SN | Name of Directors | Number of Meetings held during the financial year 2022-23 | Number of Meetings Attended |
|----|--------------------|---|-----------------------------|
| 1. | Mr. Dibyendu Dutta | 5 | 5 |
| 2. | Mr. Hiroshi Ebina | 5 | 5 |
| 3. | Mr. Rajeev Singhal | 5 | 5 |

Meetings of the Nomination & Remuneration Committee

| SN | Name of Directors | Number of Meetings held during the financial year 2022-23 | Number of Meetings Attended |
|----|---------------------|---|-----------------------------|
| 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 Directors | Number of Meetings held during the financial year 2022-23 | Number of Meetings Attended |
|----|-----------------------|---|-----------------------------|
| 1. | Mr. Dibyendu Dutta | 5 | 5 |
| 2. | Mr. Soichi Yonezawa | 5 | 5 |
| 3. | Mr. Ujjal Chakraborti | 5 | 5 |

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” “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

1. Remuneration for Managing Director (“MD”)/Executive Directors (“EDs”)/ KMP/ rest of the employees

- 1.1. The extent of overall remuneration should be sufficient to attract and retain talented and qualified Individuals suitable for every role. Hence remuneration should be
 - 1.1.1. Market competitive (market for every role is defined as companies from which the company attracts talent or companies to which the company loses talent)
 - 1.1.2. Driven by the role played by the individual,
 - 1.1.3. Reflective of size of the company, complexity of the sector/ industry/ company’s operations and the company’s capacity to pay,
 - 1.1.4. Consistent with recognized best practices and
 - 1.1.5. Aligned to any regulatory requirements.
- 1.2. In terms of remuneration mix or composition:
 - 1.2.1. 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.
 - 1.2.2. Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.
 - 1.2.3. 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-imbursing or insurance cover and accidental death and dismemberment through personal accident insurance.
 - 1.2.4. The company provides retirement benefits as applicable.
 - 1.2.5. 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.
 - 1.2.6. 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.

2. 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.

3. Premium on Insurance policy

- 3.1. 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.
- 3.2. 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, 2023**

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, 2023, 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, 2023, 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.

We further report that during the audit period the Company did not have any event which had a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Sital Prasad Swain
Practicing Company Secretary

F6338 CP No. 6814
UDIN: F006338E000011741

Place: Jamshedpur
Date: 04.04.2023

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- 700071.

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.

Sital Prasad Swain

Practicing Company Secretary
F6338; CP No. 6814
UDIN: F006338E000011741

Place: Jamshedpur
Date: 04.04.2023

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31st March, 2023

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

I. REGISTRATION & OTHER DETAILS:

| | | |
|----|--|--|
| 1. | CIN | U27310WB2011PTC160845 |
| 2. | Registration Date | 17th March, 2011 |
| 3. | Name of the Company | Jamshedpur Continuous Annealing & Processing Company Private Limited |
| 4. | Category/ Sub-category of the Company | 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: communication@jcapcpl.com 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 | 99% |
| 2. | Manufacture of Cold Rolled Continuous Annealed Steel on Tolling basis | 24105 | 1% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

A. Category-wise Share Holding

| Category of Shareholders | No of Shares held (In Lakh) | | | | | | | | Change during the year |
|---------------------------------------|---|----------|----------------|-------------------|--|----------|----------------|-------------------|------------------------|
| | At the beginning of the year (As on 1st April, 2022) | | | | At the end of the year (As on 31st March, 2023) | | | | |
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | - | - | - | - | - | - | - | - | - |
| b) Central Govt | - | - | - | - | - | - | - | - | - |
| c) State Govt(s) | - | - | - | - | - | - | - | - | - |
| d) Bodies Corp. | 7303.2 | - | 7303.2 | 51% | 7303.2 | - | 7303.2 | 51% | - |
| e) Banks / FI | - | - | - | - | - | - | - | - | - |
| f) Any other | - | - | - | - | - | - | - | - | - |
| Sub Total A(1) | 7303.2 | - | 7303.2 | 51% | 7303.2 | - | 7303.2 | 51% | - |
| (2) Foreign | - | - | - | - | - | - | - | - | - |
| (a) NRIs- Individuals | - | - | - | - | - | - | - | - | - |
| (b) Other - Individuals | - | - | - | - | - | - | - | - | - |
| (c)Bodies Corp. | 7,016.8 | - | 7,016.8 | 49% | 7,016.8 | - | 7,016.8 | 49% | - |
| (d) Banks / FI | - | - | - | - | - | - | - | - | - |
| (e)Any Other | - | - | - | - | - | - | - | - | - |
| Sub Total A(2) | 7,016.8 | - | 7,016.8 | 49% | 7,016.8 | - | 7,016.8 | 49% | - |
| Total shareholding of Promoter | 14,320 | - | 14,320 | 100% | 14,320 | - | 14,320 | 100% | - |

B. Shareholding of Promoters-

(In Lakh)

| SN | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year |
|-----|--|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | |
| 1. | Tata Steel 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. | Tata Steel Downstream Products Limited: | | | | |
| | 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. | Nippon Steel Corporation: | | | | |
| | 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. | Tata Steel Downstream Products Limited: | | | | |
| | 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. | Nippon Steel Corporation: | | | | |
| | 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 | 81,476 | - | - | 81,476 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | 330 | | | 330 |
| Total (i+ii+iii) | 81,806 | - | - | 81,806 |
| Change in Indebtedness during the financial year | | | | |
| * Addition | 12,616 | - | - | 12,616 |
| * Reduction | 39,455 | - | - | 39,455 |
| Net Change | -26,839 | - | - | -26,839 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 54,967 | - | - | 54,967 |
| ii) Interest due but not paid | - | | | - |
| iii) Interest accrued but not due | 900 | - | - | 900 |
| Total (i+ii+iii) | 55,867 | - | - | 55,867 |

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 |
|-----|---|--|--|--------------|
| | | 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 | 190 | 43.07 | 233.07 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - | - |
| | © 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) | - | - | - |
| | Total (A) | 190 | 43.07 | 233.07 |
| | Ceiling as per the Act | | | |

#. Mr. Chakraborti is on deputation from TSL and the Company pays deputation cost to TSL.

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 | Independent Directors | | | | | | |
| | Fee for attending board & committee meetings | - | - | - | - | - | - |
| | Commission | - | - | - | - | - | - |
| | Others, please specify | - | - | - | - | - | - |
| | Total (1) | - | - | - | - | - | - |
| 2 | Other Non - Executive Directors | | | | | | |
| | Fee for attending board committee meetings | - | - | - | - | - | - |
| | Commission | - | - | - | - | - | - |
| | Others, please specify | - | - | - | - | - | - |
| | Total (2) | - | - | - | - | - | - |
| | Total (B)=(1+2) | - | - | - | - | - | - |
| | Total Managerial Remuneration (A) + (B) | - | - | - | - | - | - |
| | Overall Ceiling as per the Act | | | | | | |

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

(In Rs Lakh)

| SN | Particulars of Remuneration | Key Managerial Personnel | | |
|----|---|--------------------------|----------------|-------|
| | | Pranav Kumar Jha # | Prashant Kumar | Total |
| | | CFO | CS | |
| 1. | Gross salary | Gross salary | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 90.18 | 23.14 | - |
| | (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) | - | 1.48 | - |
| 5. | Others, please specify | - | - | - |
| | Total | 101.99 | 24.62 | |

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, 2023.

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, 2023, 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, 2023, 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 thereto, 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 as 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)(l) 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 as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, 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 31 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2023.
 - 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 45 to the financial statements);
 - (b) 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 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 46 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.
 - vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Company, is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.
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 PriceWaterhouse & Co. Chartered Accountants LLP

Firm Registration Number: 304026E/E300009

Piyush Sonthalia
Partner
Membership Number 062447

UDIN: 23062447BGXSZR8313
Place: Kolkata
Date: April 20, 2023

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, 2023.

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, 2023, 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 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, 2023, 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

Piyush Sonthalia
Partner
Membership Number: 062447

UDIN: 23062447BGXSZR8313
Place: Kolkata
Date: April 20, 2023

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, 2023

- 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 (including Right of Use assets) 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 Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly 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 10% or more in aggregate for each class of inventory.
- (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 38 to the financial statements.
- iii. The Company has not made any investments, granted secured/ unsecured loans/advances in nature of 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 goods and services tax, income-tax and duty of customs though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, service tax, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Also, refer Note 49 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, the particulars of statutory dues referred to in sub-clause (a) as at March 31, 2023 which have not been deposited on account of a dispute, are as follows:

| Name of the statute | Nature of dues | Amount (net of payments) (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 | 121.99 | 2014-15, 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 Goods & Service Tax Act, 2017 | Goods & Service Tax | 124.6 | 2017-18 | Appeal yet to be filed |
| Central Excise Act, 1944 | Excise Duty | 599.78 | 2016-18 | Commissioner (Appeal) |
| Central Excise Act, 1944 | Excise Duty | 7,573.83 | 2013-18 | Customs Excise and Service Tax Appellate Tribunal (CESTAT) |
| Finance Act 1994 | Service Tax | 115.12 | 2016-18 | Commissioner (Appeal) |

- viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been 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 during the year.

- (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, on an overall basis, 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 procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year.
- 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 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)© 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 29 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. As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order 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

Piyush Sonthalia
Partner
Membership Number: 062447

UDIN: 23062447BGXSZR8313
Place: Kolkata
Date: April 20, 2023

Balance Sheet as at 31st March, 2023

In Rs. Lakhs

| Particulars | | Note | As at 31.03.2023 | As at 31.03.2022 |
|-------------------------------|--|------|---------------------|---------------------|
| ASSETS | | | | |
| (1) | Non-current assets | | | |
| | (a) Property, Plant & Equipment | 03 | 1,67,204.34 | 1,71,784.89 |
| | (b) Capital work-in-progress | 03 | 2,379.61 | 2,585.53 |
| | (c) Other intangible assets | 04 | 852.78 | 1,271.62 |
| | (d) Financial Assets | | | |
| | (i) Swap and Derivative Receivables | | 2,919.91 | 785.66 |
| | (ii) Other Non-current Financial Assets | 05 | 49.64 | 2.52 |
| | (e) Deferred Tax Assets (Net) | 06 | - | 2,844.44 |
| | (f) Non-Current Tax Assets (Net) | | 285.28 | 860.68 |
| | (g) Other Non-current Assets | 07 | 1,601.64 | - |
| | Total Non-current Assets | | 1,75,293.20 | 1,80,135.34 |
| (2) | Current assets | | | |
| | (a) Inventories | 08 | 54,617.59 | 46,044.13 |
| | (b) Financial Assets | | | |
| | (i) Trade Receivables | 09 | 26,223.91 | 25,549.79 |
| | (ii) Cash and Cash Equivalents | 10 | 3,102.54 | 10,344.19 |
| | (iii) Interest Accrued on Bank Deposits | | 1.24 | 1.01 |
| | (iv) Swap and Derivative Receivables | | 1,500.19 | 2,406.88 |
| | (c) Other Current Assets | 11 | 12,333.70 | 10,556.86 |
| | Total Current Assets | | 97,779.17 | 94,902.86 |
| | Total Assets | | 2,73,072.37 | 2,75,038.20 |
| EQUITY AND LIABILITIES | | | | |
| | Equity | | | |
| | (a) Equity Share Capital | 12 | 1,43,200.00 | 1,43,200.00 |
| | (b) Other Equity | 13 | 25,884.37 | 9,184.80 |
| | Total Equity | | 1,69,084.37 | 1,52,384.80 |
| | Liabilities | | | |
| (1) | Non-current Liabilities | | | |
| | (a) Financial Liabilities | | | |
| | (i) Borrowings | 14 | 29,947.36 | 44,698.78 |
| | (ii) Deferred Liability | | 1,844.26 | - |
| | (b) Provisions | 15 | 115.27 | 130.81 |
| | (c) Deferred Tax Liabilities (Net) | 06 | 1,713.86 | - |
| | Total Non-current Liabilities | | 33,620.75 | 44,829.59 |
| (2) | Current Liabilities | | | |
| | (a) Financial Liabilities | | | |
| | (i) Borrowings | 14 | 25,020.20 | 36,778.20 |
| | (ii) Trade Payables | | | |
| | Total outstanding dues of Micro enterprises and Small enterprises | 16 | 1,032.30 | 1,464.90 |
| | Total outstanding dues to creditors other than Micro enterprises and Small enterprises | 16 | 39,854.11 | 26,813.36 |
| | (iii) Other Financial Liabilities | 17 | 2,001.76 | 4,458.65 |
| | (iv) Deferred Liability | | - | 3,755.81 |
| | (b) Other Current Liabilities | 18 | 2,188.61 | 4,310.59 |
| | (c) Provisions | 15 | 270.27 | 242.30 |
| | Total Current Liabilities | | 70,367.25 | 77,823.81 |
| | Total Equity and Liabilities | | 2,73,072.37 | 2,75,038.20 |

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

Hiroshi Ebina
Chairman
(DIN: 08224876)

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

Piyush Sonthalia
Partner
Membership No. 062447
Kolkata, 20th April, 2023

Prashant Kumar
Company Secretary
ACS: A19510

Pranav Kumar Jha
Chief Financial Officer
(DIN: 07854466)
Kolkata, 20th April, 2023

Dibyendu Dutta
Director
(DIN: 01111150)

Ujjal Chakraborti
Managing Director

Statement of Profit and Loss for the year ended 31st March, 2023

In Rs. Lakhs

| Particulars | Note | Year Ended 31.03.2023 | Year Ended 31.03.2022 |
|---|---------|--------------------------|--------------------------|
| I REVENUE | | | |
| (a) Revenue from operations | 19 | 3,96,211.00 | 3,64,465.28 |
| (b) Other Income | 20 | 6,303.36 | 1,116.30 |
| Total Income | | 4,02,514.36 | 3,65,581.58 |
| II EXPENSES | | | |
| (a) Cost of raw materials consumed | 21 | 3,31,509.73 | 2,67,716.52 |
| (b) Changes in inventories of finished goods | 22 | (20,633.07) | 45.37 |
| (c) Employee benefits expense | 23 | 4,073.63 | 4,011.34 |
| (d) Finance costs | 24 | 5,481.08 | 6,902.37 |
| (e) Depreciation and amortisation expenses | 03 & 04 | 8,223.88 | 8,089.06 |
| (f) Other expenses | 25 | 52,599.68 | 41,947.88 |
| Total Expenses | | 3,81,254.93 | 3,28,712.54 |
| III Profit before tax (I - II) | | 21,259.43 | 36,869.04 |
| IV Tax Expense | | | |
| Current tax | | - | - |
| Deferred Tax | 06 | 4,558.69 | (2,844.44) |
| | | 4,558.69 | (2,844.44) |
| V Profit after tax (III - IV) | | 16,700.74 | 39,713.48 |
| VI Other Comprehensive Income | | | |
| (i) Items that will not be reclassified to profit or loss | | | |
| (a) Remeasurement gain/(loss) of defined benefit plan | | (1.56) | (21.68) |
| (b) Income tax relating to these item | 06 | 0.39 | - |
| (ii) Items that will be reclassified to profit or loss | | - | - |
| | | (1.17) | (21.68) |
| VII Total Comprehensive Income (V + VI) | | 16,699.57 | 39,691.80 |
| VIII Earnings per share: | | | |
| (1) Basic earnings per equity share in Rs. | 32 | 1.17 | 2.77 |
| (2) Diluted earnings per equity share in Rs. | 32 | 1.17 | 2.77 |

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes. This is the Statement of Profit and Loss 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)

Piyush Sonthalia
Partner
Membership No. 062447
Kolkata, 20th April, 2023

Prashant Kumar
Company Secretary
ACS: A19510

Dibyendu Dutta
Director
(DIN: 01111150)

Pranav Kumar Jha
Chief Financial Officer

Ujjal Chakraborti
Managing Director
(DIN: 07854466)

Kolkata, 20th April, 2023

Statement of Cash Flows for the year ended 31st March 2023

In Rs. Lakhs

| Particulars | Year ended 31.03.2023 | Year ended 31.03.2022 |
|--|--------------------------|--------------------------|
| A. Cash Flow from Operating activities: | | |
| Profit before taxes | 21,259.43 | 36,869.04 |
| Adjustments for: | | |
| Depreciation and Amortisation expenses | 8,223.88 | 8,089.06 |
| Interest income on Bank Deposits | (53.49) | (217.25) |
| Gain on sale of current investments (net) | (74.15) | (63.96) |
| Liability/Provision written back | (2,450.02) | - |
| Allowance for doubtful debts / Bad debts Written off | 0.02 | - |
| Finance costs | 5,481.08 | 6,902.37 |
| Deferred Revenue | (1,911.55) | (1,443.46) |
| Loss on Property, Plant & Equipment Discarded / Written Off | 286.38 | 1,904.25 |
| Change in fair value of Swap & Derivative (net) | (3,698.77) | (2,502.49) |
| Insurance claim received towards loss of Property, Plant & Equipment | (2,246.09) | (700.00) |
| Net loss on foreign currency transactions | 3,024.30 | 1,566.38 |
| | 6,581.59 | 13,534.90 |
| Operating profit before working capital changes | 27,841.02 | 50,403.94 |
| (Increase) / Decrease in Trade Receivables | (728.51) | 8,312.11 |
| Decrease / (Increase) in Inventories | (8,573.46) | (15,286.46) |
| Decrease / (Increase) in Other Assets | (3,378.48) | (7,983.42) |
| Increase / (Decrease) in Trade & other payables | 11,128.66 | (5,493.06) |
| | (1,551.79) | (20,450.83) |
| Cash generated from operations | 26,289.23 | 29,953.11 |
| Income Taxes refund / (Paid) (Net) | 575.40 | (486.32) |
| Net cash from Operating activities | 26,864.63 | 29,466.79 |
| B. Cash Flow from Investing activities: | | |
| Purchase of Property, Plant & Equipment | (4,545.79) | (3,851.08) |
| Proceeds from Sale of Property, Plant & Equipment | 84.03 | - |
| Gain on Sales of current Investment (net) | 74.15 | 63.96 |
| Insurance claim received towards loss of Property, Plant & Equipment | 2,246.09 | 700.00 |
| Investment in Fixed Deposits (Earmarked) | (47.12) | - |
| Interest Income received | 53.26 | 223.06 |
| | (2,135.38) | (2,864.06) |
| C. Cash Flow from Financing activities: | | |
| Proceeds from Long Term borrowings | 10,000.00 | 4,406.25 |
| Repayment of Long Term borrowings | (38,917.86) | (23,292.86) |
| Proceeds/Repayments (net) from/of Short-Term borrowings | 2,616.70 | 1,247.41 |
| Finance costs paid | (5,669.74) | (7,185.15) |
| | (31,970.90) | (24,824.35) |
| Net decrease in cash or cash equivalents: (A+B+C) | (7,241.65) | 1,778.38 |
| Cash and cash equivalents at the beginning of the year | 10,344.19 | 8,565.81 |
| Cash and cash equivalents at the end of the year | 3,102.54 | 10,344.19 |
| * Comprises: | | |
| (a) Balances with banks: | | |
| - in current /cash credit accounts | 3,102.54 | 2,844.19 |
| - in deposit accounts | - | 7,500.00 |
| | 3,102.54 | 10,344.19 |

- 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').
 - The above Statement of Cash Flows should be read in conjunction with the accompanying notes.
 - Previous year figures have been recasted / regrouped where necessary.
- This is the Balance Sheet referred to in our report of even date.

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

Piyush Sonthalia
Partner
Membership No. 062447
Kolkata, 20th April, 2023

For and on behalf of the Board of Directors

Hiroshi Ebina
Chairman
(DIN: 08224876)

Prashant Kumar
Company Secretary
ACS: A19510

Dibyendu Dutta
Director
(DIN: 01111150)

Pranav Kumar Jha
Chief Financial Officer

Ujjal Chakraborti
Managing Director
(DIN: 07854466)

Kolkata, 20th April, 2023

Statement of Changes in Equity for the year ended 31.03.2023

| | | In Rs. Lakhs |
|--------------------------------|---------------------------------|--------------------------|
| A. Equity Share Capital | | |
| | Balance at 31.03.2021 | 1,43,200 |
| | Change in Equity Share Capital | - |
| | Balance at 31.03.2022 | 1,43,200 |
| | Change in Equity Share Capital | - |
| | Balance at 31.03.2023 | 1,43,200 |
| B. Other Equity | | |
| | Particulars | Retained Earnings |
| | Balance as at 31.03.2021 | (30,507.00) |
| | Profit for the year | 39,713.48 |
| | Other Comprehensive Income | (21.68) |
| | Balance as at 31.03.2022 | 9,184.80 |
| | Profit for the year | 16,700.74 |
| | Other Comprehensive Income | (1.17) |
| | Balance as at 31.03.2023 | 25,884.37 |

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes. This is the Statement of Profit and Loss 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)

Piyush Sonthalia
Partner
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Kolkata, 20th April, 2023

Prashant Kumar
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Director
(DIN: 01111150)

Pranav Kumar Jha
Chief Financial Officer

Ujjal Chakraborti
Managing Director
(DIN: 07854466)

Kolkata, 20th April, 2023

Notes to Financial Statements

1. Corporate Information

Jamshedpur Continuous Annealing & Processing Company Private Limited is 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 20th April, 2023

(b) Basis of preparation and presentation

These financial statements have been prepared on the historical cost basis except for certain assets and liabilities that are measured at fair value at the end of each reporting year, 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 price is directly observable or estimated using another valuation technique.

(c) Property, Plant and Equipment & Intangible Assets

(i) Property Plant & Equipment –

"Property Plant & Equipment's (including Capital Work in progress) are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Trial run expenses (net of revenue) are capitalised. Borrowing costs during the year of construction are added to the cost of qualifying assets."

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 statement of profit and loss during the reporting year 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:

Notes to Financial Statements

- i) Buildings - 30 to 60 years.
- ii) Roads - 5 Years
- 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 fixtures - 10 years
- vii) Motor vehicles - 5 years
- viii) Electrical installations - 10 years
- ix) Laptop and Desktop - 4 years
- x) Computer & Data Processing Units other than Laptop and Desktop - 4 to 6 years
- xi) Office equipment - 4 to 6 years
- xii) 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 year 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 year 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 (excluding trade receivables that do not contains a significant financing component are measured at transactions value) 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:
 - (i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
 - (ii) Contractual terms of the asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- (II) Debt instruments that meet the following condition are subsequently measured at Fair Value through Other Comprehensive Income (FVOCI):
 - (i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows and selling financial assets, and
 - (ii) Contractual terms of the asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Notes to Financial Statements

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.

Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects company unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

(ii) Financial Liabilities

Initial recognition and measurement

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

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

Trade and Payables

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

Loans and borrowings

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

(f) Foreign Currency Transactions

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

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

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.

Notes to Financial Statements

(g) Investments

Current investments are carried in the financial statements at 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 year 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 towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

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 year 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 live of the assets or based on satisfying stipulation/obligation in this regard.

j) Inventories

Raw material purchased and Finished goods produced are valued at lower of cost and net realizable value. Cost comprises direct materials and where applicable, labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value is the price at which the inventories can be realised in the normal course of business after allowing for the cost of conversion from their existing state to a finished condition and for the cost of marketing, selling and distribution.

Store and spare parts are carried at cost.

Notes to Financial Statements

(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 year in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting year 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 year 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 year 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 year 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 year 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 year 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 year using the projected unit credit method. The benefits are discounted using the market yields on government bonds at the end of the reporting year 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 year 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.

Notes to Financial Statements

(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 using tax rates that have been enacted or substantively enacted by the end of the reporting year.

(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 year 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.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

(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.

Notes to Financial Statements

(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 year. Diluted earnings per share has been computed using the weighted average 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 year in which the estimate is revised and future years 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, recoverable amount of Inventory, employee benefits, Provisions, Contingent liabilities and fair value measurements of financial instruments have been discussed in the respective policies.

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 year. This reassessment may result in change in depreciation and amortisation expense in future years.

Notes to Financial Statements

Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting year. 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 had vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective 1 April 2022. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

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, 2023 which amends certain accounting standards, and are effective 1 April 2023. These amendments are not expected to have a material impact on the Company in the current or future reporting years and on foreseeable future transactions.

Notes to Financial Statements

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

| Particulars | In Rs. Lakhs | | | | | | | | | |
|--|--------------|-----------------------|------------------------|----------|--------------------|--------|-----------------|--------------|------------|--|
| | Building* | Plant and Machineries | Furniture and Fixtures | Vehicles | Office Equipment's | Roads | Railway Sidings | Total Assets | CWIP | |
| Gross Block at 31.03.2021 | 25,292.11 | 2,02,861.03 | 282.47 | 22.82 | 730.45 | 932.64 | 701.30 | 2,30,822.82 | 232.21 | |
| Additions during the year | - | 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) | |
| Gross Block at 31.03.2022 | 25,292.11 | 2,03,101.18 | 282.83 | 30.50 | 757.36 | 932.64 | 701.30 | 2,31,097.92 | 2,585.53 | |
| Additions during the year | - | 3,159.03 | 43.43 | 30.47 | 356.76 | - | - | 3,589.69 | 3,388.98 | |
| Deletions during the year (Refer note (i) below) | - | (557.59) | - | - | (11.32) | - | - | (568.91) | (3,594.90) | |
| Gross Block at 31.03.2023 | 25,292.11 | 2,05,702.62 | 326.26 | 60.97 | 1,102.80 | 932.64 | 701.30 | 2,34,118.70 | 2,379.61 | |
| Accumulated Depreciation at 31.03.2021 | 4,967.80 | 45,078.68 | 192.46 | 22.82 | 595.79 | 932.64 | 278.12 | 52,068.31 | - | |
| 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) | - | |
| Accumulated Depreciation at 31.03.2022 | 5,798.98 | 51,365.15 | 211.37 | 22.82 | 656.49 | 932.64 | 325.58 | 59,313.03 | - | |
| Depreciation during the year | 831.18 | 6,804.27 | 20.44 | 3.94 | 92.54 | - | 47.46 | 7,799.83 | - | |
| Depreciation on assets written off during the year | - | (187.18) | - | - | (11.32) | - | - | (198.50) | - | |
| Accumulated Depreciation at 31.03.2023 | 6,630.16 | 57,982.24 | 231.81 | 26.76 | 737.71 | 932.64 | 373.04 | 66,914.36 | - | |
| Net book value | | | | | | | | | | |
| At 31.03.2023 | 18,661.95 | 1,47,720.38 | 94.45 | 34.21 | 365.09 | - | 328.26 | 1,67,204.34 | 2,379.61 | |
| At 31.03.2022 | 19,493.13 | 1,51,736.03 | 71.46 | 7.68 | 100.87 | - | 375.72 | 1,71,784.89 | 2,585.53 | |

* Represents building constructed on leasehold land.

(i) Assets amounting to Rs. 408.46 Lakhs (31.03.2022 Rs. 2,342.94 Lakhs) have been discarded due to fire incident that took place in the plant during the financial year ended 31.03.2022.

(ii) Included in the carrying value of property, plant and equipment are assets amounting to Rs. 167,204.30 Lakhs (31.03.2022: Rs. 171,784.89 Lakhs) which are pledged as collateral against borrowings. Refer note 14 (iii) and 36.

(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 aging schedule as at 31.03.2023

| Particulars | Amount in CWIP for a year of | | | Total |
|---|------------------------------|-----------|-------------------|----------|
| | Less than 1 year | 1-2 years | More than 3 years | |
| Project in Progress | 1,983.54 | 341.79 | 27.95 | 2,379.61 |
| Projects temporarily suspended | - | - | - | - |
| CWIP aging schedule as at 31.03.2022 | | | | |
| Particulars | Amount in CWIP for a year of | | | Total |
| | Less than 1 year | 1-2 years | More than 3 years | |
| Project in Progress | 2,499.46 | 35.90 | 42.64 | 2,585.53 |
| Projects temporarily suspended | - | - | - | - |

04 - Other Intangible Assets

| Particulars | In Rs. Lakhs | | | Total |
|---|----------------|------------------------|----------|-------|
| | Software Costs | Technological Licences | | |
| Gross Block at 31.03.2021 | 1,590.35 | 3,692.41 | 5,282.76 | |
| Additions during the year | - | 130.29 | 130.29 | |
| Gross Block at 31.03.2022 | 1,590.35 | 3,822.70 | 5,413.05 | |
| Additions during the year | - | 5.21 | 5.21 | |
| Gross Block at 31.03.2023 | 1,590.35 | 3,827.91 | 5,418.26 | |
| Accumulated amortisation at 31.03.2021 | 1,590.35 | 2,145.42 | 3,735.77 | |
| Amortisation during the year | - | 405.66 | 405.66 | |
| Accumulated amortisation at 31.03.2022 | 1,590.35 | 2,551.08 | 4,141.43 | |
| Amortisation during the year | - | 424.05 | 424.05 | |
| Accumulated amortisation at 31.03.2023 | 1,590.35 | 2,975.13 | 4,565.48 | |
| Net book value | | | | |
| At 31.03.2023 | - | 852.78 | 852.78 | |
| At 31.03.2022 | - | 1,271.62 | 1,271.62 | |

Notes to Financial Statements

In Rs. Lakhs

05 - Other Non-current Financial Assets (Unsecured, considered goods)

| | As at 31.03.2023 | As at 31.03.2022 |
|---|------------------|------------------|
| (a) Security Deposits | 2.52 | 2.52 |
| (b) Earmarked balances with banks | 47.12 | - |
| Total Other Non-current Financial Assets | 49.64 | 2.52 |

Note: Earmarked balances with banks in deposit accounts includes fixed deposits held as margin money against Letter of Credit.

06 - Deferred Tax Liabilities (Net)

(I) Components of deferred tax assets and liabilities as at 31.03.2023 is as below

| | Balance as at 31.03.2022 | Recognised/ (reversed) in profit and loss during the year | Recognised in other comprehensive income during the year | Balance as at 31.03.2023 |
|---|--------------------------|---|--|--------------------------|
| Deferred Tax Assets : | | | | |
| Tax Losses | 22,013.33 | (2,599.46) | - | 19,413.87 |
| Expenses allowable for tax purposes when paid / written off | 402.45 | (157.53) | 0.39 | 245.31 |
| | 22,415.78 | (2,756.99) | 0.39 | 19,659.18 |
| Deferred Tax Liabilities : | | | | |
| Property, plant and equipment and intangible assets | 19,571.34 | 1,801.70 | - | 21,373.04 |
| | 19,571.34 | 1,801.70 | - | 21,373.04 |
| Net Deferred Tax Assets/(Liabilities) | 2,844.44 | (4,558.69) | 0.39 | (1,713.86) |
| Disclosed as: | | | | |
| Deferred Tax Assets / (Liabilities) (Net) | 2,844.44 | - | 0.39 | (1,713.86) |

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

| | Balance as at 31.03.2022 | Recognised/ (reversed) in profit and loss during the year | Recognised in other comprehensive income during the year | Balance as at 31.03.2023 |
|---|--------------------------|---|--|--------------------------|
| Deferred Tax Assets : | | | | |
| 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 |
| Deferred Tax Liabilities : | | | | |
| Property, plant and equipment and intangible assets | - | 19,571.34 | - | 19,571.34 |
| | - | 19,571.34 | - | 19,571.34 |
| Net deferred tax assets /(liabilities) | - | 2,844.44 | - | 2,844.44 |
| Disclosed as: | | | | |
| Deferred tax assets (Net) | - | 2,844.44 | - | 2,844.44 |

(ii) The Company had started its commercial operation in March, 2015. 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. 2,844.44 lakhs has been recognised during the financial year ended 31.03.2022 since it has become reasonably certain that future taxable profits will be available for recovery of deferred tax assets.

Notes to Financial Statements

In Rs. Lakhs

| | | As at 31.03.2023 | As at 31.03.2022 |
|--|--|------------------|------------------|
| 07- Other Non-current Assets (Unsecured, considered goods) | | | |
| (a) | Advance with public bodies | 1,601.64 | - |
| Total Other Non-current Assets | | 1,601.64 | - |
| 08- Inventories (Refer note 2j) | | | |
| (I) | Raw Materials | 3,342.36 | 15,190.72 |
| (II) | Finished Goods | 42,289.20 | 21,656.13 |
| (III) | Stores and spares | 8,986.03 | 9,197.28 |
| Total Inventories | | 54,617.59 | 46,044.13 |
| <p>i. Finished Goods includes scrap of Rs. 1,253.92 Lakhs (31.03.2022 Rs. 2,089.44 Lakhs)</p> <p>ii. Finished goods includes materia in transit of Rs. 1,945.05 Lakhs (31.03.2022 Rs. 452.30 Lakhs)</p> <p>iii. Write downs of inventories to net realisable value amounted to Rs. 303.64 Lakhs (31.03.2022 Rs. 446.01 Lakhs). These are recognised as an expenses during the year and included in "change in inventories finished goods" in statement of profit and loss.</p> | | | |
| 09- Trade Receivables | | | |
| (I) | Trade Receivables (Unsecured, considered good) | | |
| (i) | Trade Receivables | 24,903.20 | 24,559.20 |
| (ii) | Trade Receivables from related parties (refer note 26) | 1,320.71 | 990.59 |
| | | 26,223.91 | 25,549.79 |
| (II) | Trade Receivables ageing schedules | | |
| Undisputed Trade Receivables- Considered good (Outstanding for following years from due date of payment) | | | |
| Unbilled | | 165.90 | 200.69 |
| Amounts not yet due | | 22,716.73 | 23,903.40 |
| Less than 6 Months | | 3,332.25 | 1,440.56 |
| 6 Months - 1 Year | | 6.15 | 5.12 |
| 1 Year - 2 Years | | 2.88 | - |
| 2 Years - 3 Years | | - | 0.02 |
| More than 3 Years | | - | - |
| Total | | 26,223.91 | 25,549.79 |
| <p>(III) Average credit period for the trade receivables is in the range of 3 - 52 days</p> <p>(IV) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.</p> | | | |
| 10 - Cash and cash equivalents | | | |
| Balances with banks | | | |
| (a) | In current accounts | 3,102.54 | 2,844.19 |
| (b) | Deposit with maturity less than three months | - | 7,500.00 |
| Total Cash and cash equivalents | | 3,102.54 | 10,344.19 |
| 11 - Other Current Assets | | | |
| (Unsecured, considered good) | | | |
| (a) | Advance with public bodies | 607.76 | 907.39 |
| (b) | GST Input Credit | 10,970.67 | 8,478.47 |
| (c) | Advance to related parties (refer note 26) | 298.05 | 648.27 |
| (d) | Other advances | 457.22 | 522.73 |
| Total Other Current Assets | | 12,333.70 | 10,556.86 |
| <p>Note: The Company has not granted any loans or advances in the nature of loans to promoters, directors, key managerial personnel and related parties (as defined under Companies Act, 2013).</p> | | | |

Notes to Financial Statements

In Rs. Lakhs

12 - Equity Share Capital

| (1) Authorised Share Capital | No. of Shares | Amount In Rs. Lakhs |
|-------------------------------------|----------------|---------------------|
| As at 31.03.2021 | 1,45,00,00,000 | 1,45,000 |
| Increase/(Decrease) during the year | - | - |
| As at 31.03.2022 | 1,45,00,00,000 | 1,45,000 |
| Increase/(Decrease) during the year | - | - |
| As at 31.03.2023 | 1,45,00,00,000 | 1,45,000 |

Terms / rights attached to equity shares

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

| (2) Issued and Subscribed Share Capital | No. of Shares | Amount In Rs. Lakhs |
|--|----------------|---------------------|
| Equity shares of Rs.10 each issued and subscribed | | |
| As at 31.03.2021 | 1,43,20,00,000 | 1,43,200 |
| Increase during the year | - | - |
| As at 31.03.2022 | 1,43,20,00,000 | 1,43,200 |
| Increase during the year | - | - |
| As at 31.03.2023 | 1,43,20,00,000 | 1,43,200 |

| (3) Fully Paid Equity Share Capital | No. of Shares | Amount In Rs. Lakhs |
|--|----------------|---------------------|
| Equity shares of Rs.10 each issued, subscribed and fully paid | | |
| As at 31.03.2021 | 1,43,20,00,000 | 1,43,200 |
| Increase during the year | - | - |
| As at 31.03.2022 | 1,43,20,00,000 | 1,43,200 |
| Increase during the year | - | - |
| As at 31.03.2023 | 1,43,20,00,000 | 1,43,200 |

(4) Shareholders holding more than 5 percent shares in the Company, shares held by the holding company and promoters shareholding.

| Name of Shareholders/Promoters | As at 31.03.2023 | | As at 31.03.2022 | |
|--|-----------------------|-------------------------------|-----------------------|-------------------------------|
| | 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% |
| | <u>1,43,20,00,000</u> | | <u>1,43,20,00,000</u> | |

Notes to Financial Statements

In Rs. Lakhs

| 13- Other Equity | | As at 31.03.2023 | As at 31.03.2022 | |
|---|-------------------------|-------------------------|-------------------------|--------------------|
| Retained Earnings | | | | |
| Balance at the beginning of the year | | 9,184.80 | (30,507.00) | |
| Add: Profit for the year | | 16,700.74 | 39,713.48 | |
| Add: Remeasurement of post employment defined benefit plans (net of tax) | | (1.17) | (21.68) | |
| Total Other Equity | | 25,884.37 | 9,184.80 | |
| 14 - Borrowings | | As at 31.03.2023 | As at 31.03.2022 | |
| (I) Non-current Borrowings | | | | |
| Secured Borrowings | | | | |
| Term loan from banks and financial institutions | | 29,947.36 | 44,698.78 | |
| Total Non-current Borrowings | | 29,947.36 | 44,698.78 | |
| (II) Current Borrowings | | | | |
| Secured Borrowings | | | | |
| Current maturities of long-term borrowings (Refer note 14 (III)(E)) | | 19,759.05 | 34,133.75 | |
| Working Capital demand loan from banks | | 4,000.00 | - | |
| Bill Discounted (Export Sales) [Refer note 27 (b)] | | - | 1,873.41 | |
| Unsecured Borrowings | | | | |
| Bills Discounted (Domestic Sales) [Refer note 27 (b)] | | 1,261.15 | 771.04 | |
| Total Current Borrowings | | 25,020.20 | 36,778.20 | |
| Net Debt Reconciliation | | As at 31.03.2023 | As at 31.03.2022 | |
| Cash and Cash Equivalents | | 3,102.54 | 10,344.19 | |
| Current Borrowings | | (25,020.20) | (36,778.20) | |
| Non-Current Borrowings (Including Accrued Interest 31.03.2023 Rs. 900.43 Lakh and 31.03.2022 Rs. 316.57 Lakh) | | (30,847.79) | (45,015.35) | |
| | | (52,765.46) | (71,449.36) | |
| Particulars | Cash and bank overdraft | Non Current Borrowings | Current Borrowings | Total |
| Net debt as at 01.04.2022 | 10,344.19 | (45,015.35) | (36,778.20) | (71,449.36) |
| Cash Flow | (7,241.65) | (10,000.00) | 36,301.16 | 19,059.51 |
| Reclassification from Non current to current | - | 25,825.36 | (25,825.36) | - |
| Forex Adjustment | - | (1,010.01) | 1,313.74 | 303.73 |
| Interest Expenses | - | (3,918.09) | (330.75) | (4,248.84) |
| Interest Paid | - | 3,334.21 | 330.75 | 3,664.96 |
| Net Loan Processing Cost | - | (63.91) | (31.54) | (95.45) |
| Net debt as at 31.03.2023 | 3,102.54 | (30,847.79) | (25,020.20) | (52,765.45) |
| Particulars | Cash and bank overdraft | Non Current Borrowings | Current Borrowings | Total |
| Net debt as at 01.04.2022 | 8,565.81 | (77,822.34) | (22,489.13) | (91,745.66) |
| 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) |
| Net debt as at 31.03.2023 | 10,344.19 | (45,015.35) | (36,778.20) | (71,449.36) |

Notes to Financial Statements

(III) Additional Information

(i) Non Current Borrowings

- A. Indian Rupee Loan from HDFC Bank, amounting to Rs. 2,850 Lakhs is outstanding as on 31.03.2023 (31.03.2022 :Rs 5,850 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 is NIL (31.03.2022: USD 15.87 Million equivalent to Rs. 12,026.90 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 EXIM Bank, Central Bank and ICICI Bank amounting to Rs. 15,718.75 Lakhs outstanding as on 31.03.2023 (31.03.2022 :Rs 32,343.75 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. During the year ICICI Bank loan amounting to Rs. 15,093.75 lakh fully repaid and Rs. 10,000 Lakhs borrowed from Central Bank of India.
- D. Foreign currency loan (External Commercial Borrowing) from Sumitomo Mitsui Banking Corporation amounting to USD 38.06 Million (equivalent to Rs. 31,280.71 Lakhs) is outstanding as on 31.03.2023 (31.03.2022 : USD 38.06 Million equivalent to Rs.28,850.42 Lakhs). Interest is payable semi annually, commenced from 08.05.2020. The Loan is repayable in 3 annual instalments commenced 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.
- E. The outstanding balances as indicated in (i) A to (i) D are inclusive of current maturity of long term borrowings amounting to Rs. 19,759.05 Lakhs (31.03.2022:Rs 34,133.75 Lakhs) and loan processing cost amounting to Rs. 143.05 Lakhs (31.03.2022 :Rs. 238.54 Lakhs).
- F. 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 9.6% during the year.

(ii) Current Borrowings

- A. Working Capital Demand loan from HDFC Bank, amounting to Rs. 4,000 Lakhs as at 31.03.2023 (31.03.2022 :Rs NIL). This credit facility is secured through first charge on hypothecation of all items of inventory and book debts of the Company.
- B. Export Receivables amounting to Rs. NIL discounted till 31.03.2023 (31.03.2022: Rs 1,873.41 Lakhs) with HDFC Bank and the same has lien on Cash Credit facility.
- C. Domestic Receivables amounting to Rs. 1,261.15 Lakhs discounted as at 31.03.2023 (31.03.2022: Rs 771.04 Lakhs) with HDFC Bank.

(iii) The company has not defaulted in repayment of any dues to any bank or any financial institutions during the year and as at year end.

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

| | | |
|--|------------------|------------------|
| In one year or less or on demand | - | - |
| Between one and two years | 17,020.66 | 15,529.32 |
| Between two and three years | 12,989.41 | 13,335.56 |
| Between three and four years | - | 13,773.06 |
| Between four and five years | - | 2,187.50 |
| More than 5 years | - | - |
| Total contractual cash flows | 30,010.07 | 44,825.44 |
| Less: Capitalisation of transactions cost | 62.71 | 126.66 |
| Total Non-Current Borrowings | 29,947.36 | 44,698.78 |
| Total Current Borrowings | 5,261.15 | 2,644.45 |
| Total Current Maturity of Long Term Borrowings | 19,759.05 | 34,133.75 |
| Total Borrowings | 54,967.56 | 81,476.98 |

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

| | | |
|-------------------------|-----------|-----------|
| Fixed | - | - |
| Floating | 18,568.75 | 38,193.75 |
| USD (In million) | | |
| Fixed | - | - |
| Floating | 38.06 | 53.93 |

(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.

(vi) 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 year.

(vii) Loans taken during the year have been utilised for the intended purpose.

Notes to Financial Statements

In Rs. Lakhs

| | | As at 31.03.2023 | As at 31.03.2022 |
|--|---|------------------|------------------|
| 15 - Provisions | | | |
| (I) | Non current Provisions | | |
| | Provision for employee benefits | | |
| | Provision for gratuity | 115.27 | 130.81 |
| | | 115.27 | 130.81 |
| (II) | Current Provisions | | |
| | Provision for employee benefits | | |
| | Provision for compensated absences* | 270.27 | 242.30 |
| | | 270.27 | 242.30 |
| | Total Provisions | 385.54 | 373.11 |
| <p>*The entire amount of provision of compensated absences of Rs. 270.27 Lakhs (31.03.2022: Rs. 242.30 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> | | | |
| 16 - Trade Payables | | | |
| | Total outstanding dues of Micro enterprises and Small enterprises (Refer note 35) | 1,032.30 | 1,464.90 |
| | Total outstanding dues to creditors other than Micro enterprises and Small enterprises | 39,854.11 | 26,813.36 |
| | Total Trade Payables | 40,886.41 | 28,278.26 |
| (I) | Trade Payables ageing schedule : Dues to Micro enterprises and small enterprises (Undisputed) | | |
| | Unbilled Dues | - | - |
| | Amounts not yet due | 712.38 | 869.32 |
| | Less than 1 Year | 295.37 | 526.64 |
| | 1 Year - 2 Years | 0.99 | 11.46 |
| | 2 Years - 3 Years | 1.31 | 43.34 |
| | More than 3 Years | 22.25 | 14.14 |
| | | 1,032.30 | 1,464.90 |
| (II) | Trade Payables ageing schedule: Dues to creditors other than Micro enterprise and small enterprises (Undisputed) | | |
| | Unbilled Dues | 1,784.15 | 16,995.35 |
| | Amounts not yet due | 34,730.33 | 6,059.55 |
| | Less than 1 Year | 2,910.80 | 2,231.58 |
| | 1 Year - 2 Years | 171.16 | 527.10 |
| | 2 Years - 3 Years | 183.55 | 382.00 |
| | More than 3 Years | 74.12 | 617.78 |
| | | 39,854.11 | 26,813.36 |
| 17 - Other Financial Liabilities | | | |
| (a) | Interest accrued but not due on borrowings | 900.43 | 316.57 |
| (b) | Derivative financial liability | - | 26.34 |
| (c) | Creditors for capital supplies/services | 312.69 | 2,685.37 |
| (d) | Employees benefit payables | 788.64 | 1,110.18 |
| (e) | Payable to Bank (Against Bill Discounting) | - | 320.19 |
| | Total Other Financial Liabilities | 2,001.76 | 4,458.65 |
| 18 - Other Current Liabilities | | | |
| (a) | Advance from customers | 1,788.36 | 2,513.49 |
| (b) | Statutory tax payables | 389.00 | 1,787.83 |
| (c) | Other current liabilities | 11.25 | 9.27 |
| | Total Other Current Liabilities | 2,188.61 | 4,310.59 |

Notes to Financial Statements

In Rs. Lakhs

| | | Year ended 31.03.2023 | Year ended 31.03.2022 |
|--|--|--------------------------|--------------------------|
| 19 - Revenue From Operations | | | |
| (I) | Revenue from contracts with customer | | |
| | (a) Sale of Products | 3,92,581.68 | 3,61,502.04 |
| | (b) Sale of Services | 1,246.57 | 1,069.62 |
| (II) | Other Operating Income | 2,382.75 | 1,893.62 |
| Total Revenue From Operation | | 3,96,211.00 | 3,64,465.28 |
| 20 - Other Income | | | |
| (I) | Interest income on bank deposits | 53.49 | 217.25 |
| (II) | Gain on sale of current investments(net) | 74.15 | 63.96 |
| (III) | Insurance claim received | 3,546.09 | 700.00 |
| (IV) | Provision/Liability written back | 2,450.02 | - |
| (V) | Interest on Income Tax Refund | 68.76 | 21.31 |
| (VI) | Other Miscellaneous Income | 110.85 | 113.78 |
| Total Other Income | | 6,303.36 | 1,116.30 |
| 21 - Cost of Raw Materials Consumed | | | |
| Full hard cold rolled coils | | 3,31,509.73 | 2,67,716.52 |
| Total Cost of Raw Materials Consumed | | 3,31,509.73 | 2,67,716.52 |
| 22 - Changes In Inventories of Finished Goods | | | |
| Inventories at the end of the year | | | |
| Finished goods | | 42,289.20 | 21,656.13 |
| | | 42,289.20 | 21,656.13 |
| Inventories at the beginning of the year | | | |
| Finished goods | | 21,656.13 | 21,701.50 |
| Net Change in Inventories | | (20,633.07) | 45.37 |

Notes to Financial Statements

In Rs. Lakhs

| | | Year ended 31.03.2023 | Year ended 31.03.2022 |
|--|---|--------------------------|--------------------------|
| 23 - Employee Benefits Expense | | | |
| (I) | Salaries and wages, including bonus | 3,681.31 | 3,798.39 |
| (II) | Contribution to provident and other funds | 116.89 | 103.95 |
| (III) | Contribution to gratuity funds | 64.18 | 62.17 |
| (IV) | Staff welfare expenses | 211.25 | 46.83 |
| Total Employee Benefits Expense | | 4,073.63 | 4,011.34 |
| 24- Finance Costs | | | |
| (I) | Interest expense | | |
| (a) | On Long Term Borrowings | 3,918.09 | 4,048.30 |
| (b) | On Short Term Borrowings | 330.75 | 12.63 |
| (II) | Other borrowings cost | 238.77 | 233.23 |
| (III) | Interest Swap cost | 993.47 | 2,608.21 |
| Total Finance Cost | | 5,481.08 | 6,902.37 |
| 25 - Other Expenses | | | |
| (I) | Power and fuel | 8,732.32 | 5,359.00 |
| (II) | Rent | 52.34 | 78.47 |
| (III) | Rates and taxes | 389.33 | 49.46 |
| (IV) | Insurance charges | 749.26 | 299.56 |
| (V) | Consumption of Stores & Spares | 2,585.86 | 1,639.04 |
| (VI) | Operation & Maintenance Services | 1,819.70 | 1,727.68 |
| (VII) | Freight and handling charges | 22,467.71 | 18,754.56 |
| (VIII) | Roll grinding & texturing expenses | 289.78 | 292.39 |
| (IX) | Conversion charges | 5,960.26 | 4,849.13 |
| (X) | Packing Charges | 3,840.96 | 3,018.99 |
| (XI) | Repairs to Machinery | 2,465.78 | 2,707.98 |
| (XII) | Repairs to Building | 292.87 | 71.49 |
| (XIII) | Loss on Property, Plant & Equipment Discarded / Written Off | 286.38 | 1,904.25 |
| (XIV) | Allowance for doubtful debts/Bad Debt Written off | 0.02 | - |
| (XV) | Sales Commission | 1,112.09 | 963.57 |
| (XVI) | Expenses towards Corporate Social Responsibility | 401.21 | 159.21 |
| (XVII) | Others * | 1,153.81 | 73.05 |
| Total Other Expenses | | 52,599.68 | 41,947.88 |
| * Others include: | | | |
| (a) | (Gain)/Loss on cancellation of forwards, swaps and options | 143.52 | (22.74) |
| (b) | Net loss on foreign currency transactions | 3,024.30 | 1,566.38 |
| (c) | Change in Fair value of Swaps and Derivatives | (3,698.77) | (2,502.49) |
| (d) | Legal and other professional costs | 202.03 | 67.17 |
| (e) | Auditors remuneration and out-of-pocket expenses | | |
| (i) | Statutory Audit Fees (Including quarterly reviews) | 12.20 | 12.20 |
| (ii) | Tax Audit Fees | 1.50 | 1.50 |
| (iii) | For Other services | 1.00 | 2.50 |
| (iv) | Auditors out of pocket expenses | 0.55 | 1.17 |
| (f) | Cost Audit Fees [Including out of pocket expenses] | 1.80 | 1.60 |

Notes to Financial Statements

26. Related party transactions

List of Related Party and relationships

Name of Party

A. Ultimate Parent Company - Tata Steel Limited

B. Holding Company – Tata Steel Downstream Products Limited

C. Fellow Subsidiaries and Joint Ventures of Ultimate Holding Company

- i) TM International Logistics Limited
- ii) TKM Global Logistics Limited
- iii) T S Global Procurement Company Pte Ltd
- iv) Tata Steel Ticaret A.S
- v) Tata Steel International (Middle East) FZE

- vi) Tata Steel Foundation
- vii) Tata Steel Utilities and Infrastructure Services Ltd
- viii) Jamipol Limited
- ix) Metal Junction Services Limited

D. Co-Venturer Group

- i) Nippon Steel Corporation
- ii) Nippon Steel Engineering Company Ltd.

- iii) Nippon Steel Engineering India Pvt Ltd

E. Trustee of Company Employees Post Retirements Benefits

JCAPCPL Employees Gratuity Trust

F. Key Management Personnel –

- Mr. Rajeev Singhal- Director
- Mr. Hiroshi Ebina- Chairman
- Mr. Dibyendu Dutta- Director
- Ms. Jaya Singh Panda- 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)
- Mr. Soichi Yonezawa- Director

The Company routinely enters into transactions with these related parties in the ordinary course of business at market rates and terms.

Related Party Transactions/Balances

Amount In Lakhs

| Transaction | Holding | Ultimate Holding | Fellow Subsidiaries and Joint Ventures of Ultimate Holding Company | Co-Venturer having significant influence | Key Management Personnel | Trustee of Company Employees Post Retirements Benefits | Gross Total |
|---|------------------|--------------------|--|--|--------------------------|--|--------------------|
| Receiving of Services | 3,070.06 | 11,325.76 | 1,655.13 | - | - | - | 16,050.95 |
| | 2,187.94 | 7,525.66 | 2,688.19 | - | - | - | 12,401.79 |
| Expenditure towards Corporate Social Responsibility | - | - | 93.00 | - | - | - | 93.00 |
| | - | - | 111.25 | - | - | - | 111.25 |
| Rental Expenses | - | 26.19 | - | - | - | - | 26.19 |
| | - | 67.32 | - | - | - | - | 67.32 |
| Purchase of Goods | - | 3,19,137.00 | - | 250.98 | - | - | 3,19,387.98 |
| | - | 2,82,026.39 | - | 1,219.57 | - | - | 2,83,245.96 |
| Outstanding Payable - Vendor | 474.27 | 32,164.07 | 511.04 | - | - | - | 33,149.38 |
| | 314.84 | 20,499.02 | 232.26 | - | - | - | 21,046.12 |
| Rendering of Services | - | 1,300.24 | - | - | - | - | 1,300.24 |
| | - | 1,212.32 | - | - | - | - | 1,212.32 |
| Sale of Goods | 16,353.02 | 4,526.70 | 5.15 | - | - | - | 20,884.87 |
| | 10,769.86 | 4,476.00 | - | - | - | - | 15,245.86 |
| Outstanding Receivables-Debtors | 1,015.47 | 305.24 | - | - | - | - | 1,320.71 |
| | 424.16 | 566.43 | - | - | - | - | 990.59 |
| Outstanding Receivables-Advances | - | 298.05 | - | - | - | - | 298.05 |
| | - | 648.27 | - | - | - | - | 648.27 |
| Contribution to fund | - | - | - | - | - | 81.28 | 81.28 |
| | - | - | - | - | - | 105.02 | 105.02 |
| Balance payable to Fund | - | - | - | - | - | 115.27 | 115.27 |
| | - | - | - | - | - | 130.81 | 130.81 |
| Managerial Remuneration/ Sitting Fees | - | - | - | - | 285.33 | - | 285.33 |
| | - | - | - | - | 469.92 | - | 469.92 |
| The remuneration of key management personnel during the year are as follows | | | | | | 31.03.2023 | 31.03.2022 |
| Short term benefits | | | | | | 285.33 | 469.92 |
| Post employments benefits | | | | | | - | - |
| Total | | | | | | 285.33 | 469.92 |

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

Note

- Nippon Steel Corporation has given financial guarantee for External Commercial Borrowing taken by the Company [Refer note 14(III)(i)(B)]. Entire loan repaid during the year.
- Tata Steel Limited has given financial guarantee for fulfilment of Export Obligation under Export Promotion Credit Guarantee Scheme of Rs. 16,755 Lakh (31.03.2022 Rs. 17,718 Lakh). Current outstanding amount of Export Obligation is Rs. 1,844.26 Lakhs (31.03.2022 Rs. 3,755.81 Lakhs) (Refer Balance Sheet).
- Figures in italics are in respect of previous year.

Notes to Financial Statements

In Rs. Lakhs

| 27. Financial Assets and Liabilities | | | | | |
|---|-----------------------|--|---|-----------------------------|-------------------------|
| (a) The following table represent carrying amount and fair value of each category of financial assets and liabilities | | | | | |
| As at 31.03.2023 | | | | | |
| Particulars | Amortised Cost | Fair Value through other comprehensive income | Fair value through profit & loss | Total Carrying Value | Total Fair Value |
| Financial Assets | | | | | |
| Trade Receivables | 26,223.91 | - | - | 26,223.91 | 26,223.91 |
| Derivative financial assets | - | - | 4,420.10 | 4,420.10 | 4,420.10 |
| Other financial assets | 50.88 | - | - | 50.88 | 50.88 |
| Cash and cash equivalents | 3,102.54 | - | - | 3,102.54 | 3,102.54 |
| Total financial assets | 29,377.33 | - | 4,420.10 | 33,797.43 | 33,797.43 |
| Financial Liabilities | | | | | |
| Borrowings | 54,967.56 | - | - | 54,967.56 | 54,967.56 |
| Derivatives financial liabilities | - | - | - | - | - |
| Trade Payables | 40,886.41 | - | - | 40,886.41 | 40,886.41 |
| Other financial liabilities | 2,001.76 | - | - | 2,001.76 | 2,001.76 |
| Total financial liabilities | 97,855.73 | - | - | 97,855.73 | 97,855.73 |
| As at 31.03.2022 | | | | | |
| Particulars | Amortised Cost | Fair Value through other comprehensive income | Fair value through profit & loss | Total Carrying Value | Total Fair Value |
| Financial Assets | | | | | |
| Trade Receivables | 25,549.79 | - | - | 25,549.79 | 25,549.79 |
| Derivative financial assets | - | - | 3,192.54 | 3,192.54 | 3,192.54 |
| Other financial assets | 3.53 | - | - | 3.53 | 3.53 |
| Cash and cash equivalents | 10,344.19 | - | - | 10,344.19 | 10,344.19 |
| Total financial assets | 35,897.51 | - | 3,192.54 | 39,090.05 | 39,090.05 |
| Financial Liabilities | | | | | |
| 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 |
| Total financial liabilities | 1,14,187.55 | - | 26.34 | 1,14,213.89 | 1,14,213.89 |
| The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into level 1 to level 3, as described below: | | | | | |
| Quoted price is an active market (Level 1): | | | | | |
| This level of hierarchy includes financial assets that are measured by reference to quoted price in active markets for identical assets and liabilities. | | | | | |
| Valuation techniques with observable inputs (Level 2): | | | | | |
| This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within level 1 that are observable for the assets and liability, either directly or indirectly. | | | | | |
| Valuation techniques with significant unobservable inputs (Level 3) | | | | | |
| This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data. Fair values are determined in whole or in part, using a valuation model based on the assumption that are neither supported by prices and observable current market transactions in the same instrument nor are they based on available market data. | | | | | |
| As at 31.03.2023 | | | | | |
| Financial assets and liabilities measured at fair value | Level-1 | Level-2 | Level-3 | Total | |
| Derivative financial assets | - | 4,420.10 | - | 4,420.10 | |
| Derivative financial liabilities | - | 4,420.10 | - | 4,420.10 | |
| | - | - | - | - | |
| | - | - | - | - | |
| As at 31.03.2022 | | | | | |
| Financial assets and liabilities measured at fair value | Level-1 | Level-2 | Level-3 | Total | |
| Derivative financial assets | - | 3,192.54 | - | 3,192.54 | |
| Derivative financial liabilities | - | 3,192.54 | - | 3,192.54 | |
| | - | 26.34 | - | 26.34 | |
| | - | 26.34 | - | 26.34 | |

Notes to Financial Statements

In Rs. Lakhs

- Notes
- i. The short term financial assets and liabilities are stated at amortized cost which is approximately to their fair value.
 - ii. Derivatives are fair valued using market observable rates and published prices together with forecast cash flow information where applicable.
 - iii. There is no investment except fixed deposits with bank for the year ended 31.03.2023 and 31.03.2022.
 - iv. There have been no transfer between level 1 and level 2 for the year ended 31.03.2023 and 31.03.2022.

(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.

| Nature of Asset | As at 31-03-2023 | | As at 31-03-2022 | |
|-------------------|-------------------------------|---|-------------------------------|---|
| | Carrying amount of asset sold | Carrying amount of associated Liability | Carrying amount of asset sold | Carrying amount of associated Liability |
| Trade Receivables | 1,261.15 | 1,261.15 | 2,644.45 | 2,644.45 |

(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.

| Nature of Asset | As at 31-03-2023 | | | | As at 31-03-2022 |
|---|------------------|-----------------|----------------|---------------|------------------|
| | In USD | In JPY | In Euro | In GBP | In USD |
| Financial Assets | | | | | |
| Trade Receivables | 3,596.95 | - | - | - | 1,873.41 |
| Derivative Assets | | | | | |
| Foreign exchange forward Contracts | 3,596.95 | - | - | - | - |
| Net Exposure to foreign currency risk (assets) | - | - | - | - | 1,873.41 |
| Financial Liabilities | | | | | |
| Borrowings | 31,280.71 | - | - | - | 40,877.32 |
| Other financial Liabilities (interest on ECB) | 866.41 | - | - | - | 277.57 |
| Bill Discounted (Export Sales) | - | - | - | - | 1,873.41 |
| Trade Payables | 14.08 | 115.16 | 22.21 | 0.60 | - |
| Derivative Liabilities | | | | | |
| Cross Currency Interest Rate Swap | (32,147.12) | - | - | - | (41,154.90) |
| Net Exposure to foreign currency risk (liabilities) | 14.08 | 115.16 | 22.21 | 0.60 | - |
| Net exposure to Foreign Currency Risk (assets-liabilities) | (14.08) | (115.16) | (22.21) | (0.60) | - |

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. 2,870.22 Lakhs (31.03.2022 Rs. 4,115.49 Lakhs) and Rs. 2,870.22 Lakhs (31.03.2022 Rs. 4,115.49 Lakhs) respectively. Out of this Rs. 2,855.01 Lakhs (31.03.2022: 4,115.49 Lakhs), Rs. 2,855.01 Lakhs (31.03.2022: Rs. 4,115.49) is on USD 38.06 Million ECB (31.03.2022: USD 53.93 Million) and receivables of USD 4.38 Million which is fully hedged through a Cross Currency Interest Rate Swap and forward contracts, 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 31.03.2023, a 100 basis points increase in interest rate over the 12 months year would increase the company's net finance expenses by approximately Rs. 495.89 Lakhs (31.03.2022: Rs. 763.80 Lakhs) and decrease equity by approximately Rs. 495.89 Lakhs (31.03.2022: Rs. 763.80 Lakhs).

Derivative Financial Instruments

- (a). 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 counter party for these contracts in generally a bank or a financial institution. These derivatives financial instruments are valued based on inputs that are directly or indirectly observable in the market place.

Notes to Financial Statements

In Rs. Lakhs

| Particulars | As at 31.03.2023 | | As at 31.03.2022 | |
|---|------------------------|------------------|------------------------|------------------|
| | In Instrument Currency | In Rs. Lakhs | In Instrument Currency | In Rs. Lakhs |
| Cross Currency Interest Rate Swaps (USD) | 3,80,62,500 | 31,280.71 | 5,39,29,640 | 40,877.32 |
| Forward Contracts | | | | |
| In USD | 56,83,714 | 4,671.02 | 66,28,159 | 5,023.98 |
| In EURO | 2,32,615 | 207.74 | 48,569 | 40.86 |
| In GBP | 2,684 | 2.73 | 7,114 | 7.08 |
| In JPY | 5,75,90,478 | 355.33 | 3,15,72,806 | 196.60 |
| Total | | 36,517.53 | | 46,145.84 |

(b) The following table sets out the fair value of derivative held by the Company as at end of each reporting period.

| Particulars | As at 31.03.2023 | | As at 31.03.2022 | |
|--|------------------|-------------|------------------|--------------|
| | Assets | Liabilities | Assets | Liabilities |
| (a) Cross Currency Interest Rate Swap | 4,380.03 | - | 3,192.54 | - |
| (b) Foreign currency forward contracts | 40.07 | - | - | 26.34 |
| Total | 4,420.10 | - | 3,192.54 | 26.34 |

Classified as :

| | | | | |
|--------------|----------|---|---------|-------|
| Non -current | 2,919.91 | - | 785.66 | - |
| Current | 1,500.19 | - | 2406.88 | 26.34 |

(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 credit worthiness 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 9.

(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 year

| Particulars | 31.03.2023 | 31.03.2022 |
|---|------------|------------|
| Expiring within one year (Cash Credit and Term Loan) | 29,781.25 | 27,000.00 |

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

| Contractual maturities of financial liabilities 31.03.2023 | 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 | 9,573.65 | 15,526.89 | 17,020.66 | 12,989.41 | - | 55,110.61 |
| Trade Payables | 40,886.41 | - | - | - | - | 40,886.41 |
| Other financial liabilities | 2,001.76 | - | - | - | - | 2,001.76 |
| Contractual maturities of financial liabilities 31.03.2022 | 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 |

Notes to Financial Statements

In Rs. Lakhs

28. Employees Benefits

1. Defined Contribution Plan

Provident Fund and Pension: 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 with the Regional Provident Fund Commissioner (RPFC).

Expenses recognised in relation to these scheme represents the value of contributions payable during the year by them at rates specified by the rules of those plans.

Total cost charged to statement of profit and loss in 31.03.2023 amounted to Rs. 116.89 Lakhs (31.03.2022: Rs. 103.95 Lakhs).

2. Defined Benefit Plan

(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 yearly contribution to gratuity funds established with Life Insurance Corporation of India. 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.

| Change in defined benefit obligation | Year ended 31.03.2023 | Year ended 31.03.2022 |
|---|--------------------------|--------------------------|
| Obligation as at beginning of the year | 398.97 | 419.08 |
| Current service cost | 57.58 | 55.21 |
| Interest cost | 28.08 | 25.06 |
| Actuarial (gain)/loss | 1.56 | 21.67 |
| Benefits paid | (28.72) | (122.05) |
| Obligation as at end of the year | 457.47 | 398.97 |
| Change in Plan Assets | | |
| Fair value of plan assets as at beginning of the year | 268.16 | 267.03 |
| Interest income | 21.48 | 18.10 |
| Expected return on plan assets greater/(lesser) than discount rate | - | - |
| Contributions | 81.28 | 105.08 |
| Benefits paid | (28.72) | (122.05) |
| Fair value of plan assets as at end of the year | 342.20 | 268.16 |
| Amount recognised in the balance sheet consist of | | |
| Fair value of plan assets as at end of the year | 342.20 | 268.16 |
| Present value of obligation as at end of the year | 457.47 | 398.97 |
| Net obligations recognised in the balance sheet | 115.27 | 130.81 |
| Expenses recognised in the statement of profit and loss | | |
| Current service cost | 57.58 | 55.21 |
| Interest cost | 6.60 | 6.96 |
| | 64.18 | 62.17 |
| Expenses recognised in the statement of other comprehensive income | | |
| Actuarial (gain) / loss | 1.56 | 21.68 |
| Total Cost Recognised in the statement of profit and loss | 65.74 | 83.85 |

The assumption used in accounting for the retiring gratuity plans are as follows

| | | |
|---|------------|------------|
| a. Discount rate | 7.30% | 7.30% |
| b. Rate of escalation in salary (Officer/Non Officer) | 10% / 7.5% | 10% / 7.5% |

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

| Assumption | Change in assumption | Impact on scheme |
|-------------------|----------------------|--------------------------------------|
| Discount Rate | Increase by 1%, | Decrease by Rs. 64.64 Lakhs (-14.1%) |
| | decrease by 1% | Increase by Rs. 79.24 Lakhs (17.3%) |
| Salary escalation | Increase by 1%, | Decrease by Rs. 77.18 Lakhs (16.9%) |
| | decrease by 1% | Increase by Rs. 64.32 Lakhs (-14.1%) |

Expected contributions to post employment benefit plan (gratuity) for the year ending 31 March 2024 are Rs. 115.62 Lakhs (31.03.2023 Rs.130.88 Lakhs). 100% of plan assets are invested with LIC India Limited.

The weighted average duration of the defined benefit obligation is 16 years (31.03.2022 17 years). The expected maturity analysis of gratuity is as follows:

| Defined Benefit Obligation (Gratuity) | less than 1 year | Between 1-2 years | Between 2-5 years | Over 5 years | Total |
|--|------------------|-------------------|-------------------|--------------|----------|
| Defined Benefit Obligation (Gratuity) - 31 March 2023 | 12.09 | 14.38 | 60.30 | 6,988.27 | 7,075.04 |
| Defined Benefit Obligation (Gratuity) - 31 March 2022 | 10.33 | 12.47 | 52.87 | 5,345.92 | 5,421.59 |

Notes to Financial Statements

In Rs. Lakhs

3. Other Long Term Benefits

The leave obligation cover the Company's liability for leave encashment scheme and the cost of future availment in the case of accumulated balances of sick leave. Provision is recognised based on actuarial valuation.

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 year 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.

29- Ratios

| | As at 31.03.2023 | As at 31.03.2022 | % change from 31.03.2022 to 31.03.2023 |
|--|---------------------|---------------------|---|
| 1. Current Ratio | 1.4 | 1.2 | 13.9% |
| 2. Debt-Equity Ratio | 0.3 | 0.5 | -39.2% |
| 3. Debt Service Coverage Ratio | 1.1 | 1.8 | -37.9% |
| 4. Return on Equity (ROE): | 10.4% | 30.0% | -65.3% |
| 5. Inventory Turnover Ratio: | 7.8 | 9.4 | -17.1% |
| 6. Trade Receivables turnover ratio: | 15.3 | 12.3 | 24.3% |
| 7. Trade payables turnover ratio: | 9.2 | 8.8 | 5.0% |
| 8. Net capital turnover ratio: | 14.5 | 21.3 | -32.3% |
| 9. Net profit ratio: | 4.2% | 10.9% | -61.3% |
| 10. Return on Capital employed (ROCE): | 11.9% | 19.1% | -37.6% |
| 11. Return on investment. | 9.8% | 15.9% | -38.5% |

1. Reasons for variance of more than 25% in above ratios

| Particulars | % change from 31.03.2022 to 31.03.2023 |
|-----------------------------|--|
| Debt- Equity Ratio | Due to lower debts on account of schedule repayment, early repayment and improvement in Shareholders equity due to profit earned during the year. |
| Debt Service Coverage ratio | Debt Service Coverage Ratio has lowered due to lower profitability on account of steel price drop and lower margin. Further debt repayment and interest cost payment was lower due to reduction in overall debt. |
| Return on Equity ratio | Profit has decreased due to drop in steel price and lower margin. Return on Equity has decrease due to lower profitability during the year. |
| Net Capital Turnover Ratio | Net Capital Turnover ratio has lowered due to higher net working capital on account of higher Inventory, Debtors and Other current Assets. |
| Net Profit ratio | Net Profit ratio has lowered due to lower profitability during the year as compared to last year, mainly due to fall in steel price. |
| Return on Capital Employed | Return on Capital Employed has lowered due to lower profitability during the year on account of price drop and lower margin. |
| Return on Investment | Return on Investment has lowered due to lower profitability during the year on account of price drop and lowered margin. |

2. Description of Ratio

| Ratios | Numerator | Denominator |
|---------------------------------|--|---|
| Current ratio | Current Assets | Current Liabilities |
| Debt- Equity Ratio | Total Debt | Shareholder's Equity |
| Debt Service Coverage ratio | Earnings available for debt service (EBIDTA+ Other adjustment like loss on sale of Fixed Asset etc.) | Debt Service (Interest+Contractual repayment) |
| Return on Equity ratio | Net Profit after taxes less Preference Dividend (if any) | Average Shareholder's Equity |
| Inventory Turnover ratio | Sales | Average Inventory |
| Trade Receivable Turnover Ratio | Net Credit Sales | Average Trade Receivable |
| Trade Payable Turnover Ratio | Net Credit Purchase | Average Trade Payable |
| Net Capital Turnover Ratio | Net Sales | Working Capital |
| Net Profit ratio | Net Profit | Net Sales |
| Return on Capital Employed | Earning before interest and taxes | Capital Employed (Tangible net worth+ Total debt+ Deferred Tax Liability) |
| Return on Investment | Profit Before Tax + Finance cost | Total assets |

Notes to Financial Statements

In Rs. Lakhs

30. Capital Management

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

The Company determines the amount of capital required on the basis of annual operating plans and long term product and other strategic investment plans. The funding requirements are met through equity and 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 31.03.2023 | As at 31.03.2022 |
|---------------------------------|--------------------|--------------------|
| Equity Share Capital | 1,43,200.00 | 1,43,200.00 |
| Other Equity | 25,884.37 | 9,184.80 |
| Total Equity (A) | 1,69,084.37 | 1,52,384.80 |
| Non current borrowings | 29,947.36 | 44,698.78 |
| Current borrowings | 25,020.20 | 36,778.20 |
| Gross debt (B) | 54,967.56 | 81,476.98 |
| Less: Cash and Cash Equivalents | 3,102.54 | 10344.19 |
| Net Debt (C) | 51,865.02 | 71,132.79 |
| Net Debt to Equity (C/A) | 0.31 | 0.47 |

31. Contingent Liabilities

(a) The Deputy Labour Commissioner, Jamshedpur (DLC) had sent a letter 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 year of asset transfer from Tata Steel Limited till the date license was obtained would be Rs.186.54 Lakhs (31.03.2022: Rs. 186.54 Lakhs), excluding interest, if any.

(b) The Company has received a demand notice of Rs. 0.15 Lakhs (31.03.2022: 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 has filed an Appeal against the Order with the Commissioner Appeal of Income Tax.

(c) The Company has received a demand notice of Rs. 56.58 Lakhs (31.03.2022: Rs. 239.0 Lakhs) from Jharkhand Value Added 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- Appeal).

(d) The Company has received a demand notice of Rs. 1.73 Lakhs (31.03.2022: Rs. 26.00 Lakhs) from Jharkhand Value Added Tax Department in connection with non payment of duty on material used in Job Work for FY 2014-15. The Company has not found any merit on the demand and accordingly filed an Appeal against the Order with the Joint Commissioner of Commercial Taxes (JCCT- Appeal).

(e) The Company has received a demand notice of Rs. 10.84 Lakhs (31.03.2022: Rs. 10.84 Lakhs) from Jharkhand Value Added 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.

(f) The Company has received a demand notice of Rs. 84.82 Lakhs (31.03.2022: 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.

(g) The Company has received a demand notice of Rs. 11.32 Lakhs (31.03.2022: 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.

(h) The Company has received a demand notice of Rs. 2.10 Lakhs (31.03.2022: Rs. 2.10 Lakhs) from Jharkhand Value Added 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.

(i) The Company has received a demand notice of Rs. 6,972.14 Lakhs (31.03.2022: 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.

(j) The Company has received a demand notice of Rs. 897.34 Lakhs (31.03.2022: Rs. 448.67) from Central Excise Department in connection with availment of wrong input credit in the F.Y. 2014-15 to 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 CESTAT.

(k) The Company has received a demand notice of Rs. 350.44 Lakhs (31.03.2022: Rs. NIL) from Central Excise Department in connection with availment of wrong input credit in relation to capital goods in the F.Y. 2016-17 and 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 Commissioner (Appeal).

(l) The Company has received a demand notice of Rs. 272.70 Lakhs (31.03.2022: NIL) from Central Excise Department in connection with valuation of goods removed from plant premises to associated company for the F.Y. 2016-17 and 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 Commissioner (Appeal).

(m) The Company has received a demand notice of Rs. 119.50 Lakhs (31.03.2022: NIL) from Service Tax/Central Excise Department in connection payment of service tax on wagon unitisation service provided to TSL in Job Work for the FY. 2016-17 and 2017-18. The Company has not found any merit on the demand and accordingly has filed an Appeal against the Order with the Commissioner (Appeal).

Notes to Financial Statements

In Rs. Lakhs

(n) The Company has received a demand notice of Rs. 249.20 Lakhs (31.03.2022: NIL) from GST Department in connection with reversal of cenvat credit on education cess and S&HE cess during transition to GST regime for the FY. 2017-18. The Company has not found any merit on the demand and accordingly decided to file an Appeal against the Order with the Commissioner (Appeal).

32. Earnings Per Share (EPS)

| Particulars | Year ended 31.03.2023 | Year ended 31.03.2022 |
|--|--------------------------|--------------------------|
| (a) Profit/ (Loss) available to Equity Shareholders (A) (In Rs. Lakhs) | 16,700.74 | 39,713.48 |
| (b) Weighted Average number of Equity Shares (B) (In Number) | 1,43,20,00,000 | 1,43,20,00,000 |
| (c) Nominal value of Ordinary Shares (In Rs.) | 10 | 10 |
| Basic & Diluted earnings/loss per share = A / B (In Rs.) | 1.17 | 2.77 |

33. 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 31.03.2023 | As at 31.03.2022 |
|-------------------|--------------------|--------------------|
| India | 3,69,902.94 | 3,46,170.13 |
| Rest of the world | 23,925.31 | 16,401.53 |
| Total | 3,93,828.25 | 3,62,571.66 |

The Company has more than 10% of revenue from two external customer during the year ended 31.03.2023 amounting to Rs. 90,072.50 Lakhs (31.03.2022 - Rs. 35,543.06 lakhs).

34. Commitment

Estimated amounts of contracts remaining to be executed on Capital Account and not provided for: Rs 1090.84 Lakhs (31.03.2022: Rs 1,422.39 Lakhs).

35. 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 31.03.2023 | As at 31.03.2022 |
|--|------------------|------------------|
| (i) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at the end of accounting year* | 1,032.30 | 1,464.90 |
| (ii) The interest due thereon remaining unpaid to supplier as at the end of the year | 3.36 | 2.23 |
| (iii) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year | 805.84 | 865.88 |
| (iv) Interest paid to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - |
| (v) Interest due and payable for the year, where the principal has been paid but interest under the MSMED Act, 2006 not paid | 6.95 | 5.32 |
| (vi) The amount of interest accrued and remaining unpaid at the end of the year | 24.32 | 14.01 |

*There are no dues of micro, small and medium enterprises pertaining to other financial liabilities.

36. Asset pledged as security

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

| Particulars | As at 31.03.2023 | As at 31.03.2022 |
|---|--------------------|--------------------|
| Current | | |
| Financial Assets | | |
| Trade receivables | 26,223.91 | 25,549.79 |
| Cash and Cash Equipment | 3102.54 | 10344.19 |
| Non Financial Asset | | |
| Inventories | 54,617.59 | 46,044.13 |
| Total current assets pledged as security (A) | 83,944.04 | 81,938.11 |
| Non-Current | | |
| Property, Plant & Equipment | 1,67,204.34 | 1,71,784.89 |
| Total Non-current assets pledged as security (B) | 1,67,204.34 | 1,71,784.89 |
| Total assets pledged as security (A+B) | 2,51,148.38 | 2,53,723.00 |

Notes to Financial Statements

In Rs. Lakhs

37. Corporate Social Responsibility (CSR)

| Particulars | As at 31.03.2023 | As at 31.03.2022 |
|---|------------------|------------------|
| Contribution to Enhancing employability amongst especially abled persons and tribal development | 81.20 | 50.00 |
| Contribution to Tata Main Hospital to Combat Covid-19 (Donation for Oxygen Concentrator) | - | 35.00 |
| Contribution to Promoting education and main streaming of underprivileged children | 74.15 | 21.00 |
| Contribution to Promoting Health Care | 62.48 | 32.94 |
| Contribution to Support to ecological balance and animal welfare | 104.29 | 11.00 |
| Contribution to Promoting special education amongst differently abled children | - | 8.50 |
| Contribution to Promoting sports activities | 77.00 | - |
| Administrative Expenses relating to above | 2.09 | 0.77 |
| Total | 401.21 | 159.21 |
| Amount required to be spent as per Section 135 of the Act | 385.96 | 154.69 |
| Amount spent during the year on | | |
| (i) Construction/acquisition of an asset | - | - |
| (ii) On purposes other than (i) above | 401.21 | 159.21 |

There is no unspent amount of CSR expenses for the year or as at 31.03.2023.

38. **Barrowings/ Quarterly Return** - Company has barrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the company with banks and financial institutions are in agreement with the books of accounts.

39. Relationship with Struck off Company

| Name of the struck off company | Nature of transactions with struck off company | Balance outstanding as at 31.03.2023 | Relationship with the struck off company, if any, to be disclosed | Balance outstanding as at 31.03.2022 | Relationship with the struck off company, if any, to be disclosed |
|--------------------------------|--|--------------------------------------|---|--------------------------------------|---|
| Ford India Ltd. | Receivables | - | Customer | 18.25 | Customer |

- 40. Registration of charges or satisfaction with Registrar of Companies - There is no cases where any charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory year.
- 41. 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.
- 42. The company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- 43. The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- 44. The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- 45. 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:
 - a. 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
 - b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
- 46. 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:
 - a. 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
 - b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- 47. 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.
- 48. The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- 49. 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.

Notes to Financial Statements

In Rs. Lakhs

50. Previous year's figures have been recast / restated where ever necessary, to confirm to current year's presentation.

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
ACS: A19510

Dibyendu Dutta
Director
(DIN: 01111150)

Piyush Sonthalia
Partner
Membership No. 062447
Kolkata, 20th April, 2023

Pranav Kumar Jha
Chief Financial Officer
(DIN: 07854466)

Ujjal Chakraborti
Managing Director
Kolkata, 20th April, 2023

Our Presence

C/o Continental Warehousing Corporation Nhava Seva Limited, Near Nirma Factory, Taluka Viramgam, Village Sachana, Ahemdabad-382150

Plot No. 33A and B, Bata Hardware Road, Industrial Area, NIT, Faridabad, Haryana, 121001

JCAPCPL C/o Tata Steel Limited Block-B Mira Corporate Suites I Plot No-1 & 2 Ishwar Nagar, New Delhi - 1100065

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

Tata Centre, 43, Jawahar Lal Nehru Road, Kolkata, West Bengal - 700071

C/o Swetal Enterprises, Bhandara Road, Mahalgaon, Pardhi Petrol Pump, NH-06, Nagpure, Maharashtra - 441202

Office No. 6 & 7, 2nd Floor, B Wing, Great Eastern Plaza, Airport Road, Pune-411001

Chettinad Sigapi Achi Building 8th floor, 18/3, Rukmini Lakshmi pathy Road, Egmore, Chennai - 600008

2nd Floor, A Wing, Jubilee Building, 45, Museum Road, Bangalor - 560025, India.

Registered Office

Tata Centre, 43, Jawahar Lal Nehru Road, West Begnal - 700071

Factory & Works

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



QUALITY
THAT MAKES 
 **THE MARK**
EVERY TIME 

Jamshedpur Continuous Annealing & Processing Company Private Limited

Registered Office - Tata Centre | 5th Floor | 43, Jawahar Lal Nehru Road | Kolkata – 700071

Works - Mailing Box No. W251 | Inside Tata Steel Works | Jamshedpur 831001

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