

TATA STEEL TECHNICAL SERVICES LIMITED  
(Formerly known as BHUSHAN STEEL MADHYA  
BHARAT LIMITED)

FINANCIAL STATEMENTS  
for the year ended March 31, 2022



## INDEPENDENT AUDITOR'S REPORT

To the Members of Tata Steel Technical Services Limited (Formerly known as Bhushan Steel Madhya Bharat Limited)

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Tata Steel Technical Services Limited (Formerly known as Bhushan Steel Madhya Bharat Limited) ("the Company"), which comprise the Balance sheet as at March 31 2022, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

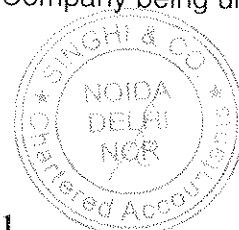
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as 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 audit opinion on the financial statements.

#### Key Audit Matters

Reporting of Key audit matters are not applicable on the Company being unlisted entity.



## Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

## Responsibilities of Management for the Financial Statements

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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the 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.

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.

Board of Directors are also responsible for overseeing the Company's financial reporting process.

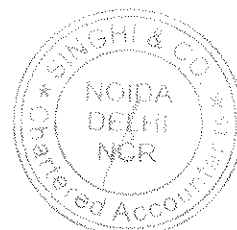


## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system 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.



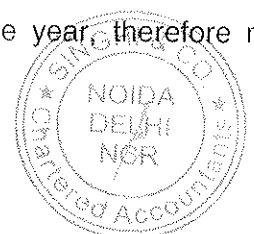
Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

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.

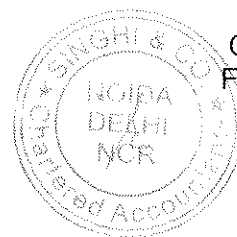
## Report on Other Legal and Regulatory Requirements

1. 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 A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls with reference to these financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
  - (g) The Company has not paid any remuneration to its directors during the year, therefore no compliance under section 197 read with Schedule V of the Act is required;




- (h) 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 did not have any pending litigations which would impact its financial position;
  - 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 amount which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. a. The management has represented that, to the best of it's knowledge and belief, other than 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries 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;  
b. The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any persons or entities, 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; and  
c. Based on such audit procedures, we have 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 (i) and (ii) contain any material mis-statement.
  - v. The Company has not declared and paid any dividend during the year. Therefore, reporting in this regard is not applicable to the Company.

Date: April 27, 2022  
Place: Noida (Delhi – NCR)



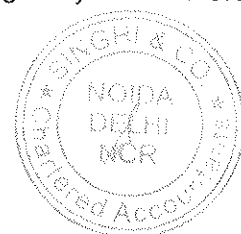
For Singhi & Co.  
Chartered Accountants  
Firm Reg. No. 302049E

  
Bimal Kumar Sipani  
Partner

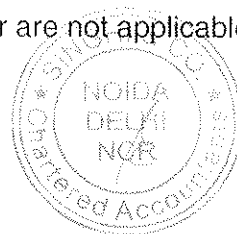
Membership No. 088926  
UDIN : 22088926AHWLLC2825

**Annexure A to Independent Auditor's Report of even date to the members of Tata Steel Technical Services Limited (formerly known as Bhushan Steel Madhya Bharat Limited) on the financial statements as of and for the year ended March 31, 2022 (Referred to in paragraph 1 of our report on the other legal and regulatory requirements)**

- (i) The Company has no property, plant & equipment and intangible assets. Therefore, the provisions of clause 3(i) of the Order are not applicable to the Company.
- (ii) The Company's business does not involve inventories. Therefore, the provisions of clause 3(ii) of the Order are not applicable to the Company.
- (iii) The Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. Therefore, the provisions of clause 3(iii) of the Order are not applicable to the Company.
- (iv) The Company has no transaction with respect to loan, investment, guarantee and security covered under section 185 and 186 of the Companies Act, 2013 during the year. Therefore, the provisions of clause 3(iv) of the Order are not applicable to the Company.
- (v) The Company has not accepted any deposit or amount which are deemed to be deposits covered under sections 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) during the year. Therefore, provisions of clause 3(v) of the Order are not applicable to the Company.
- (vi) The maintenance of cost records has not been prescribed by the Central Government under the section 148 (1) of the Act read with companies (Cost Records and Audit) Rules, 2014, as amended for the services provided by the Company. Therefore, provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii) a. According to the records of the Company examined by us, the Company is regular in depositing undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-tax, Sales tax, Service tax, Duty of customs, Duty of excise, Value Added tax, Cess and other statutory dues as applicable, with the appropriate authorities. There were no undisputed outstanding statutory dues as at the yearend for a period of more than six months from the date they became payable.  
b. According to the information and explanation given to us and the records of the Company examined by us, there are no statutory dues referred to in sub-clause (a) on account of any dispute.
- (viii) According to the information and explanation given to us, there were no transactions which have not recorded in the books of account, have been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year. Therefore, provisions of clause 3(viii) of the Order are not applicable to the Company.



- (ix) a. The Company did not have any outstanding loan or borrowing. Therefore, the provisions of clause 3(ix)(a) of the Order are not applicable to the Company.
- b. According to information and explanations given by the management, the Company is not declared willful defaulter by any bank or financial institution or other lender.
- c. The Company has not obtained term loans during the year. Therefore, the provisions of clause 3(ix)(c) of the Order are not applicable to the Company.
- d. The Company has not raised funds on short term basis during the year. Therefore, the provisions of clause 3(ix)(d) of the Order are not applicable to the Company.
- e. The Company has no subsidiaries, joint ventures or associates. Therefore, the provisions of clause 3(ix)(e) of the Order are not applicable to the Company.
- f. The Company has not raised any loan during the year. Therefore, the provisions of clause 3(ix)(f) of the Order are not applicable to the Company.
- (x) a. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Therefore, the provisions of clause 3(x)(a) of the Order are not applicable to the Company.
- b. The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Therefore, the provisions of clause 3(x)(b) of the Order are not applicable to the Company.
- (xi) a. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, we have neither come across any instance of 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. We have not come across any instance of fraud, therefore report under sub-section 12 of section 143 of the Companies Act, 2013 is not required to be filed by us in Form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c. According to information provided to us by the management, there are no whistle-blower complaints received by the Company during the year.
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- (xiii) As per records of the Company examined by us, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and details for the same have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- (xiv) In our opinion and based on our examination, the Company does not have internal audit system and is not required to have an internal audit system as per provisions of the Companies Act, 2013. Therefore, the provisions of clause 3(xiv) of the Order are not applicable to the Company.



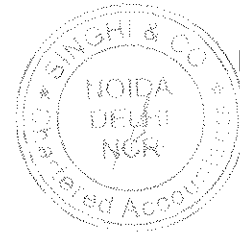


- (xv) According to the information and explanations given to us, in our opinion the Company has not entered into any non-cash transactions with its directors or persons connected with them during the year and hence provision of section 192 of the Companies Act, 2013 are not applicable to the Company. Therefore, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- (xvi) a. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Therefore, the provisions of clause 3(xvi)(a) of the Order are not applicable to the Company.
- b. In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Therefore, the provisions of clause 3(xvi)(b) of the Order are not applicable to the Company.
- c. In our opinion, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Therefore, the provisions of clause 3(xvi)(c) of the Order are not applicable to the Company.
- d. According to the representations given by the management, the Group has 6 (six) CIC as part of the Group.
- (xvii) The Company has not incurred cash losses in the financial year and in the immediately preceding financial year. Therefore, the provisions of clause 3(xvii) of the Order are not applicable to the Company.
- (xviii) There has been no resignation of statutory auditor during the year. Therefore, the provisions of clause 3(xviii) of the Order are not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization 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 the 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) The Company is not required to spent any amount under section 135 of the Companies Act, 2013 towards Corporate Social Responsibility. Therefore, the provisions of clause 3(xx) of the Order are not applicable to the Company.
- (xxi) The Company does not have subsidiary, associate or joint venture. Therefore, the provisions of clause 3(xxi) of the Order are not applicable to the Company.

Date: April 27, 2022  
Place: Noida (Delhi – NCR)



For Singhi & Co.  
Chartered Accountants  
Firm Reg. No. 302049E

  
Bimal Kumar Sipani  
Partner

Membership No. 088926  
UDIN : 22088926AHWLLC2825

**Annexure B to Independent Auditor's Report of even date to the members of Tata Steel Technical Services Limited (formerly known as Bhushan Steel Madhya Bharat Limited) on the financial statements for the year ended March 31, 2022 (Referred to in paragraph 2(f) of our report on the other legal and regulatory requirements)**

We have audited the internal financial controls with reference to financial statements of Tata Steel Technical Services Limited (Formerly known as Bhushan Steel Madhya Bharat Limited) ('the Company') as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

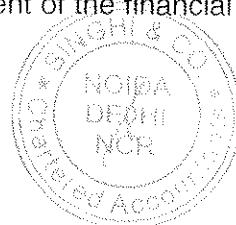
**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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.

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.



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**

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 control 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

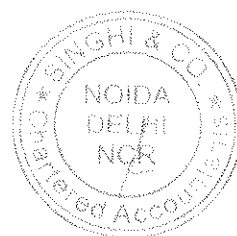
### **Inherent Limitations of Internal Financial Controls with reference to financial statements**

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**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Date: April 27, 2022  
Place: Noida (Delhi – NCR)



For Singhi & Co.  
Chartered Accountants  
Firm Reg. No. 302049E

*B/S*  
Bimal Kumar Sipani  
Partner

Membership No. 088926  
UDIN : 22088926AHWLLC2825

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TATA STEEL TECHNICAL SERVICES LIMITED ( Formerly Known as BHUSHAN STEEL MADHYA BHARAT LIMITED)  
BALANCE SHEET as at March 31, 2022

(₹ in Lakhs)


	Note	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>I Non-current assets</b>			
1 Deferred Tax Assets		111.28	509.14
2 Financial assets			
(i) Other Financial Assets	2	6.62	6.62
<b>Total non-current assets</b>		<b>117.90</b>	<b>515.76</b>
<b>II Current assets</b>			
1 Financial assets			
(i) Trade receivables	3	-	950.20
(ii) Cash and cash equivalents	4	367.57	335.95
2 Contracts assets	5	4,644.04	2,663.64
3 Current tax assets	6	223.53	-
4 Other Current assets	7	38.28	0.80
<b>Total current assets</b>		<b>5,273.42</b>	<b>3,950.60</b>
<b>Total assets</b>		<b>5,391.32</b>	<b>4,466.36</b>
<b>EQUITY AND LIABILITIES</b>			
<b>I Equity</b>			
1 Equity share capital	8	5.00	5.00
2 Other equity	9	228.24	187.60
<b>Total Equity</b>		<b>233.24</b>	<b>192.60</b>
<b>II Non-Current liabilities</b>			
1 Financial liabilities			
Other financial liabilities	10	440.18	-
2 Provisions	11	1,379.21	1,779.52
		<b>1,819.38</b>	<b>1,779.52</b>
<b>III Current liabilities</b>			
1 Financial liabilities			
Other financial liabilities	12	2,759.44	1,349.94
2 Provisions	13	13.90	243.28
3 Current tax liabilities	14	-	445.79
4 Other current liabilities	15	565.35	455.22
<b>Total current liabilities</b>		<b>3,338.70</b>	<b>2,494.24</b>
<b>Total equity and liabilities</b>		<b>5,391.32</b>	<b>4,466.35</b>
The accompanying notes are forming part of financial statements	1-32		

As per our report of even date attached

For Singhi & Co.

Chartered Accountants

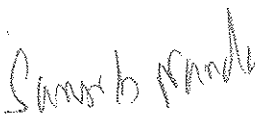
Firm Reg. No. 302049E

  
Bimal Kumar Sipani  
Partner  
Membership No. 088926



Place: Noida (Delhi - NCR)  
Date: April 27, 2022

For and on behalf of the Board of Directors

  
SANJIB NANDA  
DIRECTOR  
(DIN : 01045306)  
Place : Mumbai

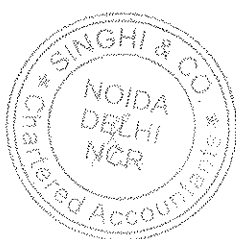
  
RAJEEV SINGHAL  
DIRECTOR  
(DIN : 02719570)  
Place : Kolkata

TATA STEEL TECHNICAL SERVICES LIMITED ( Formerly Known as BHUSHAN STEEL MADHYA BHARAT LIMITED)  
STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2022

	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
(₹ in Lakhs)			
<b>I Revenue</b>			
Revenue from operations	16	14,606.00	12871.21
Other Income	17	12.01	1.82
<b>Total income</b>		<b>14,618.01</b>	<b>12873.03</b>
<b>II Expenses:</b>			
(a) Employee benefits expense	18	13,901.90	12318.29
(b) Finance costs	19	-	44.36
(c) Other expenses	20	31.54	2.20
<b>Total expenses</b>		<b>13,933.43</b>	<b>12364.84</b>
<b>III Profit before exceptional items and tax (I-II)</b>		<b>684.58</b>	<b>508.19</b>
<b>IV Exceptional items</b>		-	0.00
<b>V Profit before tax (III+IV)</b>		<b>684.58</b>	<b>508.19</b>
<b>VI Tax expense:</b>			
(a) Current tax		205.62	587.09
(b) Income Tax relating to previous year		(459.32)	-
(c) Deferred tax expense/(credit)		397.85	(509.14)
<b>Total tax expense</b>		<b>144.16</b>	<b>77.95</b>
<b>VII Profit for the year (V-VI)</b>		<b>540.42</b>	<b>430.23</b>
<b>VIII Other comprehensive income</b>			
(a) (i) Items that will not be reclassified to profit or loss			
- Re-measurement of the net defined benefit plan		(667.87)	(240.50)
(ii) Income tax relating to items that will not be reclassified to profit or loss		168.09	-
(b) (i) Items that will be reclassified to profit and loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Total other comprehensive income</b>		<b>(499.78)</b>	<b>(240.50)</b>
<b>IX Total comprehensive income for the year (VII+VIII)</b>		<b>40.64</b>	<b>189.74</b>
<b>X Earnings per share [having face value of ₹ 10 each] [not annualized]</b>			
Basic (₹)	21	1,080.84	860.47
Diluted (₹)	21	1,080.84	860.47
<b>The accompanying notes are forming part of the financial statements</b>	<b>1-32</b>		

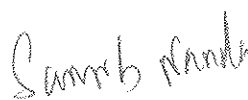
As per our report of even date attached  
For Singhi & Co.  
Chartered Accountants  
Firm Reg. No. 302049E


  
Bimal Kumar Sipani  
Partner  
Membership No. 088926



Place: Noida (Delhi - NCR)  
Date: April 27, 2022

For and on behalf of the Board of Directors

  
SANJIB NANDA  
DIRECTOR  
(DIN : 01045306)  
Place : Mumbai

  
RAJEEV SINGHAL  
DIRECTOR  
(DIN : 02719570)  
Place : Kolkata

TATA STEEL TECHNICAL SERVICES LIMITED ( Formerly Known as BHUSHAN STEEL MADHYA BHARAT LIMITED)  
CASH FLOW STATEMENT for the year ended March 31, 2022

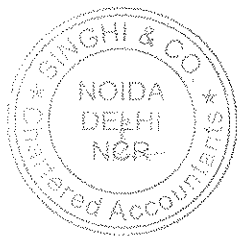
(₹ in Lakhs)

	For the year ended March 31, 2022	For the year ended March 31, 2021
(A) CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before taxes	684.58	508.19
Other comprehensive income before tax	(667.87)	(240.50)
Adjustments for:		
Finance Costs	-	44.36
<b>Operating cash flows before working capital changes</b>	<b>16.71</b>	<b>312.05</b>
Change in Working Capital:		
(Increase) / decrease in Trade & Other Receivables	(1,067.68)	(3,621.26)
Increase / (decrease) in Trade and Other Payables	1,959.81	1,804.98
Increase / (decrease) in Provisions	(629.69)	2,022.80
	<b>262.45</b>	<b>206.52</b>
<b>Cash generated from operations</b>	<b>279.16</b>	<b>518.57</b>
Direct taxes paid	(247.54)	(141.30)
<b>Net cash generated from operating activities</b>	<b>31.62</b>	<b>377.27</b>
(B) CASH FLOW FROM INVESTING ACTIVITIES:		
<b>Net cash generated in Investing Activities</b>	<b>-</b>	<b>-</b>
(C) CASH FLOW FROM FINANCING ACTIVITIES:		
Interest paid	-	(44.36)
<b>Net cash generated/(used) in Financing Activities</b>	<b>-</b>	<b>(44.36)</b>
<b>Net (decrease)/increase in Cash and Cash Equivalents (A+B+C)</b>	<b>31.62</b>	<b>332.91</b>
<b>Opening Cash and Cash Equivalents</b>	<b>335.95</b>	<b>3.04</b>
<b>Closing Cash and Cash Equivalents (Refer note no 4)</b>	<b>367.57</b>	<b>335.95</b>

The accompanying notes are forming part of the financial statements

As per our report of even date attached  
For Singhi & Co.  
Chartered Accountants  
Firm Reg. No. 302049E

Bimal Kumar Sipani  
Partner  
Membership No. 088926



Place: Noida (Delhi - NCR)  
Date: April 27, 2022

For and on behalf of the Board of Directors

*Sanjib Nanda*  
SANJIB NANDA  
DIRECTOR  
(DIN : 01045306)  
Place : Mumbai

*Rajeev Singhal*  
RAJEEV SINGHAL  
DIRECTOR  
(DIN : 02719570)  
Place : Kolkata





Tata Steel Technical Services Limited (Formerly Known as Bhushan Steel Madhya Bharat Ltd)

CIN: U93000DL2010PLC202026

Notes to the Financial Statements for the year ended March 31, 2022

## 1. Corporate information

Tata Steel Technical Services Limited (Formerly known as Bhushan Steel Madhya Bharat Ltd) ("the Company") is a public limited company incorporated in India under the provisions of Companies Act. The address of registered office is The Mira Corporate Suites, Ground Floor, Block A & O, Old Ishwar Nagar, New Delhi - 110065 India. The company is a subsidiary of Tata Steel Limited.

### Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standard) Rules, 2015 as amended time to time.

### Basis of preparation

The financial statements have been prepared on a historical cost basis, except:

- (a) Certain assets and liabilities that are required to be carried at fairvalues by Indian Accounting Standards (Ind AS); and
- (b) Defined benefit liabilities / (assets): Present value of defined benefit obligation less fair value of plan assets.

The financial statements are presented in INR and all values are rounded to the nearest Lakhs (INR 00,000), except when otherwise indicated.

These financial statements for the year ended March 31, 2022 were approved by the Board of Directors and approved for issue on April 27, 2022.

## 2. Summary of significant accounting policies

The significant accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements, unless otherwise indicated.

### a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset / liability is treated as current when it is expected to be realised/ settled, sold, consumed within the normal operating cycle. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has determined its operating cycle, as explained in Schedule III of the Companies Act, 2013, as twelve months, having regard to the nature of business being carried out by the Company. The same has been considered for classifying assets and liabilities as 'current' and 'non-current' while preparing the financial statements.

### b. Property, plant and equipment

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred.

Property, plant and equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Borrowing costs incurred during the period of construction is capitalised as part of cost of qualifying asset.



The gain or loss arising on disposal of an item of property, plant and equipment is determined as the difference between sale proceeds and carrying value of such item, and is recognised in the statement of profit and loss.

**c. Depreciation and amortisation of property, plant and equipment and intangible assets**

Depreciation or amortisation is provided on straight line method using the rates arrived at on the basis of estimated useful lives given in Schedule II of the Companies Act, 2013.

Depreciation on all assets commences from the dates the assets are available for their intended use and are spread over their estimated useful economic lives or, in the case of leased assets, over the lease period or estimated useful life whichever is less.

**d. Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Ancillary costs incurred in connection with the arrangement of borrowings are adjusted with the proceeds of the borrowings.

**e. Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

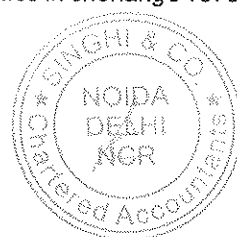
In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

For assets an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

**f. Revenue Recognition**

A customer of the Company is a party that has contracted with the Company to obtain goods or services that are an output of the Company's ordinary activities in exchange for consideration. The core principle



Tata Steel Technical Services Limited (Formerly Known as Bhushan Steel Madhya Bharat Ltd)

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Notes to the Financial Statements for the year ended March 31, 2022

of recognizing revenue from contracts with customers is that the Company recognizes revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

At contract inception, the Company assesses the goods or services promised in a contract with a customer to identify as a performance obligation each promise to transfer to the customer either a good or service (or a bundle of goods or services) that is distinct; or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, indirect taxes). The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both.

If there is variable consideration, the Company includes in the transaction price some or all of that amount of estimated variable consideration only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Revenue from rendering of services is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

The following specific revenue recognition criteria must also be met before revenue is recognized:

**Dividends**

Dividend on Investments is accounted for as and when the right to receive the same is established.

**Interest**

Interest Income is recognised on accrual basis

**g. Foreign currencies**

The Company's financial statements are presented in INR, which is also its functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at functional currency spot rates at the date the transaction first qualifies for recognition.

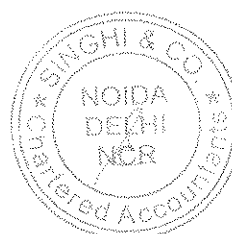
Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rate of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in statement of profit or loss are also recognised in OCI or statement of profit or loss, respectively).

**h. Income Taxes**

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted in India, at the reporting date.



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Tata Steel Technical Services Limited (Formerly Known as Bhushan Steel Madhya Bharat Ltd)

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Notes to the Financial Statements for the year ended March 31, 2022

Current tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets is offset against current tax liabilities if, and only if, a legally enforceable right exists to set off the recognised amounts and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### **Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax liabilities are generally recognised for all the temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### **i. Employee benefits**

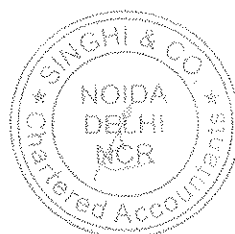
##### **Short-term benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the service rendered by employees are recognised during the period when the employee renders the services.

##### **Defined contribution plans**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

Company's contribution to state defined contribution plans namely Employee State Insurance is made in accordance with the Statute, and are recognised as an expense when employees have rendered services entitling them to the contribution.



#### Defined benefits plans

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. Gratuity is a defined benefit obligation.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. In respect of post-retirement benefit re-measurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to statement of profit or loss in subsequent periods.

Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier.

#### Other long term benefits

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date. Actuarial gains/ losses on the compensated absences are immediately taken to the statement of profit and loss and are not deferred.

#### **j. Leases**

##### **Company as a lessee**

The Company assesses if a contract is or contains a lease at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period time in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the commencement date, except for short-term leases of twelve months or less and leases for which the underlying asset is of low value, which are expensed in the statement of operations on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or, if not readily determinable, the incremental borrowing rate specific to the country, term and currency of the contract. Lease payments can include fixed payments, variable payments that depend on an index or rate known at the commencement date, as well as any extension or purchase options, if the Company is reasonably certain to exercise these options. The lease liability is subsequently measured at amortized cost using the effective interest method and remeasured with a corresponding adjustment to the related right-of-use asset when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessments of options.

The right-of-use asset comprises, at inception, the initial lease liability, any initial direct costs and, when applicable, the obligations to refurbish the asset, less any incentives granted by the lessors. The right-of-use asset is subsequently depreciated, on a straight-line basis, over the lease term, if the lease transfers the ownership of the underlying asset to the Company at the end of the lease term or, if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, over the estimated useful life of the underlying asset. Right-of-use assets are also subject to testing for impairment if there is an indicator for impairment. Variable lease payments not included in the measurement of the lease liabilities are expensed to the statement of operations in the period in which the events or conditions which trigger those payments occur. In the statement of financial position right-of-use assets and lease liabilities are classified respectively as part of property, plant and equipment and short-term/long-term debt.

##### **Company as a lessor**



Tata Steel Technical Services Limited (Formerly Known as Bhushan Steel Madhya Bharat Ltd)

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Notes to the Financial Statements for the year ended March 31, 2022

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease shall not be straight-lined, if escalation in rentals is in line with expected inflationary cost. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Contingent rentals are recognised as revenue in the period in which they are earned.

**k. Provisions, contingent liabilities and contingent assets**

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises when there is a presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes or onerous contracts. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

**Contingent liability is disclosed for:**

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised. However, when inflow of economic benefits is probable, related asset is disclosed.

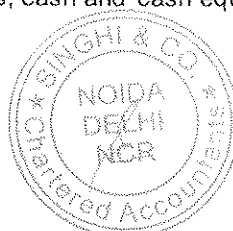
**l. Earnings per share**

Basic earnings per equity share is computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares during the year.

**m. Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, cheques on 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.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.



**n. Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

**o. Fair value measurement**

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

**p. Government grants**

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and the grants will be received.

Government grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. The benefit of a government loan at below market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on the prevailing market interest rates.

**q. Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting done to the chief operating decision maker. The Company operates in a single operating segment and geographical segment.

**r. Financial instruments**

**Initial recognition and measurement**

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below:

Non-derivative financial assets

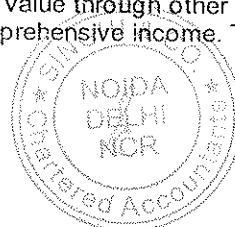
**Subsequent measurement**

i. **Financial assets carried at amortised cost** – a financial asset is measured at the amortised cost, if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

ii. **Investments in equity instruments** - Investments in equity instruments, where the Company has opted to classify such instruments at fair value through other comprehensive income (FVOCI) are measured at fair value through other comprehensive income. There is no recycling of the amounts





from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

**iii. Financial assets at fair value through Profit & Loss (FVTPL)**

Financial assets, which does not meet the criteria for categorization as at amortized cost or as FVOCI, are classified as at FVTPL.

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit & Loss.

**s. Compound Financial Instrument**

The component parts of compound instruments issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. The conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

**Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. ECL is the weighted-average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

**Trade receivables:** In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

**Other financial assets:** In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable



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Notes to the Financial Statements for the year ended March 31, 2022

information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

**De-recognition of financial assets:** A financial asset is primarily de-recognised when the contractual rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

**Derivative financial instruments:** In the ordinary course of business, the Company uses derivative financial instruments to reduce business risks which arise from its exposure to foreign exchange. The instruments are confined principally to forward foreign exchange contracts and these contracts do not generally extend beyond six months.

Derivatives are initially accounted for and measured at fair value from the date the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

**Non-derivative financial liabilities**

**Subsequent measurement:** Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

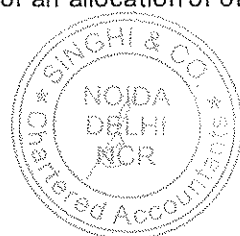
**De-recognition of financial liabilities:** A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**Offsetting of financial instruments:** Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**t. Standards issued but not yet effective**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

- i. **Ind AS 103 – Reference to Conceptual Framework** - The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.
- ii. **Ind AS 16 – Proceeds before intended use** -The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.
- iii. **Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract** - The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to



Tata Steel Technical Services Limited (Formerly Known as Bhushan Steel Madhya Bharat Ltd)

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Notes to the Financial Statements for the year ended March 31, 2022

fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

- iv. **Ind AS 109 – Annual Improvements to Ind AS (2021)** - The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.



FINANCIAL ASSETS

2. OTHER FINANCIAL ASSETS

NON-CURRENT

(₹ in Lakhs)

	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Security deposits	6.62	6.62
	<b>6.62</b>	<b>6.62</b>

3. TRADE RECEIVABLES

CURRENT

(₹ in Lakhs)

	As at March 31, 2022	As at March 31, 2021
Considered good - Unsecured		950.20
Less: Allowance for expected credit loss	-	-
	<b>950.20</b>	<b>950.20</b>

(i) For details of receivables from related parties, refer note no. 21

(ii) There are no outstanding receivable / debts due from

(a) directors or other officers of the Company or

(b) firms or private companies in which any director of the Company is a partner, member or director.

Reconciliation of receivables outstanding as the beginning and closing of the year are as follows:

	As at March 31, 2022	As at March 31, 2021
Opening Balance	950.20	-
Add: Revenue recognised during the year	10,502.14	12,871.21
Less: Receipts during the year	11,452.34	11,921.01
Less: Amounts written off during the year	-	-
Closing Balance	<b>950.20</b>	<b>950.20</b>

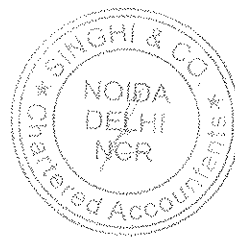
(iv) Ageing schedule of trade receivable:

As at March 31, 2022

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Sub-Total	Unbilled Revenue	Total
<b>Receivable not yet due:</b>								
Undisputed -- considered good						-		-
Undisputed -- considered doubtful						-		-
Disputed - considered good						-		-
Disputed - considered doubtful						-		-
<b>Total receivable not yet due</b>	-	-	-	-	-	-		-
<b>Receivable due:</b>								
Undisputed -- considered good						-		-
Undisputed -- considered doubtful						-		-
Disputed - considered good						-		-
Disputed - considered doubtful						-		-
<b>Total receivable due</b>	-	-	-	-	-	-		-
<b>Total receivable</b>	-	-	-	-	-	-		-

As at March 31, 2021

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Sub-Total	Unbilled Revenue	Total
<b>Receivable not yet due:</b>								
Undisputed -- considered good						-		-
Undisputed -- considered doubtful						-		-
Disputed - considered good						-		-
Disputed - considered doubtful						-		-
<b>Total receivable not yet due</b>	-	-	-	-	-	-		-
<b>Receivable due:</b>								
Undisputed -- considered good	950.20					950.20		950.20
Undisputed -- considered doubtful						-		-
Disputed - considered good						-		-
Disputed - considered doubtful						-		-
<b>Total receivable due</b>	950.20	-	-	-	-	950.20		950.20
<b>Total receivable</b>	950.20	-	-	-	-	950.20		950.20



4. CASH AND CASH EQUIVALENTS

CURRENT

(₹ in Lakhs)

	As at March 31, 2022	As at March 31, 2021
(a) Balance with banks		
- In current accounts	22.28	59.24
- Deposit with original maturity less than three months	345.26	276.68
(b) Cash in hand	0.03	
	<b>367.57</b>	<b>335.95</b>

5. Contract Assets

CURRENT

	As at March 31, 2022	As at March 31, 2021
Rendering of manpower service	4,644.04	2,663.64
	<b>4,644.04</b>	<b>2,663.64</b>

(i) For details of contract assets pertaining to related parties, refer note no. 25

Reconciliation of contract assets outstanding as the beginning and closing of the year are as follows

	As at March 31, 2022	As at March 31, 2021
Opening Balance	2,663.64	-
Add: Performance obligation satisfied but not billed	4,103.86	2,663.64
Less: Recognised as receivable during the year	2,085.18	-
Closing Balance	<b>4,682.32</b>	<b>2,663.64</b>

6. CURRENT TAX ASSETS

(₹ in Lakhs)

	As at March 31, 2022	As at March 31, 2021
Advance tax recoverable (net of provisions)	223.53	-
	<b>223.53</b>	<b>-</b>

7. OTHER CURRENT ASSETS

CURRENT

(₹ in Lakhs)

	As at March 31, 2022	As at March 31, 2021
(Unsecured, considered good)		
(a) Prepaid Expenses	38.28	-
(b) Others*		0.80
	<b>38.28</b>	<b>0.80</b>

\*includes advances to service providers.



3. EQUITY SHARE CAPITAL

(₹ in Lakhs)

	As at	
	March 31, 2022	March 31, 2021
<b>a) Authorised:</b>		
1,00,000 (March 31, 2021: 1,00,000) equity shares of ₹ 10/- each (March 31, 2021: ₹ 10/- each)	10.00	10.00
	10.00	10.00
<b>b) Issued, Subscribed and Paid-up:</b>		
50,000 (March 31, 2021: 50,000) equity shares of ₹ 10/- each (March 31, 2021: ₹ 10/- each)	5.00	5.00
	5.00	5.00

**c) Reconciliation of number of shares outstanding at the beginning and at the end of the year**

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount (₹ in lakhs)	Number of shares	Amount (₹ in lakhs)
Shares outstanding at the beginning of the year	50,000	5.00	50,000	5.00
Shares issued during the year	-	-	-	-
Shares bought back / cancelled during the year	-	-	-	-
Shares outstanding at the end of the year	50,000	5.00	50,000	5.00

**d) Rights, preferences and restrictions attached to the equity shares**

The Company has only one class of equity share having a par value of ₹ 10/- each (March 31, 2022: ₹ 10 each). Each shareholder is eligible for one vote for every share held and is entitled to dividend declared from time to time. 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, in proportion to their shareholding.

**e) Details of the shareholders holding more than 5% share in the Company**

Equity shares of ₹ 10/- each fully paid up

Particulars	As at March 31, 2022			As at March 31, 2021		
	Number of shares held	% of holding	% of holding	Number of shares held	% of holding	% of holding
Tata Steel Limited ("Holding company") * (Previous year Tata Steel BSL Limited)	49,990	99.98%	99.98%	49,990	99.98%	99.98%
<b>Total</b>	<b>49,990</b>	<b>99.98%</b>	<b>99.98%</b>	<b>49,990</b>	<b>99.98%</b>	<b>99.98%</b>

\*Including Nominees Shares

\*Effective November 11, 2021, M/s Tata Steel BSL Limited amalgamated with M/s Tata Steel Limited ("TSL") with appointed date April 01, 2019.

**f) Details of the Promoters Equity Shareholding**

Equity shares of ₹ 10/- each fully paid up

Particulars	As at March 31, 2022			As at March 31, 2021		
	Number of shares held	% of holding	% of holding	Number of shares held	% of holding	% of holding
Tata Steel Limited ("Holding company") * (Previous year Tata Steel BSL Limited)	49,990	99.99%	99.99%	49,990	99.99%	99.99%

\*Effective November 11, 2021, M/s Tata Steel BSL Limited amalgamated with M/s Tata Steel Limited ("TSL") with appointed date April 01, 2019.

Note : There is no change in % of shareholding of promoters during the current year and previous year.



9. OTHER EQUITY

(₹ in Lakhs)

	As at March 31, 2022	As at March 31, 2021
<b>Retained earnings</b>		
Balance as at the beginning of the year	187.60	(2.14)
Profit/(loss) for the year	540.42	430.23
Other Comprehensive Income for the year*	(499.78)	(240.50)
<b>Balance as at the end of the year</b>	<b>228.24</b>	<b>187.60</b>
<b>Total other equity</b>	<b>228.24</b>	<b>187.60</b>

\* This consist of remeasurement gain/(loss) on defined benefit plans (net of tax) amounting to ₹ (499.78) Lakhs (Previous year ₹ (240.50) Lakhs)

**Retained earnings** - Retained earnings are profits earned by the Company after transfer to general reserve and payment of dividend to shareholders including tax thereon, if any, and can be utilised as per the Companies Act, 2013.

10. OTHER FINANCIAL LIABILITIES

**NON CURRENT**

(₹ in Lakhs)

	As at March 31, 2022	As at March 31, 2021
Other payables	440.18	-
	<b>440.18</b>	-

11. PROVISIONS

**NON-CURRENT**

(₹ in Lakhs)

	As at March 31, 2022	As at March 31, 2021
(a) Provision for Employee benefits		
- Gratuity	950.94	1,515.87
- Compensated absences	428.26	263.64
	<b>1,379.21</b>	<b>1,779.52</b>

12. OTHER FINANCIAL LIABILITIES

**CURRENT**

(₹ in Lakhs)

	As at March 31, 2022	As at March 31, 2021
(a) Employee emoluments	2,748.62	1,348.34
(b) Other payables	10.82	1.60
	<b>2,759.44</b>	<b>1,349.94</b>

13. PROVISIONS

**CURRENT**

(₹ in Lakhs)

	As at March 31, 2022	As at March 31, 2021
(a) Provision for Employee benefits		
- Gratuity	-	197.18
- Compensated absences	13.90	46.11
	<b>13.90</b>	<b>243.28</b>

14. CURRENT TAX LIABILITIES

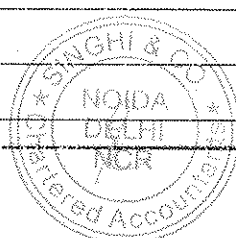
(₹ in Lakhs)

	As at March 31, 2022	As at March 31, 2021
(b) Provision for Income Tax	-	445.79
	<b>-</b>	<b>445.79</b>

15. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

	As at March 31, 2022	As at March 31, 2021
(a) Contract Liabilities	273.07	-
(b) Statutory Dues	292.29	455.22
	<b>565.35</b>	<b>455.22</b>



16. REVENUE FROM OPERATIONS

(₹ in Lakhs)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Income from rendering of manpower service	10,502.14	12,871.21
Unbilled revenue	4,103.86	-
	<b>14,606.00</b>	<b>12,871.21</b>

A. Disaggregated revenue information

The disaggregation of the Company's revenue from contracts with customers is as under:

(i) Reconciliation of revenue as per contract price and as recognised in Statement of Profit or Loss:

	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue as per contract price	10,502.14	12,871.21
Less: Rebates, incentives, discounts etc.	-	-
Revenue as per Statement of Profit and Loss	<b>10,502.14</b>	<b>12,871.21</b>

(ii) The Company presented disaggregated revenue based on the type of goods sold or services rendered directly to customers. Revenue is recognised for goods transferred or services rendered at a point in time or completion of performance obligation.

B. For movement of trade receivables, refer note no. 4 and contract assets, refer note 5

17. OTHER INCOME

(₹ in Lakhs)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income on fixed deposits	12.01	1.82
	<b>12.01</b>	<b>1.82</b>

18. EMPLOYEES BENEFIT EXPENSE

(₹ in Lakhs)

	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Salaries, wages and gratuity*	12,971.08	11,854.47
(b) Contribution to provident and other funds	723.20	463.82
(c) Staff welfare expenses \$	207.62	-
	<b>13,901.90</b>	<b>12,318.29</b>

\*refer note 23

\$ net off of pension amounting ₹ 477.99 lakhs ( Previous year: ₹ Nil) payable to nominee / spouse of employees died due to Covid-19, recoverable from holding Company, Tata Steel Limited under manpower supply agreement.

19. FINANCE COSTS

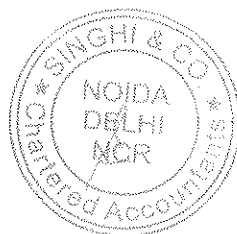
(₹ in Lakhs)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on delayed payment of income tax	-	44.36
		<b>44.36</b>

20. OTHER EXPENSES

(₹ in Lakhs)

	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Rates and taxes	1.36	0.11
(b) Payment to Auditors:		
Statutory Audit fee	1.50	1.50
Tax Audit fee (including for ₹ 0.50 lakhs for previous year)	1.00	-
Certification fees	0.50	-
Out of pocket expenses	0.06	-
(c) Rent	0.27	0.36
(d) Insurance	-	0.18
(e) Recruitment Charges	5.04	-
(f) Administrative expenses	21.79	-
(g) Miscellaneous Expenses	0.01	0.05
	<b>31.54</b>	<b>2.20</b>





21. EARNING PER SHARE

(₹ in Lakhs)

	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Profit for the year (₹ Lakhs)	540.42	430.23
(b) Face value per share (₹)	10.00	10.00
(c) Number of equity shares at the beginning of the year (No.)	50,000	50,000
Add: Issued during the year (No.)	-	-
Number of equity shares at the end of the year (No.)	50,000	50,000
(d) Weighted average number of equity shares*	50,000	50,000
(e) Weighted average number of equity shares for diluted EPS*	50,000	50,000
(f) Earning Per Share:		
Basic (₹ / share) [ (a)/(c) ]	1,080.84	860.47
Diluted (₹/ share) [ (a)/(e) ]	1,080.84	860.47

\*There have been no transactions involving Equity shares or Potential Equity shares between the reporting date and the date of approval of these financial statements that would have an impact on the outstanding weighted average number of equity shares as at the year end.

22. TAX EXPENSES

(a) Income tax expense:

The major components of income tax expenses are as follows:

(i) Profit or loss section

	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax expense	205.62	587.09
Current tax related to previous year ^^	(459.32)	-
Deferred tax expense ^^	397.85	(509.14)
<b>Total Income tax expense recognised in statement of profit &amp; loss</b>	<b>144.16</b>	<b>77.95</b>

^^ during the year, the Income tax department has approved gratuity fund. Therefore the Company has contributed outstanding amount of ₹ 1713.05 lakhs as on 31.03.2021 to the gratuity fund and claimed deductions for the same in the computation of income tax for the year ended March 31, 2021. Accordingly, provision for income tax and deferred tax assets made on the same in previous year has been reversed.

(ii) OCI Section

	For the year ended March 31, 2022	For the year ended March 31, 2021
Net (loss) on remeasurement of defined benefit plans	(667.87)	(240.50)
<b>Income tax charged to OCI</b>	<b>(168.09)</b>	<b>-</b>

(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate :

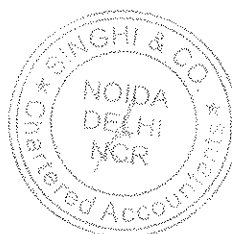
	For the year ended March 31, 2022	For the year ended March 31, 2021
Accounting profit before income tax	16.71	508.19
At India's statutory income tax rate of 25.168% (Previous year: 25.168%)	4.21	127.90
<b>Non-deductible expenses for tax purposes:</b>		
(a) Tax effect of items disallowed		(49.37)
(b) Tax effect of items brought forward losses and other items	(28.13)	(0.58)
<b>Income tax expense reported in the statement of profit and loss</b>	<b>(23.93)</b>	<b>77.95</b>

(c) In the previous year, the Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for Income Tax and remeasured its deferred tax assets and liabilities, basis the rate prescribed in the said section.

(d) Deferred Tax Assets (Net)

	For the year ended March 31, 2022	For the year ended March 31, 2021	
The movement on the deferred tax account is as follows :			
At the beginning of the year	509.14	-	
Recognised in statement of profit or loss	(397.85)	509.14	
At the end of year	111.29	509.14	
	For the year ended March 31, 2021	Recognised in statement of Profit or loss	For the year ended March 31, 2022
Deferred Tax Asset/ Liability in relation disallowance under Income Tax Act,1961	-	397.85	397.85
Total	-	397.85	397.85

(e) Deferred tax assets of ₹ 111.28 Lakhs (Previous year: ₹ 509.14 Lakhs) have been recognised in respect of provision for gratuity and leave encashment, and will be adjusted against when the payment for gratuity and leave encashment will be made in the future.



23 Employee benefits

A. **Defined Contribution Plans**

**Provident Fund:** The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits. During the year, the Company has recognised ₹ 723.20 Lakhs (Previous year ₹ 588.15 Lakhs ) as contribution towards Employees Provident Fund in the Statment of Profit and Loss.

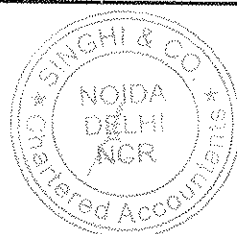
B. **Defined Benefit Plans - Gratuity**

The Company made provision for gratuity in accordance with Ind-AS 19 "Employee Benefits". Each employee rendering continuous service of 5 years or more is entitled to receive gratuity amount equal to 15/26 of the monthly emoluments for every completed year of service.

The most recent actuarial valuation of the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2022 wherein expense and liabilities in respect of gratuity were measured using the Projected Unit Credit Method.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for defined benefit plans:

	For the year ended March 31, 2022	For the year ended March 31, 2021
		(₹ Lakhs)
<b>(i) Reconciliation of fair value of plan assets and defined benefit obligation:</b>		
Fair value of plan assets	1,713.05	-
Defined benefit obligation	2,663.99	1,713.05
<b>Net assets / (liability) recognised in the Balance Sheet at year end</b>	<b>(950.94)</b>	<b>(1,713.05)</b>
<b>(ii) Changes in the present value of the defined benefit obligation are, as follows:</b>		
<b>Defined benefit obligation at beginning of the year</b>	<b>1,713.05</b>	<b>-</b>
Acquisition adjustment	(1,713.05)	1,176.41
Current service cost	224.21	215.79
Interest expense	115.08	80.35
Re-measurements	667.87	240.50
Benefits paid	(56.21)	-
Actuarial (gain)/ loss on obligations - OCI	-	-
<b>Defined benefit obligation at year end</b>	<b>950.95</b>	<b>1,713.05</b>
<b>(iii) Amount recognised in Statement of Profit and Loss:</b>		
Current service cost	224.21	215.79
Net interest expense	115.08	80.35
Remeasurement of Net Benefit Liability/ Asset	-	-
<b>Amount recognised in Statement of Profit and Loss</b>	<b>339.29</b>	<b>296.14</b>
<b>(iv) Amount recognised in Other Comprehensive Income:</b>		
Actuarial (gain)/ loss on obligations	(667.87)	(240.50)
Return on plan assets (excluding amounts included in net interest expense)	-	-
<b>Amount recognised in Other Comprehensive Income</b>	<b>(667.87)</b>	<b>(240.50)</b>
<b>(v) The Company has contributed ₹ 1713.05 Lakhs to gratuity fund during the year.</b>		
<b>Plan Assets Informations</b>		
<b>Scheme of insurance - Conventional products</b>	<b>100%</b>	<b>-</b>
<b>(vi) The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:</b>		
Discount rate (in %)	7.25	6.80
Salary Escalation (in %)	8.00	5.00
Rate of return in plan assets (in %)	-	-
Expected average remaining working lives of employees (in years)	14.00	20.99
Expected average remaining working lives of employees (in years)	14.00	20.99



(vii) A quantitative sensitivity analysis for significant assumption are given as below :

(₹ Lakhs)

Sensitivity Level	As at March 31, 2022		As at March 31, 2021	
	1%	-1%	+ 0.5%	- 0.5%
Effect of change in discount rate	(335.36)	404.85	(54.44)	57.88
Effect of change in salary escalation	397.89	(336.22)	58.64	(55.62)

- a. The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.
- b. Sensitivities due to mortality and withdrawals are insignificant, hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.
- c. Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

(viii) Maturity profile of defined benefit obligation :

(₹ Lakhs)

	As at March 31, 2022	As at March 31, 2021
Within next twelve months	70.96	197.18
Between one to five years	486.91	570.64
Beyond five years	1,333.08	945.23

(ix) Description of Risk Exposure:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follow -

**Salary Increases** - Higher than expected increase in salary will increase the defined benefit obligation.

**Discount Rate** - Reduction in discount rate in subsequent valuations can increase the plan's liability.

**Demographic risk** - This is the risk of variability of results due to unsystematic nature of decrements that includes mortality, withdrawals, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends on the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the employee benefit of a short career employee typically costs less per year as compared to a long service employee.

(x) Expected contribution for the next Annual reporting period.

(₹ Lakhs)

	As at March 31, 2022	As at March 31, 2021
Service Cost	344.62	224.21
Net Interest Cost		117.00
<b>Expected Expense for the next annual reporting period</b>	<b>344.62</b>	<b>341.21</b>

24 Segment Reporting

- (a) According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. The business activity of the company falls within one business segment viz. "Supply of Manpower". Hence, the disclosure requirement of Ind AS 108 of 'Segment Reporting' is not considered applicable.
- (b) Holding company and a fellow subsidiary account for entire revenue of the company for the current year.



25 Related party disclosures

**Names of related parties and description of relationship**

**A Relationship**

i) **Entity having significant influence over the ultimate holding company**  
 Tata Sons Private Limited

ii) **Holding Company**  
 Tata Steel Limited (refer below)

iii) **Fellow Subsidiaries (being subsidiaries of holding company)\***  
 Angul Energy Limited (Formerly known as Bhushan Energy Ltd.)  
 \*where transactions has taken place during the year

iv) **Key Management Personnel**  
 Mr. Sanjib Nanda (Non-executive Director)  
 Mr. Rajeev Singhal (Non-executive Director)  
 Ms. Neha Harlalka (Non-executive Director)

**B Transaction carried out with related parties referred in 'A' above in ordinary course of business.**

(₹ Lakhs)

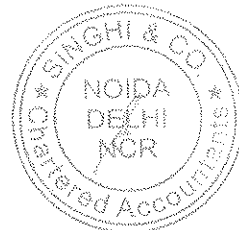
Transactions	Year Ended	Holding Company	Angul Energy Ltd ("Fellow Subsidiary")
Income from rendering of services including unbilled	March 31, 2022	9,044.22	230.97
	March 31, 2021	9,178.91	70.30
Reimbursements of statutory payments, employee benefits and others including unbilled revenue	March 31, 2022	4,125.19	32.87
	March 31, 2021	1,565.22	33.99
Reimbursements of retirement benefits and compensated absences including unbilled revenue	March 31, 2022	1,146.37	26.36
	March 31, 2021	1,975.38	47.41
Reimbursement of expenses	March 31, 2022	-	-
	March 31, 2021	-	-
<b>Closing Balances</b>	<b>As at</b>		
Receivables	March 31, 2022	-	-
	March 31, 2021	930.46	19.74
Payables	March 31, 2022	264.64	8.42
	March 31, 2021	-	-
Contract assets	March 31, 2022	4,521.81	122.23
	March 31, 2021	2,616.22	47.42

**C. Amalgamation of Tata Steel BSL Limited with Tata Steel Limited**

The Scheme of Amalgamation between Tata Steel BSL Limited and Tata Steel Limited was approved with effect from November 11, 2021 with appointed date April 01, 2019, hence all transactions of the current and previous period and balances outstanding at the end of the respective periods have been reflected as transactions and balances with amalgamated company i.e., Tata Steel Limited.

**D. Terms and conditions related to Outstanding balances :**

- a) Trade and others receivables are receivable in cash within 30 days of the due date and are unsecured.
- b) All outstanding payables are unsecured and payable in cash.



26 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**JUDGEMENTS**

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

**ESTIMATES AND ASSUMPTIONS**

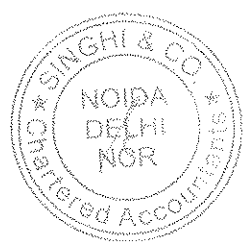
The key assumptions concerning the future and other key sources of estimating the uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**Defined benefit plans and other long term benefit plan (gratuity benefits and leave encashment)**

The cost and present value of the defined benefit gratuity plan and leave encashment (other long term benefit plan) are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation and other long term benefits are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the market yield on government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.



27 Financial Instruments - Fair value and Risk management

i. Fair value Measurement

A) Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

		As at March 31, 2022		As at March 31, 2021	
Measured at		Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial assets</b>					
Other Financial Assets	Amortized Cost	6.62	6.62	6.62	6.62
Trade Receivables	Amortized Cost	-	-	950.20	950.20
Cash and cash equivalents	Amortized Cost	367.57	367.57	335.95	335.95
<b>Financial Liabilities</b>					
Other Financial liabilities	Amortized Cost	3,199.62	3,199.62	1,349.94	1,349.94

The management assessed that cash and cash equivalents, loans, trade receivables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

B) Fair value hierarchy

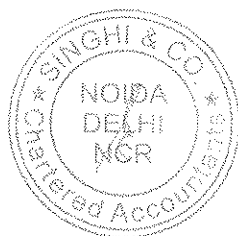
The fair value of financial instruments as referred to in note (A) above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

The categories used are as follows:-

**Level 1:** Quoted prices for identical instruments in an active market;

**Level 2:** Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

**Level 3:** Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.



ii. Financial Risk Management Framework

The Company's principal financial liabilities, other than derivatives, comprises employees emoluments. The main purpose of these financial liabilities is to render services to Company's customers. The Company's principal financial assets include cash and cash equivalents which it derives directly from its operations.

A. Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the authorised person. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

B. 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 manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments

Year ended March 31, 2022						(₹ Lakhs)
Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	>5 years	Total
Trade and other payables	-	-	2,759.44	440.18	-	3,199.62

Year ended March 31, 2021						
Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	>5 years	Total
Trade and other payables	-	-	1,349.94	-	-	1,349.94

C. Market Risk

a. Interest rate risk

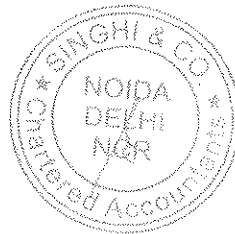
The Company has not borrowed or advanced any funds. Therefore exposure to interest rate risk is insignificant.

b. Foreign currency risk

The Company has no outstanding exposure in foreign currency at the end of the reporting period. Therefore exposure to foreign currency risk is insignificant.

c. Price risk

The Company does not have any risk from changes in commodities prices or equity prices.



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28 Disclosure of Ratios

	As at March 31, 2022	As at March 31, 2021	(₹ Lakhs) Reason for variation more than 25%
Current ratio (Current Assets / Current Liability) (in times)	1.58	1.58	Not Applicable
Debt/Equity ratio ( Total debt/ Shareholder's Equity)	Not Applicable	Not Applicable	Not Applicable
Debt service coverage ratio (Earning available for debt service / Debt service )	Not Applicable	Not Applicable	Not Applicable
Return on equity ratio (Net profit after taxes / Average Shareholder's Equity) (in times)	1.64	2.23	As per Agreed terms with customer
Inventory Turnover ratio ( Sales / Average inventory)	Not Applicable	Not Applicable	Not Applicable
Trade receivable turnover ratio (Net credit sales / Average accounts receivable) (in %)	NIL	7.38%	Debtors realised
Trade payable turnover ratio (Net credit Purchases/ Average Trade Payable)	Not Applicable	Not Applicable	Not Applicable
Net capital turnover ratio ( Net Sales / Average working capital) (in times)	62.62	66.83	Not Applicable
Net profit ratio (Net Profit / Net Sales) (in %)	3.70%	3.34%	Not Applicable
Return on capital employed ( Earning before interest & taxes / Capital employed )	2.94	2.87	Not Applicable
Return on investment (in %) (Income generated from invested funds / Average invested ft.	Not Applicable	Not Applicable	Not Applicable

29 Corporate Social Responsibility

The Company is not required to spent any amount under section 135 of the Companies Act, 2013 towards Corporate Social Responsibility.

30 Capital Management

(₹ in Lakhs)

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total equity as given below:

	As at March 31, 2022	As at March 31, 2021
Borrowings	-	-
Less: Cash and short term deposits	367.57	335.95
<b>Net debts/(Surplus)</b>	<b>(367.57)</b>	<b>(335.95)</b>
Equity	5.00	5.00
Other Equity	228.24	187.60
<b>Total Capital</b>	<b>233.24</b>	<b>192.60</b>
<b>Net debt to total equity</b>	<b>(1.58)</b>	<b>(1.74)</b>

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. However, the company does not have any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2022 and March 31, 2021.

31 Contingent Liabilities & Capital Commitments

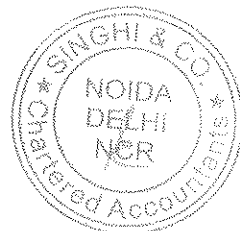
There are no contingent liabilities, contingent assets or capital commitments as identified or assessed by the management of the company.

32 Previous year figures have been regrouped/rearranged wherever necessary to make them comparable with current year figures.

For and on behalf of board of directors

As per our report of even date attached  
For Singhi & Co.  
Chartered Accountants  
Firm Reg. No. 302049E

Bimal Kumar Sipani  
Partner  
Membership No. 088926



Place: Noida (Delhi - NCR)  
Date: April 27, 2022

Sanjib Nanda  
SANJIB NANDA  
DIRECTOR  
(DIN : 01045306)  
Place : Mumbai

Rajeev Singhal  
RAJEEV SINGHAL  
DIRECTOR  
(DIN : 02719570)  
Place : Kolkata