

TATA METALIKS

INTEGRATED REPORT & ANNUAL ACCOUNTS
2020- 21



Growing Responsibly

Towards a Sustainable Tomorrow



Integrated Report 01-44

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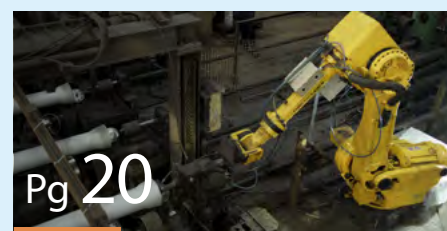
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About the report

The Integrated Report & Annual Accounts 2020-21 is Tata Metaliks' primary communication to shareholders and other stakeholders. The report reflects our integrated thinking and approach to value creation. It provides a holistic view of our strategy, governance and performance, and how they work together to create value for our stakeholders, in line with United Nations Sustainable Development Goals (UN SDGs).

Standards and frameworks

The financial and statutory data presented in this Report is in line with the requirements of the Companies Act, 2013 (including the Rules made thereunder), Indian Accounting Standards, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Secretarial Standards issued by The Institute of Company Secretaries of India. The Report is prepared in accordance with the Integrated Reporting framework of the International Integrated Reporting Council (IIRC) and discloses performance against Key Performance Indicators relevant to Tata Metaliks, aligned to applicable reporting requirements.

Scope and boundary

The report provides an overview of the Company's performance for FY 2020-21. It covers Tata Metaliks' manufacturing operations at Village Maheshpur, PO: Samraipur, Gokulpur, Kharagpur, Paschim Midnapur 721301, West Bengal and Corporate Office at Tata Centre, 10th Floor, 43, J. L. Nehru Road, Kolkata 700071. The report also covers the Company's sales and marketing activities, value chain-related initiatives and other community initiatives. Comparative figures for the previous years have been incorporated, wherever relevant.

Materiality

The report aims to provide a fair, balanced and overall assessment of Tata Metaliks' business model, strategy, performance and prospects in relation to material, financial, economic, social, environmental and governance aspects.

Assurance

Assurance on financial statements has been provided by independent auditors Price Waterhouse & Co. Chartered Accountants LLP and on non-financial statements by Bureau Veritas (BV) as per AA1000 standard. The certificate issued by BV is available on our website at <https://www.tatametaliks.com/static-files/pdf/annual-report/Assurance-Certificate-TML-IR-20-21.pdf>

Management responsibility

To optimise governance oversight, risk management and controls, the contents of this report have been reviewed by the Managing Director and various Senior Executives of the Company.

Forward-looking statements

Certain statements in the Report are forward-looking. These include statements other than historical facts, including those on financial position, business strategy, management plans and objectives for future operations. Such statements include words such as 'believes', 'expects', 'may', 'will', 'plans', 'outlook' etc. regarding future operational/ financial performance. These are based on reasonable assumptions/ data/ that may be incorrect/ imprecise and, not intended to be a guarantee of future. Actual results could differ materially due to various factors. We neither assume any obligation nor intend to update/ revise any forward-looking statements, as a result of new information/ future events or otherwise.

Growing Responsibly Towards a Sustainable Tomorrow

Sustainability is a core business philosophy and an enabler to create long-term value. Innovate and Excel is one of the 6 strategic pillars and a key business priority. In order to grow sustainably, we strive to leverage technology and creativity of our people. For us, challenges are opportunities to innovate, in turn acting as stepping stones in our journey of 'Reaching Tomorrow First'.

As a step forward, our products and processes are designed to progressively reduce our carbon footprint through the adoption of best-in-class technologies. We have embarked on a digitalisation journey which is helping us emerge efficient, profitable, and use resources

effectively. We regularly engage with our stakeholders to integrate their insights into our strategies for value creation. We have the scale, expertise, and commitment to grow sustainably, being equally responsive to the expectations and concerns of all our stakeholders.

A snapshot of our performance, FY 2020-21

₹1,917 crore
Revenue from operations

₹397 crore
EBITDA

₹307 crore
PBT

0.09
Net Debt/ Equity Ratio

₹422 lakh
Contribution to CSR

24,000+
CSR outreach

7.5%
GHG intensity reduction in Hot Metal production (y-o-y)

2,450 m³
Water recycled per day

98%
Materials recycled back into process

Corporate Profile

Evolving through transformation

Tata Metaliks Limited (TML) is a subsidiary of Tata Steel. We are among India’s leading producers of superior quality Pig Iron (PI) and Ductile Iron Pipe (DIP), with best-in-class operational parameters and serving customers worldwide.

In line with our vision of ‘Reaching Tomorrow First’, we entered the niche segment of DIP, working steadfastly towards forward integration and augmenting value-added growth. We remain committed to provide our customers quality products from our state-of-the art and strategically located unit in Kharagpur, West Bengal. Fostering a customer-centric approach and technical efficiency across all our operations, we have maintained our position as a supplier of choice in our chosen product segments.




Vision

Reaching Tomorrow First



Mission

Tata Metaliks strives to become a sustainable organisation through significant contribution to India’s foundry, water and sanitation sectors by optimum utilisation of men, material and assets, responsible use of energy and water resource, being guided by its values.



Values

Pioneering

We will be bold and agile, courageously taking on challenges, using deep customer insight to develop innovative solutions.

Unity

We will invest in our people and partners, enable continuous learning, and build caring and collaborative relationships based on trust and mutual respect.

Integrity

We will be fair, honest, transparent and ethical in our conduct; everything we do must stand the test of public scrutiny.

Responsibility

We will integrate environmental and social principles in our businesses, ensuring that what comes from the people goes back to the people many times over.













Excellence

We will be passionate about achieving the highest standards of quality, always promoting meritocracy.

Products

We set industry benchmarks, serving our customers with quality and innovative products. We have a portfolio of branded pre-calibrated products with an option for modification as per customer requirement.



Product	Pig Iron (PI) 14 primary grades of PI, along with option of customised products as per user need for different types of casting applications	Ductile Iron Pipe (DIP) 5.5 m standard length pipes of 80-800 mm diameter belonging to K class and C class with BIS, ISO, BS EN and WRAS certifications
Brand	 'e' Energy efficient 'Fe' Iron 'e' Environment-friendly	 'Duct' Ductile Iron 'Ura' Ventura, which means happiness and contentment
USP	The branded pig iron, preferred by foundries for its energy efficiency and consistent chemical composition	India's preferred brand across multiple industries due to technological superiority, leak resistance, easy fitment, absolute check over dimensions and strict quality control
Domestic footprint	One of the top three brands the country with a dominant position in Eastern, Western and Northern India	Pan-India presence
Downstream usage	For different types of casting across industries such as: <div> Automotive  Agriculture  Power  Railways  Aluminium smelters  Sanitary castings</div>	Our DI Pipes have diverse applications in transporting water such as: <div> Transmission and distribution of potable water  Transportation of sewage and wastewater  Irrigation  Industrial usage in power plants</div>
Financial impact	52% of Revenue 60% of Sales Volume	48% of Revenue 40% of Sales Volume



Certifications

Manufacturing capacity

6 LTPA
Hot metal

2.55 LTPA
Ductile Iron Pipe

Market share

~20%
Pig Iron

~12%
Ductile Iron Pipe

Presence
Our manufacturing units' strategic location gives us a unique advantage in terms of proximity to raw material sources and fast growing markets in East and North India.





Business Model

Platform for a future-ready business

Our dynamic and agile business model withstood the challenges of a difficult year. It keeps us future-ready, enabling us to learn from and adapt to our internal and external environment.

Inputs



Financial capital

- Net Worth: ₹1,300 crore
- Net debt: ₹118 crore



Manufactured capital

- HM capacity: 6.00 LTPA
- DIP capacity: 2.55 LTPA
- Captive power generation capacity (CPP 1, 2, 3): 16.76MW



Intellectual capital

- Capex on digitalisation/ automation: ₹3.62 crore
- % of employees on improvement projects: 89%



Human capital

- Employees on roll: 1,263
- Investment in employee training and development: ₹53 lakh
- Safety training person hours: 24,656
- Safety visits: 7,289 nos.
- Employee training hours: 29,410



Natural capital

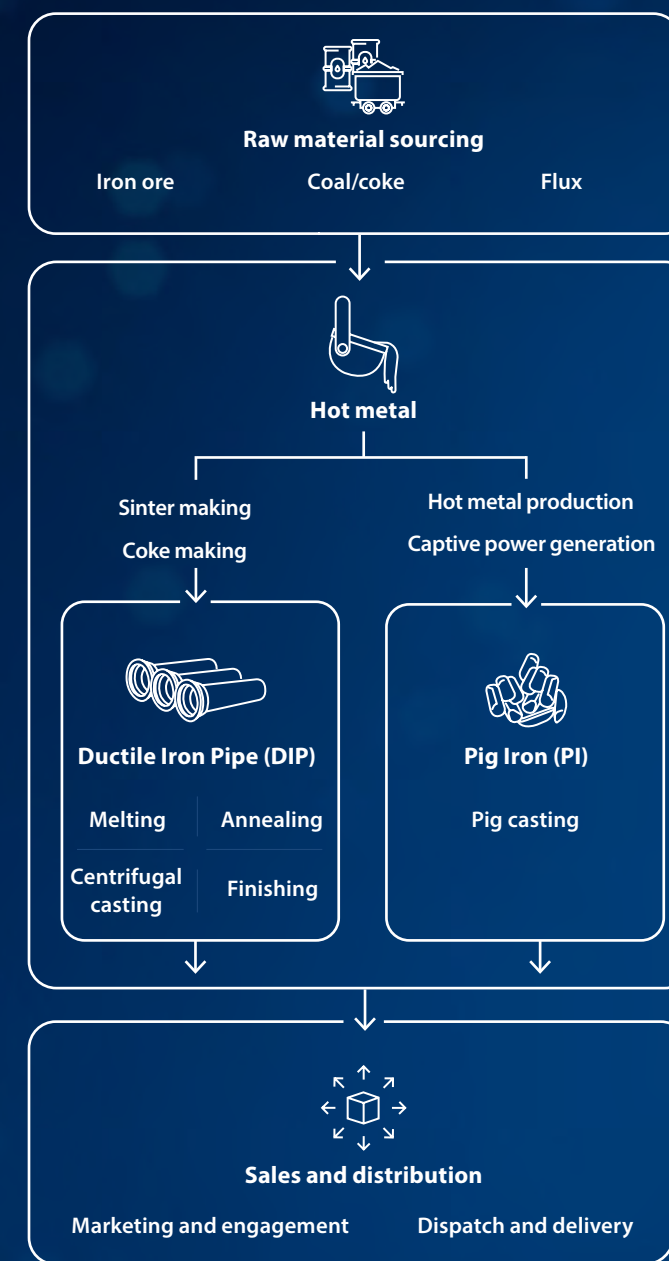
- Energy intensity
 - PI: 17.78 GJ/THM, DIP: 2.28 GJ/TFP
- Water consumption/day: 3,157 m³
- Inbound raw material
 - Iron ore: 268 Kt
 - Coal: 53 Kt
 - Coke: 217 Kt
 - Flux: 40 Kt
- Capex on environment: ₹7.76 crore



Social and relationship capital

- Supplier base: 1,402
- Technical services provided: 46
- Customer service processes: 7
- CSR spend: ₹422.40 lakh

Key business activities and processes



Output

Financial capital

- Turnover: ₹1,917 crore
- EBITDA: ₹397 crore
- PAT: ₹220 crore
- Return on Net Worth: 20%
- Dividend: ₹4 per equity share
- Market capitalisation: ₹2,571 crore (as on March 31, 2021)

Manufactured capital

- HM production: 4.66 LT
- PI production: 2.83 LT
- DIP production: 1.87 LT
- Captive power generated: 1,24,474 MWh

Intellectual capital

- No. of improvement projects: 102
- No of kaizens: 383
- Savings from improvement projects: ₹102 crore

Human capital

- Fatalities: 0
- LTIFR: 0
- Training effectiveness: 4.60 (on 5)
- Health index: 14 (on 16)
- Diversity %women in workforce (permanent): 2.51%
- %AA in workforce: 13%
- Employee engagement score: 4.08/5

Natural capital

- Water recycled/ day: 2,450 m³/ day
- Materials recycled back into process: 98%
- Carbon emission intensity:
 - PI: 1.87 t CO₂e/t of Hot Metal
 - DIP: 0.63 t CO₂e/t of DI Pipe

Social and relationship capital

- Vendor satisfaction score: 6.32 (on 7)
- CSI: PI 95.4, DI 93.5
- CSR outreach: 24,000+
- COVID support: ₹1.50 crore (budget committed)
- EV Hours: 4,289

Operating Environment

Adapting to changing winds

The global business environment is rapidly evolving. The onset of the pandemic has accelerated digitalisation and a growing focus on environmental, social and governance measures for businesses has been observed globally. We are closely monitoring the evolving realities and adapting to the new normal with agility to stay relevant and competitive in the market.

ONGOING COVID CRISIS AND ITS EMERGING DIMENSIONS

Description

During 2020, the pandemic wreaked havoc on almost every business, and the global economy experienced one of the worst crises ever in history. However, a significant recovery was evident towards the second half of the year, aided by Government policies and hopes triggered by the vaccine drive. The International Monetary Fund forecasts that the global economy is likely to grow by 6% in 2021. ICRA expects India's GDP growth to be 8.5% in FY 2021-22, and possibly higher if the vaccination programme is accelerated.

Opportunities or potential risks

In 2021, global steel demand is predicted to rebound strongly in both developed and developing economies. Steel demand in emerging economies is expected to recover faster than in developed economies. However, the rate of recovery will depend on the emerging uncertainties of the pandemic and the pace of the vaccination roll-out.

Our response

The pandemic-induced restrictions heavily affected the manufacturing and service sector. In response, we proactively managed our business operation by enabling AI-based solutions for social distancing and followed stringent protocols inside the plant. Moreover, we have helped underprivileged communities near our plants through our CSR initiatives and voluntary contribution from employees.

DIGITAL FORCING A PARADIGM SHIFT IN STEEL AND METAL INDUSTRY

Description

A revolution has occurred across almost all industry sectors due to the rapid adoption of advanced digital technologies such as Artificial Intelligence. The pandemic has accelerated this trend like never before and companies are leveraging digital for improving manufacturing and people processes as well as for delivering a superior customer experience.

Opportunities or potential risks

Lack of a coherent digital strategy can derail progress. There is a need for equal focus on building a digital first culture, in addition to implementing digital solutions.

Our response

We are implementing digital technologies in our critical processes, as part of our strategic focus on 'Innovate and Excel' with strong focus on Digital Culture and Capability building. Our digital transformation initiative emphasises three primary themes: Real-time Data Analytics, Smart Machines, and Business on Mobile.

INDIA'S RENEWED FOCUS ON WATER INFRASTRUCTURE

Description

Under the UN SDGs, water has been recognised as a critical issue, and member nations around the world are committed universal and equitable access to safe and cheap drinking water for all by 2030. The Indian Government has taken up the cause of water infrastructure and made it the focus of social and economic development through the Jal Jeevan Mission.

Opportunities or potential risks

The Indian Government in its Union budget for 2021-22, allocated ₹50,000 crore for the Jal Jeevan Mission. The allocation for the Department of Water Resources has increased by more than threefold. It offers significant opportunities for manufacturers of pipes (especially DIP), valves, pumping systems, and other auxiliary businesses.

Our response

We are certain that our business' long-term growth drivers remain intact because we operate in a sector that is critical to India's socio-economic progress. In keeping with our strategic priority of 'Focus on Downstream/Value-add,' we are steadily expanding our DIP business.

LOW DEMAND OF PI FROM FOUNDRIES

Description

India is a large producer of Pig Iron (PI). With the Government launching the 'Aatmanirbhar Bharat Abhiyan' to make India self-sufficient, expansion in the industrial sector will keep PI demand at acceptable levels. However, the foundry industry may continue to face a challenging operating environment in the short-term due to rise in input costs, labour shortages etc.

Opportunities or potential risks

The foundry industry is likely to get support from favourable policy initiatives, such as Atmanirbhar Bharat. Policy initiatives in the area of EVs may have a big impact on castings demand for automotive which is a major consumer of PI.

Our response

We manufacture around 5.5 lakh tonnes of hot metal per year, of which over 2 lakh tonnes are converted to DIP and the rest into PI. With this, we will continue to take advantage of the PI industry's prospects by maintaining a solid market share and earning a premium for our superior offerings as the demand revives after the pandemic-induced uncertainties.

REGULATORY COMPLIANCE FOR EMISSION CONTROL

Description

With climate change as one of the most pressing issues of our times, India pledged through its Intended Nationally Determined Contribution (INDC), to reduce the intensity of its greenhouse gas (GHG) emissions by 33-35% by 2030 compared to the 2005 levels. However, due to the economic impact of COVID-19, India's emission forecasts in 2030 are 9-12% lower than earlier projections in 2019.

Opportunities or potential risks

While India has taken appropriate steps to decarbonise its carbon-intensive economy, several recent policy measures targeted at stimulating the economy are expected to result in higher carbon emissions. Substantial efforts have been made to reduce CO₂ emissions throughout industrial sectors, and clean energy resources can be produced through technical innovation, research, green job creation, clean energy production, the adoption of e-mobility, and acceptance of coal-phase-out regulations.

Our response







Even though the Government of India has not mandated any target for emission control, we have taken several steps towards controlling emissions by adopting recycling, energy efficient interventions, utilising byproducts, setting up a 1MWp solar plant, and deploying Electric Vehicles (EVs) inside the plant.



Stakeholder Engagement

Fostering sustainable partnerships

Effective stakeholder communication forms an integral part of our strategy. Over the decades, we have built strong relations with our stakeholders on the basis of mutual trust and respect. We continuously engage with them through multiple channels to understand their concerns and aspirations and focus on addressing them.

<div><div>Customers</div><div></div><div><div>Significance to our business</div><p>Our customers purchase our products and services, providing the basis for revenue growth. In a world increasingly concerned with sustainability, responsible production methods and highly ethical business standards, we want our customers to have total confidence in their choice. Their inputs and feedback help us develop better value offerings that suit their evolving needs</p><div><div>Expectations and aspirations</div><p>Establish parameters on quality, timely delivery, technical service and relationship</p><div><div>Key developments</div><ul style="list-style-type: none">• Timely redressal of queries/complaints• Technical service and knowledge sharing• Channel restructuring• Structured customer engagement plan• Improving customer experience with Customer Relationship Management (CRM) platform• Using data analytics in sales and pricing<div><div>Engagement mechanism</div><ul style="list-style-type: none">• Customer meets and plant visits• Online webinars and training sessions• Tata eFee trials at customer sites to demonstrate energy efficiency• Technical Support</div></div></div></div></div>	<div><div>Employees</div><div></div><div><div>Significance to our business</div><p>The skills, experience, and productivity of our employees drive the development and execution of our strategy. The work environment is evolving fast and we want to attract and retain strong and diverse talent, who can take up the opportunities and challenges we face</p><div><div>Expectations and aspirations</div><p>Safety, ethics, health, environment, productivity, quality, and customer focus</p><div><div>Key developments</div><ul style="list-style-type: none">• Process Safety Risk Management (PSRM)• Contractor Safety Management• Strengthening Reward & Recognition (R&R) process• Digital capability building• Focused approach towards targeted employee segments<div><div>Engagement mechanism</div><ul style="list-style-type: none">• R&R functions• Reverse mentoring• Talent development and succession planning• Digital mindset activation workshop</div></div></div></div></div>	<div><div>Investors</div><div></div><div><div>Significance to our business</div><p>Our investors and shareholders provide the financial capital for the business' long-term growth. Enabling their full understanding of the strategy, as well as the operational and financial performance of the Company helps us build trust and achieve fair value of our shares</p><div><div>Expectations and aspirations</div><p>Value creation and sustainable business</p><div><div>Key developments</div><ul style="list-style-type: none">• Demonstration of ethical and governance practices, transparent and adequate disclosure• Increased market capitalisation<div><div>Engagement mechanism</div><ul style="list-style-type: none">• Annual General Meetings (AGMs)• Investor meets/Analyst conference calls• Disclosures – Enhanced financial and Environment, Social and Governance (ESG) performance</div></div></div></div></div>	<div><div>Community</div><div></div><div><div>Significance to our business</div><p>Stakeholder expectations regarding local issues like skill development, as well as global ones like climate change, are on the rise. This makes engagement with our communities both to maintain our licence to operate and to safeguard our reputation</p><div><div>Expectations and aspirations</div><p>Positive impact on education, essential amenities, employability, entrepreneurship, and employment</p><div><div>Key developments</div><ul style="list-style-type: none">• Impact assessment and diagnostic studies• Focused initiatives on education and essential amenities through 300 Schools Project• Comprehensive air quality study• Water Sustainability Project to become water positive by FY 2024-25• Extending support during the pandemic<div><div>Engagement mechanism</div><ul style="list-style-type: none">• Employee volunteerism• Collaboration with Tata Strive and various NGOs• SA8000 certification• Periodic cultural meets</div></div></div></div></div>	<div><div>Suppliers/ partners</div><div></div><div><div>Significance to our business</div><p>Our suppliers impact our ability to provide quality products and services. To ensure a healthy and sustainable supply chain, we share knowledge and expertise with our partners and find ways of using resources as efficiently as possible, reducing costs for the Company</p><div><div>Expectations and aspirations</div><p>Establishing Service Level Agreements (SLAs), quality, delivery, participation in improvement projects and future direction</p><div><div>Key developments</div><ul style="list-style-type: none">• Participation in joint improvement initiatives including product development• Extension of SA8000 requirement to vendors• De-risking of critical supplies through new vendor development<div><div>Engagement mechanism</div><ul style="list-style-type: none">• Vendor/Supplier meets• Engagement calendar with key suppliers• Structured supplier visits for evaluation and feedback</div></div></div></div></div>	<div><div>Government</div><div></div><div><div>Significance to our business</div><p>Besides ensuring compliance, we try to fulfil our responsibility as a good corporate citizen through our interactions with the government and by offering inputs for the development of regulations and policies that impact our business</p><div><div>Expectations and aspirations</div><p>Meeting statutory and regulatory norms</p><div><div>Key developments</div><ul style="list-style-type: none">• Plant visits• Advocacy platforms• Training programmes on environment and other regulatory norms• Government collaboration for effective COVID-19 response<div><div>Engagement mechanism</div><ul style="list-style-type: none">• Structured stakeholder engagement plan</div></div></div></div></div>
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Materiality

Insights that aid value creation

Our continuous and effective communication with stakeholders helps us gain fresh perspective on existing material topics which strengthens our organisational strategy.

We revisited the materiality assessment conducted in FY 2018-19 to review the material topics in light of the current scenario. We re-assessed the material issues, risks, opportunities and the potential concerns to facilitate the decision-making process.

Key material issues for FY 2020-21



Economic	Environment	Social	Governance
1 Digitalisation and automation	6 Air and GHG emissions	9 Safety	14 Governance mechanism
2 Customer focus	7 Water conservation	10 Increased stakeholder engagement	15 Compliance
3 Product stewardship	8 Waste management	11 Harmonious industrial relations	16 Increased ESG disclosures
4 Emergency preparedness		12 Employee welfare and engagement	
5 Market presence		13 Diversity	

Critical material issues

Our critical material issues are being highlighted for our stakeholders. Our actions towards all material issues including ‘very high’ and ‘high’ ones are provided in the sections on each of our six strategic business pillars.



SAFETY

The safety and well-being of our people is paramount in order to achieve a ‘zero harm’ workplace. We have in place a robust set of safety strategies as well as an effective safety infrastructure based on ISO 45001 standards. We lay emphasis on safety trainings, mass campaigns, the popularising of safety procedures and implementing a robust R&R framework together with safety Kaizens, as well as consequence management.



DIGITALISATION AND AUTOMATION

Our focused 5-year digital strategy roadmap covers the key themes of Real-time Data Analytics, Smart Machines and Business on Mobile, for digital culture and capability building across the organisation. We pioneered the use of robots in plant operations to smoothen human-machine interface and improve productivity in the DIP industry.



INCREASED STAKEHOLDER ENGAGEMENT

Increased stakeholder engagement has become an imperative in times of unprecedented challenges. We continuously engage and collaborate with our business partners through various channels, including post-supply feedback, plant visits and various other interventions. For our communities, we focus need-based initiatives as per the CSR focus areas. The stakeholder engagement framework is detailed separately in this report.



PRODUCT STEWARDSHIP

We are cognisant of the potential impact of our operations and products. We are strengthening our product stewardship by optimising our resource utilisation and waste management. We have adopted state-of-the-art technologies, techniques and processes to minimise our environmental footprint.



CUSTOMER FOCUS

Our customer-focused processes are built around customers’ needs. We believe that putting customers at the core of activities places us in a better position to build relationships, help customers achieve their goals, and increase customer satisfaction. Our robust processes to be the ‘Supplier of Choice’ in our chosen segments helps us partner our customers in the growth journey.



EMERGENCY PREPAREDNESS

Keeping in mind the ongoing situation, it is necessary to devise a plan for emergency preparedness. We have in place several initiatives around indigenous supplier base development, alternate vendor development and conformance to required regulations for seamless operations.



Chairman's Message

Growth through value addition

Koushik Chatterjee
Chairman

Dear Shareholders,
I hope this letter finds you
safe and in good health.

It gives me immense pleasure
to present to you the 4th
Integrated Report and Annual
Accounts of your Company
for the financial year ended
March 31, 2021.

FY 2020-21 was an unprecedented year with the pandemic causing lockdowns, and disrupting business globally. During the year, India's economy contracted by 7.7%. But this does not tell the whole story because a massive contraction in Q1FY21 was succeeded by progressive improvement to relatively normalised conditions by Q4. The steel industry in particular is riding a cyclical upsurge in prices from H2 FY21 aided by a strong demand recovery in China and rising input prices especially iron ore.

The dispatches of DI pipes for the industry in general and particularly for your Company got impacted in H1 FY21 due to closure of project sites and Government Offices. Although it recorded an inevitable financial loss in Q1, the Company showed resilience recovering to a profitable position in Q2. Q3 and Q4 witnessed excellent financial results, on the back of the significant improvement in market conditions and strong operational performance. Your Company ended the year with its highest

ever Profit before tax of ~₹ 307 crore (52% increase y-o-y) compared to ~₹ 202 crore in FY20. Your Company was able to realise an EBITDA margin of 21% and a Return on Capital Employed of 19%, despite the challenges and loss of production and sales in Q1.

The Board is pleased to recommend a dividend of ₹ 4/- per equity share for FY 2020-21.

In the past year, the Company has undertaken several strategic initiatives in line with its six business priorities, which have started yielding results:

- **Cost Leadership:** Improvement in Blast Furnace performance with the lowest ever fuel rates and highest ever pulverised coal injection and oxygen enrichment, led to significant reduction in hot metal production cost. This has been achieved through a systematic performance improvement programme in the areas of both Operations &



The Company is navigating this challenging environment through strong fiscal discipline, focus on operational excellence and customer centricity. Our strategy of growth in the value-added Ductile Iron Pipe segment has yielded positive returns with the Government's added thrust on improving the water infrastructure in the country.



Maintenance. The Company also commissioned a coke plant expansion project and a 15 MW captive power plant; the share of captive coke is now 75-80%, particularly important during this period of significant price premium. With the Ductile Iron Pipes plant continuing to perform well, your Company has achieved the position of one of the lowest cost producers in both its businesses.

- **Supplier of Choice:** Your Company has focussed on restructuring its distribution channel and implementing a CRM platform to enhance customer experience, increase customer intimacy and improve service levels.
- **Robust People Practices:** Your Company has increased its focus on skill building and talent retention through Learning & Development and Employee engagement, by leveraging digital tools. The Company recorded a positive movement by 14 percentile in its Employee Engagement scores.
- **Responsible Corporate Citizenship:** The Company has launched the 'TML 300 schools project', the objective of which is to provide quality school education to all children in the age bracket of 4-14 years in target villages to ensure a child labour free zone.
- **Focus on Downstream/ Value-add:** The Company resumed its Ductile Iron Pipe project implementation to double

its capacity, after a brief halt due to the pandemic

- **Innovate and Excel:** Your Company is building a Digital culture implementing several projects across 'Smart machines', 'Real-time data & analytics' and 'Business on mobile'.

Although the overall demand and price conditions are strong, the overall business environment continues to be uncertain given the threat of additional waves of the pandemic. The Company continues to navigate these challenges through a focus on financial discipline, operational excellence, customer centricity and a thrust towards digitalisation. The Company's strategy of growth in the value-added Ductile Iron Pipe segment continues to yield positive returns with the Government's increased thrust on improving the water infrastructure in the country especially through its flagship JJM (Jal Jeevan Mission) project.

During the year under review, the Board of your Company approved a scheme of amalgamation of your Company into and with Tata Steel Long Products Limited (TSLP). The amalgamation will bring together value-added long products under a single entity, present a single face to customers across complementary products, capture upstream synergies, facilitate sharing of resources and knowledge, and reduce costs, thereby maximising value for the shareholders. The applications to the stock exchanges have been made and are being pursued for an early approval.

The health and safety of our workforce remains a priority for the Company. During the period of highest uncertainty between the end of March 2020 to May 12, 2020, the operations were suspended. A comprehensive plan to prevent the spread of infection with regular testing, isolation and treatment was implemented which helped the Company to continue its business operations throughout the year smoothly.

In line with its commitment towards the community, your Company apart from financial contribution to the State's Disaster Management Authority, along with contributions from its employees provided COVID relief for the vulnerable in nearby communities. The Company is continuing to support the Local Government and private hospitals in strengthening their healthcare facilities.

During the year, the Company also developed a long-term decarbonisation strategy as part of its efforts towards long-term sustainability and be carbon neutral by 2050.

Your Company was recognised as the 'Industry Leader' in the Tata Business Excellence Model assessment process, joining an elite club of a handful of Tata companies with the highest operating standards.

I would like to take this opportunity to thank all our shareholders for their continued support and confidence in the Company and the Management. I also express my sincere gratitude to the Government, our customers, suppliers and partners for their trust and support to the Company. I am also thankful to the Unions for their constructive engagement and strong relationship, the employees, the management team, my colleagues on the Board and other stakeholders for their significant contributions to the Company during FY 2020-21.

Warm regards,

Koushik Chatterjee
Chairman

Responding to COVID-19

Extending support to our stakeholders



With society and business impacted by the disruptions caused by the pandemic, we took proactive measures to extend support to our stakeholders while effectively managing our business. We facilitated work-from-home a week before the nationwide lockdown to safeguard our employees. We further implemented necessary protocols and undertook measures to go beyond the guidelines and ensure safety.

A cross-functional COVID Task Force was constituted to develop and execute a robust SOP for the maintenance of hygiene on our premises and for the resumption of work. This Task Force has been continually updating the SOP based on the evolving guidelines and safety measures announced by State and Central Governments. A special COVID-19 apex body, chaired by the MD, reviewed the situation daily and took necessary actions to combat the challenges head on. Guidelines were prepared and followed during the lockdown and after. A COVID-19 awareness campaign was also

initiated for the workforce through various digital communication channels such as videos played on outdoor LED screens and at all canteens. We enhanced workforce engagement, with majority in work-from-home (WFH) mode, through e-workshops, e-learning modules, etc. This helped build a good connect with employees and to assure them of continuity of work and relieve them from anxiety and mental stress.

For safety leadership capability building, we launched online training for workers and

supervisors during lockdown. An Artificial Intelligence (AI)-based mechanism for the detection of social distancing and face mask violations was also piloted successfully.

Post the nationwide lockdown, operations continued (only basic activities such as maintenance and security) with a drastically reduced workforce. Wearing of masks by all employees remains mandatory and social distancing measures have been implemented at all places inside the plant. Entry of visitors is allowed only as an exception/ emergency basis.

Additionally, a strategy was developed for industrial hygiene during and after the lockdown through screening and monitoring, disinfection and sanitisation, social distancing, containment plan, and prevention and awareness.

We remained focused to ensure extensive COVID testing of all employees working in the plant at regular intervals and also on the basis of contact tracing SOP. Several processes like third party inspection of finished products, technical services to customers etc. were done virtually as far as possible to avoid visit of external persons to the plant.

Community-focused efforts

A special COVID-19 CSR initiative was initiated for nearby communities. A COVID-19 CSR team worked tirelessly to serve the affected communities in the nearby villages around the plant while making sure their basic needs were met. During the pandemic, direct help to the poorest of the poor (including stranded travellers and migrant labourers) was provided by the Company in consultation with the local district administration.

Extending care

We provided special leave of up to 17 days (as per ICMR guidelines) for employees infected with COVID-19 or those recommended home quarantine after contact tracing at the work place. In case any employee is diagnosed/shows symptoms of COVID-19, he/she is provided with all support in getting medical assistance or in arranging the necessary logistics.

Employee focused measures

At the cusp of digital transformation, we seamlessly transitioned to the new normal of a digital workplace. All review meetings were held on Microsoft Teams or Webex system. Informal meetings were also conducted by senior leaders to sustain employee engagement in the new normal. Team meetings were regularly held to ease mental fatigue and foster a culture of digital first.

It is to be noted that, as a policy, we have not made any retrenchment or initiated any salary cuts for employees. Further, to enable ease of working in the new

normal, we came out with a broadband policy to provide additional allowance for availing broadband internet connection by employees.

Our Senior Leaders also took the extra mile for COVID-19 infected colleagues, a practice which is nurtured and part of our open work culture and cherished by employees. To ensure absolute safety of the employees in a pandemic situation, the Company extended all possible support to employees and their families, in our fight in the pandemic together.

₹1.50 crore

Budget Allocation for COVID-19 Relief

As on March 31, 2021

354 (Employees: 201; contract labour: 153)

Total positive cases

31 (Employees: 22; contract labour: 9)

Total hospitalised cases

1 Employee

Deceased

10,031 (Employees: 2,408; contract labour: 7,623)

Total tested





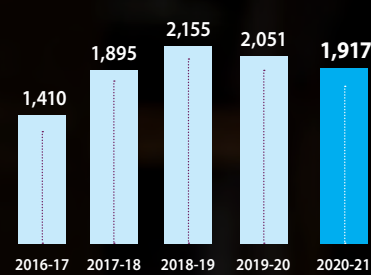
Performance Indicators

Resilience to headwinds

Despite headwinds due to the ongoing COVID-19 pandemic, we have been able to create sustainable value for our stakeholders through efficient cost management and our keen efforts at leveraging our operational excellence. The results are reflected in our growth trajectory.

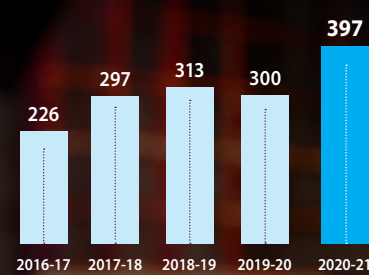
Financial indicators

Turnover (₹ in crore)



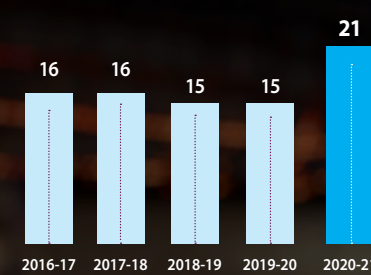
7% y-o-y

EBITDA (₹ in crore)



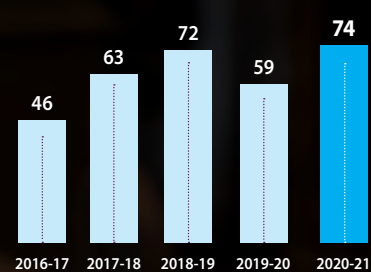
32% y-o-y

EBITDA margin (%)



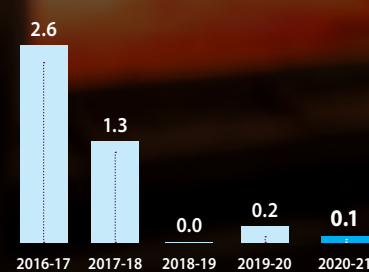
42% y-o-y

EPS (₹)



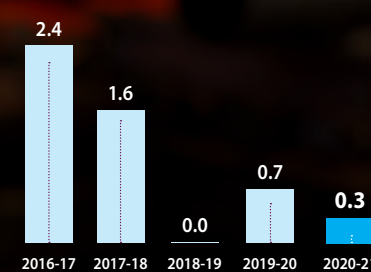
25% y-o-y

Net Debt/ Equity (x)



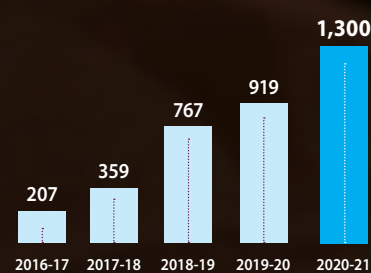
57% y-o-y

Net Debt/ EBITDA (x)



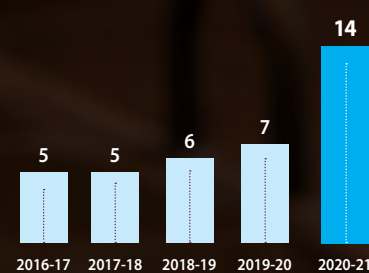
54% y-o-y

Net Worth (₹ in crore)



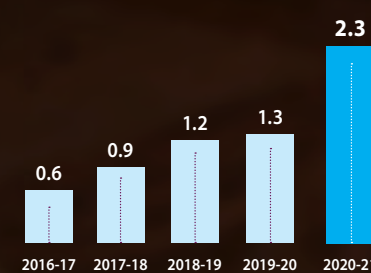
41% y-o-y

Interest Coverage Ratio (%)



97% y-o-y

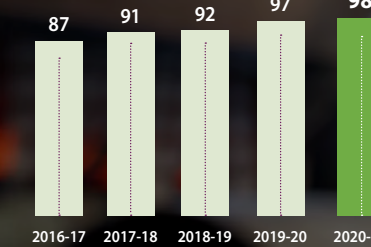
Current Ratio (x)



84% y-o-y

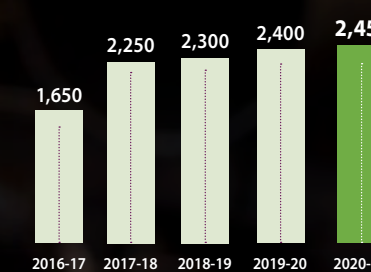
Environment indicators

Materials recycled back into process (%)

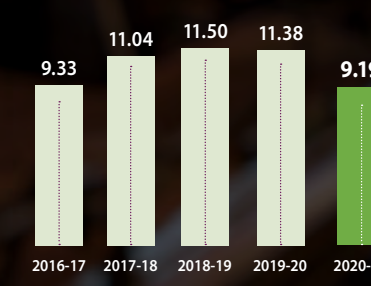


1% y-o-y

Water recycled (m³/ day)



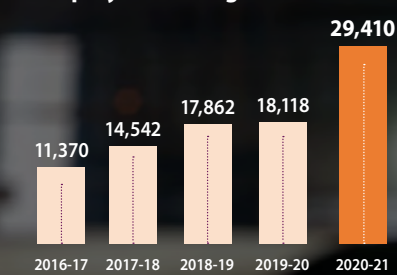
2% y-o-y

Total carbon emissions (LTCO₂e)

19% y-o-y

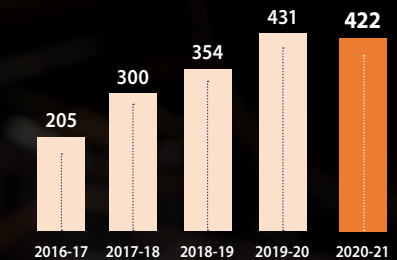
Social indicators

Employee training (hours)



62% y-o-y

Amount contributed for CSR (₹ in crore)



2% y-o-y

Governance indicators

25%
Board diversity

144 nos.
Ethics training hours

100%
Investor complaints resolved during the year

95.4
Customer Satisfaction Index (PI)

93.5
Customer satisfaction index (DIP)