**TATA STEEL UTILITIES AND INFRASTRUCTURE SERVICES LIMITED**
**Balance Sheet as at March 31, 2024**

| | Note No. | As at March 31, 2024 (₹ in Lakhs) | As at March 31, 2023 (₹ in Lakhs) |
|---|---|---|---|
| **(I) ASSETS** | | | |
| **(1) Non-current assets** | | | |
| (a) Property, plant and equipment | 02 | 25,229 | 22,432 |
| (b) Capital work-in-progress | 02 | 3,020 | 2,602 |
| (c) Other intangible assets | 03 | 182 | 223 |
| (d) Right-of-use assets | 03A | 1,314 | 1,806 |
| (e) Financial assets | | | |
| (i) Investments | 04 | 85,540 | 85,540 |
| (ii) Trade receivables | 06 | 1,552 | 2,186 |
| (iii) Loans | 05 | 13 | 9 |
| (iv) Other financial assets | 07 | 696 | 884 |
| (f) Non current tax assets | | 1,127 | 2,579 |
| (g) Deferred tax assets (Net) | 27(H) | 2,394 | 2,885 |
| (h) Other assets | 08 | 177 | 177 |
| | | 1,21,244 | 1,21,323 |
| **(2) Current assets** | | | |
| (a) Inventories | 09 | 9,013 | 8,930 |
| (b) Financial assets | | | |
| (i) Investments | 10 | 5,764 | 3,616 |
| (ii) Trade receivables | 06 | 35,176 | 26,870 |
| (iii) Cash and cash equivalents | 11(a) | 1,739 | 4,097 |
| (iv) Bank balances other than (iii) above | 11(b) | 4,024 | 3,650 |
| (v) Loans | 05 | 1 | 11 |
| (vi) Other financial assets | 07 | 18,922 | 21,739 |
| (c) Other assets | 08 | 2,586 | 2,884 |
| | | 77,225 | 71,797 |
| **TOTAL ASSETS** | | 1,98,469 | 1,93,120 |
| **(II) EQUITY AND LIABILITIES** | | | |
| **(1) Equity** | | | |
| (a) Equity share capital | 12 | 6,321 | 6,321 |
| (b) Other equity | 13 | 1,11,087 | 1,04,350 |
| | | 1,17,408 | 1,10,671 |
| **(2) Non-current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Lease liabilities | 14 | 970 | 1,396 |
| (ii) Other financial liabilities | 16 | 9,725 | 9,590 |
| (b) Provisions | 17 | 554 | 547 |
| (c) Employee benefit obligations | 18 | 5,551 | 6,342 |
| (d) Deferred income | 19 | 11,138 | 9,585 |
| | | 27,938 | 27,460 |
| **(3) Current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Lease Liabilities | 14 | 429 | 438 |
| (ii) Trade payables | 15 | | |
| (a) Total outstanding dues of micro and small enterprises | | 16,975 | 15,880 |
| (b) Total outstanding dues other than micro and small enterprises | | 16,201 | 16,070 |
| (iii) Other financial liabilities | 16 | 5,063 | 9,644 |
| (b) Provisions | 17 | 816 | 1,872 |
| (c) Employee benefit obligations | 18 | 836 | 1,380 |
| (d) Deferred income | 19 | 776 | 682 |
| (e) Other liabilities | 20 | 12,027 | 9,023 |
| | | 53,123 | 54,989 |
| **TOTAL EQUITY AND LIABILITIES** | | 1,98,469 | 1,93,120 |
| Notes forming part of the financial statements | 1-27(Q) | | |

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

**For Price Waterhouse & Co Chartered Accountants LLP**
**Firm Registration Number - 304026E/E-300009**

**Piyush Sonthalia**
**Partner**
**Membership No - 062447**
**Place : Kolkata**
**Date: April 25, 2024**

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

**Chanakya Chaudhary**
**Chairman**
**DIN: 02139568**
**Place : Jamshedpur**

**Manish Kumar Agarwal**
**Chief Financial Officer**
**Place : Jamshedpur**

**Ritu Raj Sinha**
**Managing Director**
**DIN: 00729535**
**Place : Jamshedpur**

**Nisha Anil Seth**
**Company Secretary**
**Place : New Delhi**

**Date: April 25, 2024**

TATA STEEL UTILITIES AND INFRASTRUCTURE SERVICES LIMITED

**TATA STEEL UTILITIES AND INFRASTRUCTURE SERVICES LIMITED**
**Statement of Profit and Loss for the year ended March 31, 2024**

| | | Note No. | For the year ended March 31, 2024 (₹ in Lakhs) | For the year ended March 31, 2023 (₹ in Lakhs) |
|---|---|---|---|---|
| I | Revenue from operations | 21 | 1,64,725 | 1,42,254 |
| II | Other income | 22 | 3,939 | 4,868 |
| III | **Total income (I + II)** | | **1,68,664** | **1,47,122** |
| IV | Expenses | | | |
| | (a) Direct expenses | 23 | 1,31,440 | 1,14,678 |
| | (b) Employee benefits expense | 24 | 18,353 | 14,418 |
| | (c) Finance costs | 25 | 1,072 | 706 |
| | (d) Depreciation and amortisation expense | 02 | 2,356 | 1,969 |
| | (e) Other expenses | 26 | 4,621 | 4,407 |
| | **Total expenses** | | **1,57,842** | **1,36,178** |
| V | **Profit before taxes (III - IV)** | | **10,822** | **10,944** |
| VI | Tax expense | 27(H) | | |
| | (a) Current tax | | | |
| | - In respect of current year | | 1,752 | 2,099 |
| | - In respect of prior year | | 256 | 66 |
| | (b) Deferred tax | | 491 | (320) |
| | **Total tax expense** | | **2,499** | **1,845** |
| VII | **Profit after taxes (V - VI)** | | **8,323** | **9,099** |
| VIII | Other comprehensive income | | | |
| | (i) Items that will not be reclassified to the Statement of Profit and Loss | | | |
| | (a) Remeasurement gains/(losses) on post employment defined benefit plans. | | 25 | (676) |
| | (b) Income tax thereon | | (6) | 170 |
| | (ii) Items that will be reclassified to the Statement of Profit and Loss | | - | - |
| | **Total Other comprehensive income** | | **19** | **(506)** |
| IX | **Total comprehensive income for the year (VII + VIII)** | | **8,342** | **8,593** |
| | **Basic and diluted earnings per share (Face value of Rs. 10/- per share)** | 27(G) | 13.17 | 15.04 |

Notes forming part of the financial statements 1-27(Q)

**The above Statement of Profit and Loss should be read in conjunction with the accompanying notes**
**This is the Statement of Profit and Loss referred to in our report of even date.**

**For Price Waterhouse & Co Chartered Accountants LLP**
**Firm Registration Number - 304026E/E-300009**

**Piyush Sonthalia**
**Partner**
**Membership No - 062447**
**Place : Kolkata**
**Date: April 25, 2024**

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

**Chanakya Chaudhary**
**Chairman**
**DIN: 02139568**
**Place : Jamshedpur**

**Manish Kumar Agarwal**
**Chief Financial Officer**
**Place : Jamshedpur**

**Ritu Raj Sinha**
**Managing Director**
**DIN: 00729535**
**Place : Jamshedpur**

**Nisha Anil Seth**
**Company Secretary**
**Place : New Delhi**

**Date: April 25, 2024**

**TATA STEEL UTILITIES AND INFRASTRUCTURE SERVICES LIMITED**
**Statement of Cash Flows for the year ended March 31, 2024**

| | For the year ended 31st March 2024 (₹ In Lakhs) | For the year ended 31st March 2023 (₹ In Lakhs) |
|---|---|---|
| **A. Cash Flow from operating activities:** | | |
| Profit before taxes | 10,822 | 10,944 |
| *Adjustments for:* | | |
| Depreciation and amortisation expense | 2,356 | 1,969 |
| Finance costs | 1,072 | 706 |
| Dividend Income from investments | (1,486) | (3,686) |
| Liability no longer required written back | (1,085) | (252) |
| (Profit) / Loss on sale of Property, Plant and Equipment (net) | 0 | (3) |
| Provision for inventories | (112) | 284 |
| (Net Gain) / Loss on sale of current investments | (439) | (293) |
| Interest income | (348) | (182) |
| Other non cash items | 328 | (90) |
| **Operating profit before changes in current/non current assets and liabilities** | **11,108** | **9,397** |
| *Adjustments for:* | | |
| Increase / (Decrease) in Non current / current financial assets and other assets | (4,895) | (6,490) |
| Increase / (Decrease) in Employee benefit obligations | (1,310) | 400 |
| Increase / (Decrease) in Inventories | 29 | (198) |
| Increase / (Decrease) in Non current / current financial liabilities, other liabilities and provisions | 392 | 5,181 |
| Increase / (Decrease) in Deferred income | 1,647 | 392 |
| **Cash generated from operations** | **6,971** | **8,682** |
| Income taxes paid (net of refund) | (562) | (2,030) |
| **Net cash from/(used in) operating activities** | **6,409** | **6,652** |
| | | |
| **B. Cash Flow from investing activities:** | | |
| Purchase of Property, Plant and Equipment, Intangible assets including Capital Work in progress | (5,047) | (3,218) |
| Sale of Property, Plant and Equipment | 0 | 8 |
| Sale / (Purchase) of current investments (net) | (2,093) | (277) |
| Purchase of investments in subsidiaries | - | (6,800) |
| Purchase of investments in joint ventures | - | (898) |
| Dividend Income from investments | 1,486 | 3,686 |
| Fixed deposits with banks (placed in) / realised (net) | (225) | (546) |
| Net Gain / (Loss) on sale of current investments | 439 | 293 |
| Interest income | 348 | 182 |
| **Net cash from / (used in) investing activities** | **(5,092)** | **(7,570)** |
| | | |
| **C. Cash Flow from financing activities:** | | |
| Proceeds from issue of Equity shares | - | 6,799 |
| Interest paid | (1,451) | (587) |
| Dividend paid | (1,605) | (4,150) |
| Repayment of principal portion of lease liabilities | (436) | (209) |
| Interest paid on lease liabilities | (183) | (77) |
| **Net cash from/(used in) financing activities** | **(3,675)** | **1,776** |
| | | |
| **Net increase / (decrease) in cash and cash equivalents** | **(2,358)** | **858** |
| **Cash and cash equivalents as at the beginning of the year (Refer note 11(a))** | **4,097** | **3,239** |
| **Cash and cash equivalents as at the end of the year (Refer note 11(a))** | **1,739** | **4,097** |
| | | |
| **Cash and cash equivalents:** | | |
| - Cash on hand | 17 | 7 |
| - Balance in current account | 1,722 | 4,090 |
| | **1,739** | **4,097** |

Notes :

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

2. '0' indicates value below the rounding off conversion of ₹ Lakhs.

Notes forming part of the financial statements 1-27(Q)
The above Statement of Cash Flows should be read in conjunction with the accompanying notes
This is the Statement of Cash Flows referred to in our report of even date.

**For Price Waterhouse & Co Chartered Accountants LLP**
**Firm Registration Number - 304026E/E-300009**

**Piyush Sonthalia**
**Partner**
**Membership No - 062447**
**Place : Kolkata**
**Date: April 25, 2024**

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

**Chanakya Chaudhary**
**Chairman**
**DIN: 02139568**
**Place : Jamshedpur**

**Manish Kumar Agarwal**
**Chief Financial Officer**
**Place : Jamshedpur**

**Ritu Raj Sinha**
**Managing Director**
**DIN: 00729535**
**Place : Jamshedpur**

**Nisha Anil Seth**
**Company Secretary**
**Place : New Delhi**

**Date: April 25, 2024**

TATA STEEL UTILITIES AND INFRASTRUCTURE SERVICES LIMITED

**TATA STEEL UTILITIES AND INFRASTRUCTURE SERVICES LIMITED**
**Statement of Changes in Equity for the year ended March 31, 2024**

| **A. Equity Share Capital - Issued and subscribed (note 12)** | **(₹ in Lakhs)** |
|---|---|
| Balance as at March 31, 2022 | 6,005 |
| Changes in equity share capital during the year | 316 |
| Balance as at March 31, 2023 | 6,321 |
| Changes in equity share capital during the year | - |
| **Balance as at March 31, 2024** | **6,321** |

(₹ in Lakhs)

| **B. Other Equity (note 13)** | Retained earnings | | | | |
|---|---|---|---|---|---|
| | **Profit and loss** | **Other comprehensive income (OCI)** | **Sub-total** | **Securities premium** | **Total** |
| **Balance as at March 31, 2022** | **22,035** | **(1,118)** | **20,917** | **72,506** | **93,423** |
| Profit for the year | 9,099 | - | 9,099 | - | **9,099** |
| Other comprehensive income for the year, net of tax | - | (506) | (506) | - | **(506)** |
| Additions during the year | - | - | - | 6,484 | **6,484** |
| Dividend paid (Including interim dividend of ₹ 3,375 lakhs) during the year | (4,150) | - | (4,150) | - | **(4,150)** |
| **Balance as at March 31, 2023** | **26,984** | **(1,624)** | **25,360** | **78,990** | **1,04,350** |
| Profit for the year | 8,323 | - | 8,323 | - | 8,323 |
| Other comprehensive income for the year, net of tax | - | 19 | 19 | - | 19 |
| Dividend paid (Including interim dividend of ₹ 1,247 lakhs) during the year | (1,605) | - | (1,605) | - | (1,605) |
| **Balance as at March 31, 2024** | **33,702** | **(1,605)** | **32,097** | **78,990** | **1,11,087** |

Notes forming part of financial statements 1-27(Q)

**The above Statement of changes in equity should be read in conjunction with the accompanying notes**

This is the statement of changes in equity referred in our report of even date

**For Price Waterhouse & Co Chartered Accountants LLP**
**Firm Registration Number - 304026E/E-300009**

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

**Chanakya Chaudhary**
**Chairman**
**DIN: 02139568**
**Place : Jamshedpur**

**Manish Kumar Agarwal**
**Chief Financial Officer**
**Place : Jamshedpur**

**Piyush Sonthalia**
**Partner**
**Membership No - 062447**
**Place : Kolkata**
**Date: April 25, 2024**

**Ritu Raj Sinha**
**Managing Director**
**DIN: 00729535**
**Place : Jamshedpur**

**Nisha Anil Seth**
**Company Secretary**
**Place : New Delhi**

**Date: April 25, 2024**

TATA STEEL UTILITIES AND INFRASTRUCTURE SERVICES LIMITED

**Note 1: Material accounting policies**

**(1) Company information**

Tata Steel Utilities and Infrastructure Services Limited ('TSUISL' or 'the Company') is a public limited Company incorporated in India with its registered office in Jamshedpur, Jharkhand, India.

TSUISL is India's first private sector comprehensive urban infrastructure service provider. Carved out of Tata Steel Limited in 2004, it has the legacy of over ten decades of experience in providing these services-water, wastewater, power distribution, municipal solid waste management and town planning- at Jamshedpur.

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

As at March 31, 2024, Tata Steel Limited owns 100% of the ordinary share of the Company and has the ability to influence the Company operations.

The financial statements for the year ended March 31, 2024 were approved by the board of directors and authorized for issue on April 25, 2024.

**(2) Material accounting policy**

The material 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) Statement of compliance**

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

**(b) Basis for preparation**

The financial statements have been prepared under the historical cost convention except for certain assets and liabilities that are required to be carried at fair values by Ind-AS.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle which is based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

**(c) Use of estimates and critical accounting judgments**

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

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

The Company uses the following critical accounting estimates in preparation of its consolidated financial statements.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
Kolkata

TATA STEEL UTILITIES AND INFRASTRUCTURE SERVICES LIMITED

**Impairment**

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

Determining whether the non-current investments are impaired requires an estimate of the value in use of investments. In considering the value in use, the management anticipates the future prices, operating margins, discount rates and other factors of the underlying businesses / operations.

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

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

**Valuation of deferred tax assets**

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period.

**Provisions and contingent liabilities**

A provision is recognized when the Company has a present obligation as result of a past event and it is probable that the outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

**Fair value measurements of financial instruments**

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including Discounted Cash Flow Model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risks, credit risks and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**Retirement benefit obligations**

The Company's retirement benefit obligation is subject to a number of judgments including discount rates, inflation and salary growth. Significant judgment is required when setting these criteria and a change in these assumptions would have a significant impact on the amount recorded in the Company's balance sheet and the Statement of Profit and Loss. The Company sets these judgements based on previous experience and third-party actuarial advice.

**(d) Property, plant and equipment**

An item of property, plant and equipment is recognized 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 the costs incurred initially to acquire an item of property, plant and equipment and to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognized in the Statement of Profit and Loss as incurred. When a replacement occurs, the carrying amount of the replaced part is derecognized. Where an item of property, plant and equipment comprises major component having different useful lives, these components are accounted for as separate items.

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TATA STEEL UTILITIES AND INFRASTRUCTURE SERVICES LIMITED

Property, plant and equipment are stated at cost/deemed cost, less accumulated depreciation and impairment. 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.

**(e) Intangible assets**

Software and license costs are included in the balance sheet as intangible assets when it is probable that associated future economic benefits would flow to the Company. In this case they are measured initially at purchase cost and then amortised on a straight-line basis over their estimated useful lives. All other costs on software and license are expensed in the Statement of Profit and Loss as and when incurred.

Intangible assets include development of property of Mysore landfill project. The project was at Build, Operate and Transfer (BOT) basis under the Public Private Partnership (PPP) Model for a period of 28.8 years. Based on the assessment of Appendix C of Ind AS 115, all the expenditure incurred for property, plant and equipment have been reclassified as intangible assets.

**(f) Depreciation and amortization of property, plant and equipment and intangible assets**

Depreciation or amortization is provided so as to write off, on a straight-line basis, the cost of property, plant and equipment and other intangible assets. These charges are commenced from the dates the assets are available for their intended use and are spread over their estimated useful economic lives. The estimated useful lives of assets and residual values are reviewed regularly and, when necessary, revised. Property, plant and equipment and intangible assets of power business depreciation is provided on straight line basis at the rates specified in Electricity Act, 2003.

Depreciation on assets under construction commences only when the assets are ready for their intended use.

The estimated useful lives for the main categories of property, plant and equipment and other intangible assets are:

| Block of Assets | Estimated useful life (years) |
|---|---|
| Buildings | 10 - 60 Years |
| Plant and machinery | 2 - 30 Years |
| Office equipments | 3-10 Years |
| Furniture and fixtures | 5-10 Years |
| Vehicles | 8 Years |
| Intangible assets | 5-10 Years |
| Assets covered under Electricity Act (life as prescribed under the Electricity Act) | 2-15 Years |

Assets value up to ₹5,000 are fully depreciated in the year of acquisition.

**(g) Impairment**

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

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

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TATA STEEL UTILITIES AND INFRASTRUCTURE SERVICES LIMITED

(h) Leases

**The Company as lessee**

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception comprises of the amount of initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date.

The right-of-use assets are subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Statement of Profit and Loss.

Lease liability is measured at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications. The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in the Statement of Profit and Loss.

Variable lease payments not included in the measurement of the lease liabilities are expensed to the Statement of Profit and Loss in the period in which the events or conditions which trigger those payments occur.

**(i) Investment in subsidiaries and joint ventures**

Investments in subsidiaries, associates and joint ventures are carried at cost less accumulated impairment loss, if any. Where an indication exists, the carrying amount of investment is assessed and an impairment provision is recognized, if required immediately to its recoverable amount. On disposal of such investments, difference between the net disposal proceeds and carrying amount is recognized in the Statement of Profit and Loss.

**(j) Financial instruments**

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognized in the Statement of Profit and Loss.

**Effective interest method**

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

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TATA STEEL UTILITIES AND INFRASTRUCTURE SERVICES LIMITED

**(i) Financial assets**

**Trade receivables -** Trade receivables are amount due from customers for services rendered / products sold in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional as they do not contain significant financing component. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using effective interest method, less loss allowances.

**Cash and cash equivalents** - which includes cash on hand, deposits held at call with banks and other short-term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have maturities of less than one year from the date of such deposits. These balances with banks are unrestricted for withdrawal and usage.

**Bank balance other than above -** which includes balances and deposits with banks that are restricted for withdrawal and usage.

**Financial assets at amortized cost**

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Impairment of financial assets**

Loss allowance for expected credit losses is recognized for financial assets measured at amortized cost and fair value through other comprehensive income.

The Company recognizes lifetime expected credit losses for all trade receivables that do not constitute a financing transaction.

For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognized. Loss allowance equal to the lifetime expected credit losses is recognized if the credit risk on the financial instruments has significantly increased since initial recognition.

**Derecognition of financial assets**

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and recognizes a collateralized borrowing of the proceeds received.

**(ii) Financial liabilities and equity instruments**

**Classification as debt or equity**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered and the definitions of a financial liability and an equity instrument.

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**Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

**Financial liabilities**

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

**Derecognition of financial liabilities**

The Company derecognizes financial liabilities when, and only when, the Company obligations are discharged, cancelled or they expire.

**(k) Retirement benefit costs**

**Defined contribution plan**

Payments to defined contribution plans are charged as an expense as they fall due. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

**Defined benefit plans**

For defined benefit retirement schemes the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Re-measurement gains and losses of the net defined benefit liability/ (asset) are recognized immediately in other comprehensive income. The service cost, net interest on the net defined benefit liability/ (asset) is treated as a net expense within employment costs.

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

The retirement benefit obligation recognized in the balance sheet represents the present value of the defined-benefit obligation as reduced by the fair value plan assets.

**Compensated absences**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognized based on actuarial valuation at the present value of the obligation as on the reporting date.

**(l) Inventories**

Land is stated at the lower of cost and net realisable value (NRV). Costs comprise direct purchase cost, improvement cost that have been incurred in bringing the land to their present condition.

Stores and spare parts are carried at weighted average cost. Provisions are made to cover slow moving and obsolete items based on historical experience of utilization.

**(m) Provisions**

Provisions are recognized in the balance sheet when the Company has a present obligation (legal or constructive) as a result of a past event, which is expected to result in an outflow of resources embodying economic benefits which can be reliably estimated. Each provision is based on the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Where the time value of money is material, provisions are measured on discounted basis.

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Constructive obligation is an obligation that derives from an entity's actions where:

- by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities; and
- as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

**(n) Onerous contracts**

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

**(o) Contribution from customers**

Contribution received from consumers towards installation of assets pertaining to distribution of power and water, are credited to deferred income on capitalization of related assets. An amount in proportion to the depreciation charge for the year on such assets is transferred to the Statement of Profit and Loss.

**(p) Government grants**

Government grants related to expenditure on property, plant and equipment are credited to the Statement of Profit and Loss over the useful lives of qualifying assets or other systematic basis representative of the pattern of fulfillment of obligations associated with the grant received. Total grants received less the amounts credited to the Statement of Profit and Loss at the balance sheet date are included in the balance sheet as deferred income.

**(q) Taxation**

Tax expense for the period comprises current and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of Profit and Loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted in countries where the Company operates by the end of the reporting period.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences. In contrast, deferred tax assets are only recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realized based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to cover or settle the carrying amount of its assets and liabilities.

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Current and deferred tax are recognized as an expense or income in the Statement of Profit and Loss, except when they relate to items credited or debited either in other comprehensive income or directly in equity, in which case the tax is also recognized in other comprehensive income or directly in equity.

**(r) Revenue**

The Company has applied five step model as per Ind AS 115 'Revenue from contract with customers' for the annual reporting period commencing April 1, 2018 which resulted in changes in accounting policies and adjustments to the amounts recognized in the financial statements.

Revenue is recognised at a point of time and over a period of time based on various conditions as included in the contracts with customers.

Revenue is measured at fair value of the consideration received or receivable and is reduced by rebates, allowances and taxes and duties collected on behalf of government.

Revenue also includes adjustments made towards liquidated damages, performance guarantee and estimated loss on contract wherever applicable.

**Revenue from services and construction contracts**

Revenue from providing services is recognized in the accounting period in which the services are rendered.

For fixed-price contracts, revenue is recognised over a period of time, based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided as the customer receives and uses the benefits simultaneously.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

For contract of fixed expenditure plus margin, revenue is recognised over a period of time, based on the actual service provided on which expenditure been incurred and in which agreed margin is added.

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

**Revenue from sale of power**

Revenue from sales of power is recognized as per the prescribed rate approved by Jharkhand State Electricity Regulatory Commission (JSERC) for the units consumed by the consumer, where revenue is recognised at a point of time.

**Interest income**

Interest income from financial assets is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time proportion basis taking into account the amount outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that assets net carrying amount on initial recognition.

**Dividend Income**

Dividend income from investments is recognised when the right to receive payment has been established.

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**(s) Recent Accounting Pronouncements**

The Ministry of Corporate Affairs has vide notification dated March 31, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 which amends certain accounting standards, and are effective April 01, 2023. The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications. These amendments did not have material impact nor are expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions.

TATA STEEL UTILITIES AND INFRASTRUCTURE SERVICES LIMITED

**Notes Forming Part of Financial Statements**

(₹ in Lakhs)

| 02 - Property, plant and equipment | Freehold land (note b) | Buildings (note c) | Plant and machinery | Furniture and fixtures | Office equipments | Vehicles | Total Property, Plant and Equipments | Capital work in progress (CWIP) | Total Property, Plant and Equipments including CWIP |
|---|---|---|---|---|---|---|---|---|---|
| Cost as at April 01, 2023 | 117 | 404 | 34,210 | 214 | 176 | 150 | 35,271 | 2,602 | 37,873 |
| Additions | 70 | 45 | 4,359 | 33 | 60 | 24 | 4,591 | 5,009 | 9,600 |
| Disposals | - | - | (20) | - | - | - | (20) | - | (20) |
| Other re-classifications (transfers in / out) | - | - | - | - | - | - | - | (4,591) | (4,591) |
| **Cost as at March 31, 2024** | **187** | **449** | **38,549** | **247** | **236** | **174** | **39,842** | **3,020** | **42,862** |
| Accumulated depreciation as at April 01, 2023 | - | 96 | 12,427 | 146 | 123 | 47 | 12,839 | - | 12,839 |
| Charge for the year | - | 12 | 1,728 | 20 | 14 | 20 | 1,794 | - | 1,794 |
| Disposals | - | - | (20) | - | - | - | (20) | - | (20) |
| **Accumulated depreciation as at March 31, 2024** | - | **108** | **14,135** | **166** | **137** | **67** | **14,613** | - | **14,613** |
| **Net block as at March 31, 2024** | **187** | **341** | **24,414** | **81** | **99** | **107** | **25,229** | **3,020** | **28,249** |
| | | | | | | | | | |
| Cost as at April 01, 2022 | 117 | 404 | 31,859 | 211 | 170 | 79 | 32,840 | 2,045 | 34,885 |
| Additions | - | - | 2,426 | 11 | 6 | 71 | 2,514 | 3,071 | 5,585 |
| Disposals | - | - | (75) | (8) | (0) | - | (83) | - | (83) |
| Other re-classifications (transfers in / out) | - | - | - | - | - | - | - | (2,514) | (2,514) |
| **Cost as at March 31, 2023** | **117** | **404** | **34,210** | **214** | **176** | **150** | **35,271** | **2,602** | **37,873** |
| Accumulated depreciation as at April 01, 2022 | - | 85 | 10,895 | 131 | 106 | 30 | 11,247 | - | 11,247 |
| Charge for the year | - | 11 | 1,606 | 20 | 17 | 17 | 1,671 | - | 1,671 |
| Disposals | - | - | (74) | (5) | (0) | - | (79) | - | (79) |
| **Accumulated depreciation as at March 31, 2023** | - | **96** | **12,427** | **146** | **123** | **47** | **12,839** | - | **12,839** |
| **Net block as at March 31, 2023** | **117** | **308** | **21,783** | **68** | **53** | **103** | **22,432** | **2,602** | **25,034** |

**Notes:**

(a) Depreciation and amortisation for the year:

| | Year Ended March 31, 2024 (₹ in Lakhs) | Year Ended March 31, 2023 (₹ in Lakhs) |
|---|---|---|
| Depreciation | 1,794 | 1,671 |
| Amortisation (Refer note - 03) | 70 | 66 |
| Depreciation on Right-of-use assets (Refer note - 03A) | 492 | 232 |
| **Total** | **2,356** | **1,969** |

(b) Freehold land is registered in the name of Company's former name i.e., Jamshedpur Utilities and Services Company Limited.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the Company, except for those stated in note 27(M).

(d) '0' indicates value below the rounding off conversion of ₹ Lakhs.

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Chartered Accountants
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Notes Forming Part of Financial Statements

(₹ in Lakhs)

| 03 - Other intangible assets | Software | Development of property | Others | Total intangible assets | Intangible assets under development | Total including intangible assets under development |
|---|---|---|---|---|---|---|
| Cost as at April 01, 2023 | 112 | 579 | 52 | 743 | - | 743 |
| Additions | 29 | - | - | 29 | 29 | 58 |
| Other re-classifications (transfers in / out) | - | - | - | - | (29) | (29) |
| **Cost as at March 31, 2024** | **141** | **579** | **52** | **772** | - | **772** |
| Accumulated amortisation as at April 01, 2023 | 88 | 390 | 42 | 520 | - | 520 |
| Charge for the year | 14 | 56 | 0 | 70 | - | 70 |
| **Accumulated amortisation as at March 31, 2024** | **102** | **446** | **42** | **590** | - | **590** |
| **Net block as at March 31, 2024** | **39** | **133** | **10** | **182** | - | **182** |
| | | | | | | |
| Cost as at April 01, 2022 | 111 | 579 | 52 | 742 | - | 742 |
| Additions | 1 | - | - | 1 | 1 | 2 |
| Other re-classifications (transfers in / out) | - | - | - | - | (1) | (1) |
| **Cost as at March 31, 2023** | **112** | **579** | **52** | **743** | - | **743** |
| Accumulated amortisation as at April 01, 2022 | 78 | 334 | 42 | 454 | - | 454 |
| Charge for the year | 10 | 56 | 0 | 66 | - | 66 |
| **Accumulated amortisation as at March 31, 2023** | **88** | **390** | **42** | **520** | - | **520** |
| **Net block as at March 31, 2023** | **24** | **189** | **10** | **223** | - | **223** |

**Notes:**

(a) During the current year, the Company did not receive any government grants. The carrying amount of grant received as at March 31, 2024 is ₹ 106 Lakhs (as at March 31, 2023: ₹ 160 Lakhs). Refer note 19 for details of government grant.

(b) Development of property represents Mysore landfill project. The project was at Build, Operate and Transfer (BOT) basis under the Public Private Partnership (PPP) Model for a period of 28.8 years, out of which landfill operation period was 13.8 years and post closure period was 15 years. Carrying amount of Mysore landfill project as at March 31, 2024 is ₹ 133 Lakhs /- (as at March 31, 2023: ₹ 189 Lakhs). The remaining useful life of the intangible asset is 1 years and 11 months.

(c) '0' indicates value below the rounding off conversion of ₹ Lakhs.

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Notes Forming Part of Financial Statements

**03A - Right-of-use assets**

(₹ in Lakhs)

| Particulars | Leasehold land | Plant and machinery | Vehicles | Office equipments | Total Right-of-use assets |
|---|---|---|---|---|---|
| Cost as at April 01, 2023 | 210 | 1,335 | 873 | 69 | 2,487 |
| Additions | - | - | - | - | - |
| **Cost as at March 31, 2024** | **210** | **1,335** | **873** | **69** | **2,487** |
| Accumulated depreciation as at April 01, 2023 | 86 | 391 | 135 | 69 | 681 |
| Charge for the year | 43 | 246 | 203 | - | 492 |
| **Accumulated depreciation as at March 31, 2024** | **129** | **637** | **338** | **69** | **1,173** |
| **Net block as at March 31, 2024** | **81** | **698** | **535** | **-** | **1,314** |
| | | | | | |
| Cost as at April 01, 2022 | 210 | 299 | 204 | 69 | 782 |
| Additions | - | 1,036 | 669 | - | 1,705 |
| **Cost as at March 31, 2023** | **210** | **1,335** | **873** | **69** | **2,487** |
| Accumulated depreciation as at April 01, 2022 | 43 | 288 | 49 | 69 | 449 |
| Charge for the year | 43 | 103 | 86 | - | 232 |
| **Accumulated depreciation as at March 31, 2023** | **86** | **391** | **135** | **69** | **681** |
| **Net block as at March 31, 2023** | **124** | **944** | **738** | **-** | **1,806** |

**Notes:**

(a) Refer note 27(J) for details of depreciation charge, interest expenses and short term leases.
(b) The agreement for leasehold land was executed by the Company under its former name. i.e., Jamshedpur Utilities and Services Company Limited.

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**04. Investments**

| | As at March 31, 2024 (₹ In Lakhs) | As at March 31, 2023 (₹ In Lakhs) |
|---|---|---|
| **Investments carried at cost** | | |
| **Unquoted equity investment** | | |
| **In subsidiary companies** | | |
| Haldia Water Management Limited | 1,666 | 1,666 |
| Tata Steel Business Delivery Centre Limited (formerly Kalimati Global Shared Services Limited) | 400 | 400 |
| Tata Steel Special Economic Zone Limited | 58,957 | 58,957 |
| The Tata Pigments Limited | 10,191 | 10,191 |
| Adityapur Toll Bridge Company Limited | 1,788 | 1,788 |
| | 73,002 | 73,002 |
| Aggregate provision for impairment in value of investments | 1,666 | 1,666 |
| | 71,336 | 71,336 |
| **In joint ventures** | | |
| Naba Diganta Water Management Limited | 1,365 | 1,365 |
| Jamipol Limited | 11,372 | 11,372 |
| Nicco Jubilee Park Limited | 0 | 0 |
| Himalaya Steel Mill Services Private Limited | 1,467 | 1,467 |
| | 14,204 | 14,204 |
| **Total investments** | 85,540 | 85,540 |

**Notes:**
(a) '0' indicates value below the rounding off conversion of ₹ Lakhs
(b) Details of subsidiaries and joint ventures at the end of the reporting year is as follows:

| Name of the subsidiaries | No. of shares as at March 31, 2024 (face value of Rs. 10/- each fully paid up unless otherwise specified | Place of incorporation and principal place of business | Principal activity | % of ownership interest and voting right held by the entity. As at March 31, 2024 | % of ownership interest and voting right held by the entity. As at March 31, 2023 |
|---|---|---|---|---|---|
| **Subsidiary companies** | | | | | |
| Haldia Water Management Limited | 1,66,64,210 | West Bengal, India | BOT projects and operation and maintenance of the water treatment facilities in Haldia region. | 60% | 60% |
| Tata Steel Business Delivery Centre Limited (formerly Kalimati Global Shared Services Limited) | 40,00,006 | West Bengal, India | Business of providing outsourcing/ consultancy services | 100% | 100% |
| Tata Steel Special Economic Zone Limited | 45,98,61,606 | Odisha, India | Construction (including alteration, addition, repair and maintenance) activity | 100% | 100% |
| The Tata Pigments Limited | 75,000 | Jharkhand, India | Manufacturing of Paints, Building materials, Plastic, Rubber goods, Paper, Inks etc. | 100% | 100% |
| Adityapur Toll Bridge Company Limited | 4,14,00,000 | Jharkhand, India | Building of complete constructions or parts thereof; civil engineering and collection of Toll Charges. | 88.50% | 88.50% |

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**Notes Forming Part of Financial Statement**

| Name of the joint ventures | No. of shares as at March 31, 2024 (face value of Rs. 10/- each fully paid up unless otherwise specified | Place of incorporation and principal place of business | Principal activity | % of ownership interest and voting right held by the entity. | |
|---|---|---|---|---|---|
| | | | | As at March 31, 2024 | As at March 31, 2023 |
| Naba Diganta Water Management Limited | 1,36,53,000 | West Bengal, India | BOT projects and PPP Model comprising of integrated water supply system and sewerage system. | 74.00% | 74.00% |
| Jamipol Limited | 39,25,000 | Jharkhand, India | Production of desulphurising compounds (DCs) used by the steel industry. | 34.89% | 34.89% |
| Nicco Jubilee Park Limited | 3,40,000 | Jharkhand, India | Building of complete constructions or parts thereof; civil engineering. | 20.99% | 20.99% |
| Himalaya Steel Mill Services Private Limited | 36,19,945 | Jharkhand, India | Slag handling services. | 26.00% | 26.00% |

Note:

During the year ended March 31, 2024, the Company considered indicators of impairment such as changes in outlook of future profitability and other potential indicators for its investments held.

The recoverable value of investments held in Tata Steel Special Economic Zone Limited, a wholly owned subsidiary of the Company is higher of the value in use (VIU) of the underlying business or the fair value less cost to sell. The VIU computation uses cash flow forecasts based on most recently approved financial budgets and strategic forecasts which cover a period of eight years and future projections taking the analysis out into perpetuity based on a steady state, sustainable cash flow. Key assumptions for the value in use computations are those regarding the discount rates, growth rate, market demand, sales prices etc. The projections are based on both past performance and the expectations of future performance and assumptions therein. The weighted average post-tax discount rate used for discounting the cash flows projections is 10.1% (March 31, 2023: 10.1%). Beyond the specifically forecasted period, a growth rate of 1.72% (March 31, 2023: 4%-5%) is used to extrapolate the cash flow projections. This rate does not exceed the average long-term growth rate for the relevant market.

The outcome of the assessment as on March 31, 2024 did not result in recognition of any impairment for investments held in Tata Steel Special Economic Zone Limited. The Company has also conducted sensitivity analysis on the impairment tests including sensitivity in respect of discount rate and growth rate. The management believes that no reasonably possible change in any of the key assumptions used in the assessment would cause the carrying value of such investment to exceed its recoverable amount.

In respect other investments held in subsidiaries and joint ventures, the outcome of the assessment as on March 31, 2024 did not result in recognition of any impairment. The Company has also conducted sensitivity analysis on the impairment tests including sensitivity in respect of discount rate. The management believes that no reasonably possible change in any of the key assumptions used in the assessment would cause the carrying value of such investments to exceed its recoverable amount.

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**Notes Forming Part of Financial Statement**

**05 - Loans**

| Particulars | As at March 31, 2024 (₹ in Lakhs) Non Current | Current | Total | As at March 31, 2023 (₹ in Lakhs) Non Current | Current | Total |
|---|---|---|---|---|---|---|
| (a) Loans to related parties | | | | | | |
| Considered good - Unsecured (Refer note 27(D)) | - | - | - | - | 10 | 10 |
| Credit impaired (Refer note 27(D)) | - | - | - | - | - | - |
| Less: Allowances for credit losses | - | - | - | - | - | - |
| Total | - | - | - | - | 10 | 10 |
| (b) Other loans | | | | | | |
| Considered good - Unsecured | 13 | 1 | 14 | 9 | 1 | 10 |
| Total | 13 | 1 | 14 | 9 | 1 | 10 |
| Grand Total | 13 | 1 | 14 | 9 | 11 | 20 |

(a) Current loans to related parties represent loans given to joint ventures ₹ Nil lakhs (March 31, 2023: ₹ 10 lakhs).

(b) Other loans primarily represent loans given to employees.

**06 - Trade receivables**

| Particulars | As at March 31, 2024 (₹ in Lakhs) Non Current | Current | Total | As at March 31, 2023 (₹ in Lakhs) Non Current | Current | Total |
|---|---|---|---|---|---|---|
| (a) Secured, considered good | - | 5,312 | 5,312 | - | 6,221 | 6,221 |
| (b) Unsecured, considered good | 1,552 | 29,864 | 31,416 | 2,186 | 20,649 | 22,835 |
| (c) Unsecured, considered doubtful | 1,571 | 1,082 | 2,653 | 1,571 | 869 | 2,440 |
| Less: Allowance for credit losses | 1,571 | 1,082 | 2,653 | 1,571 | 869 | 2,440 |
| Total Trade receivables | 1,552 | 35,176 | 36,728 | 2,186 | 26,870 | 29,056 |

Notes:

(a) Ageing, classification and credit risk of trade receivables is as below:

(₹ in Lakhs)

| As at March 31, 2024 | Not yet due | Outstanding for the following periods from due date of payment: Less than 6 Months | 6 Months - 1 Year | 1-2 Year | 2-3 Year | More than 3 Year | Total |
|---|---|---|---|---|---|---|---|
| Undisputed trade receivables | | | | | | | |
| (i) Considered good | 22,930 | 7,606 | 757 | 747 | 923 | 1,953 | 34,916 |
| (ii) Which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Credit impaired | - | - | - | 56 | 45 | 819 | 920 |
| Disputed trade receivables | | | | | | | |
| (i) Considered good | - | - | - | - | - | 1,812 | 1,812 |
| (ii) Which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Credit impaired | - | - | - | - | - | 1,733 | 1,733 |
| Gross Trade receivables | 22,930 | 7,606 | 757 | 803 | 968 | 6,317 | 39,381 |
| Expected loss rate | 0% | 0% | 0% | 7% | 5% | 40% | |
| Less: Allowance for credit losses | - | - | - | 56 | 45 | 2,552 | 2,653 |
| Net Trade receivables | 22,930 | 7,606 | 757 | 747 | 923 | 3,765 | 36,728 |

(₹ in Lakhs)

| As at March 31, 2023 | Not yet due | Outstanding for the following periods from due date of payment: Less than 6 Months | 6 Months - 1 Year | 1-2 Year | 2-3 Year | More than 3 Year | Total |
|---|---|---|---|---|---|---|---|
| Undisputed trade receivables | | | | | | | |
| (i) Considered good | 17,328 | 6,831 | 539 | 613 | 272 | 1,028 | 26,611 |
| (ii) Which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Credit impaired | - | - | - | 52 | 58 | 597 | 707 |
| Disputed trade receivables | | | | | | | |
| (i) Considered good | - | - | - | - | - | 2,445 | 2,445 |
| (ii) Which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Credit impaired | - | - | - | - | - | 1,733 | 1,733 |
| Gross Trade receivables | 17,328 | 6,831 | 539 | 665 | 330 | 5,803 | 31,496 |
| Expected loss rate | 0% | 0% | 0% | 8% | 18% | 40% | |
| Less: Allowance for credit losses | - | - | - | 52 | 58 | 2,330 | 2,440 |
| Net Trade receivables | 17,328 | 6,831 | 539 | 613 | 272 | 3,473 | 29,056 |

(b) Movement in allowance for credit losses:

| Particulars | As at March 31, 2024 (₹ in Lakhs) | As at March 31, 2023 (₹ in Lakhs) |
|---|---|---|
| Balance at the beginning of the year | 2,440 | 2,559 |
| Provision created during the year | 216 | 99 |
| Provisions reversed during the year | (3) | (218) |
| Balance at the end of the year | 2,653 | 2,440 |

(c) Amount outstanding from related parties

| Particulars | As at March 31, 2024 (₹ in Lakhs) | As at March 31, 2023 (₹ in Lakhs) |
|---|---|---|
| Trade receivables from related parties (Refer note 27(D)) | 24,087 | 14,552 |

(d) The Company considers its maximum exposure to credit risk with respect to customers as at March 31, 2024 to be ₹ 36,728 Lakhs (March 31, 2023: ₹ 29,056 Lakhs ), which is the fair value of trade receivables (after allowance for credit losses).

Of the trade receivable balance as at March 31, 2024 ₹ 22,071 Lakhs (March 31, 2023 of ₹ 13,082 Lakhs ) is due from Tata Steel Limited the holding Company, ₹ 2,552 Lakhs (As on March 31, 2023 of ₹ 3,450 Lakhs ) from Jharkhand Urban Infrastructure and Development Company and ₹ 1,552 Lakhs (As at March 31, 2023 of ₹ 2,186 Lakhs ) is due from Karnataka Urban Water Supply and Drainage (KUWSD), the entities largest customers. There are no other customers who represents more than 10% of the total balance of trade receivables.

(e) Customer credit risk is managed by the Company through established policy and procedures and control relating to customer credit risk management. Trade receivables and contract assets are non-interest bearing. The Company has a detailed review mechanism of overdue receivables to ensure proper attention and focus for realisation. The Company uses specific identification method in determining the allowance for credit losses of trade and other receivables considering prior experience, past due status of doubtful receivables which includes factors such as ability to pay, bankruptcy, payment history, forward looking information etc. Receivables are deemed to be past due or impaired with reference to the Company's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions. On specific identification Rs. 2,353 lacs of trade receivables and Rs. 147 lacs of contract assets (note 7) is considered doubtful of recovery and provided for in the books. Further, in determining the allowance for credit loss of trade receivables and contract assets (having substantially same risk characteristics), the Company has used the practical expedient by computing the expected credit loss allowance based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance based on ageing of receivables and the rates used in provision matrix resulted in the default risk as indicated above (note a), which is not significant and the movement of allowance is given above (note b).

(f) Amount of ₹ 5,312 Lakhs (March 31, 2023 of ₹ 6,221 Lakhs ) receivable from sale of power is secured against the security deposits received from the customers in the form of bank guarantee or cash as per the Jharkhand State Electricity Regulations.

(g) There are no outstanding debts due from directors or other employees of the Company including private companies where director of the Company is a director or member.

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07 - Other financial assets

| Particulars | As at March 31, 2024 (₹ in Lakhs) | | | As at March 31, 2023 (₹ in Lakhs) | | |
|---|---|---|---|---|---|---|
| | Non Current | Current | Total | Non Current | Current | Total |
| (a) Contract assets | - | 19,021 | 19,021 | - | 21,732 | 21,732 |
| (b) Security deposits | 436 | 48 | 484 | 476 | 7 | 483 |
| (c) Advances to group companies (Refer note 27(D)) | - | 5 | 5 | - | 1 | 1 |
| (d) Earmarked Non-current balances with bank* | 260 | - | 260 | 408 | - | 408 |
| Gross other financial assets | 696 | 19,074 | 19,770 | 884 | 21,740 | 22,624 |
| Less: Provision for bad and doubtful other financial assets | | | | | | |
| (a) Contract assets | - | 147 | 147 | - | - | - |
| (b) Advances to group companies | - | 5 | 5 | - | 1 | 1 |
| Total provision for bad and doubtful other financial assets | - | 152 | 152 | - | 1 | 1 |
| Net other financial assets | 696 | 18,922 | 19,618 | 884 | 21,739 | 22,623 |
| Classification of other financial assets | | | | | | |
| Secured, considered good | - | - | - | - | - | - |
| Unsecured, considered good | 696 | 18,922 | 19,618 | 884 | 21,739 | 22,623 |
| Doubtful | - | 152 | 152 | - | 1 | 1 |
| Gross other financial assets | 696 | 19,074 | 19,770 | 884 | 21,740 | 22,624 |

Notes:

*Earmarked bank balances represent deposits not due for realisation within 12 months from the balance sheet date. These are held against issue of bank guarantee.

08 - Other assets

| Particulars | As at March 31, 2024 (₹ in Lakhs) | | | As at March 31, 2023 (₹ in Lakhs) | | |
|---|---|---|---|---|---|---|
| | Non Current | Current | Total | Non Current | Current | Total |
| (a) Capital advances | 15 | - | 15 | 15 | - | 15 |
| (b) Advance with public bodies | 2,052 | 1,527 | 3,579 | 2,052 | 1,320 | 3,372 |
| (c) Other advances | 0 | 1,634 | 1,634 | 0 | 2,120 | 2,120 |
| Gross other assets | 2,067 | 3,161 | 5,228 | 2,067 | 3,440 | 5,507 |
| Less: Provision for bad & doubtful other assets | | | | | | |
| (a) Advance with public bodies | 1,890 | - | 1,890 | 1,890 | - | 1,890 |
| (b) Other advances | - | 575 | 575 | - | 556 | 556 |
| Total provision for bad and doubtful other assets | 1,890 | 575 | 2,465 | 1,890 | 556 | 2,446 |
| Total other assets | 177 | 2,586 | 2,763 | 177 | 2,884 | 3,061 |
| Classification of other assets | | | | | | |
| Secured, considered good | - | - | - | - | - | - |
| Unsecured, considered good | 177 | 2,586 | 2,763 | 177 | 2,884 | 3,061 |
| Doubtful | 1,890 | 575 | 2,465 | 1,890 | 556 | 2,446 |
| Gross other assets | 2,067 | 3,161 | 5,228 | 2,067 | 3,440 | 5,507 |

(a) '0' indicates value below the rounding off conversion of ₹ Lakhs.

(b) Others include advances against supply of goods/services and advances paid to employees.

09 - Inventories

| Particulars | As at March 31, 2024 (₹ in Lakhs) | As at March 31, 2023 (₹ in Lakhs) |
|---|---|---|
| Inventories (lower of cost or net realizable value) | | |
| - Land, plots and construction in progress | 7,229 | 7,343 |
| - Stores and Spares | 1,784 | 1,587 |
| Total Inventories | 9,013 | 8,930 |

Notes:

(a) The value of stores and spares above is stated after impairment of ₹ 725 Lakhs (March 31, 2023: ₹ 837 Lakhs) for provision for slow moving and obsolete item.

(b) Land, plots and construction in progress is recognised as cost or net realisable value (NRV) whichever is lower. During the year ended March 31, 2024, land was valued from a certified valuer. Fair value of the land as per the valuation report is ₹ 21,178 Lakhs. Hence land has been recognised at cost.

(c) Refer note no. 2(l) for accounting policy

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**10 - Current investments**

| **Particulars** | **As at March 31, 2024 (₹ in Lakhs)** | **As at March 31, 2023 (₹ in Lakhs)** |
|---|---|---|
| Unquoted investments | | |
| Investment in mutual funds | | |
| Axis Liquid Fund | - | 304 |
| Aditya Birla Sun Life Liquid Fund | - | 203 |
| UTI Liquid Cash Plan | - | 204 |
| HSBC Liquid Fund | 1,931 | 204 |
| Nippon India Liquid Fund | - | 316 |
| Bandhan Liquid Fund | - | 313 |
| SBI Liquid Fund | 1,917 | 325 |
| DSP Liquidity Fund | - | 312 |
| HDFC Liquid Fund | - | 412 |
| Kotak Liquid Fund | - | 414 |
| TATA Liquid Fund | - | 204 |
| Invesco India Liquid Fund | 1,916 | - |
| ICICI Prudential Liquid Fund | - | 405 |
| **Total Current investments** | **5,764** | **3,616** |

| | **As at March 31, 2024 (₹ in Lakhs)** | **As at March 31, 2023 (₹ in Lakhs)** |
|---|---|---|
| a. Investments in unquoted instruments | | |
| Aggregate carrying value | 5,764 | 3,616 |
| Aggregate market value | 5,764 | 3,616 |

| **Particulars** | **As at March 31, 2024 (₹ in Lakhs)** | **As at March 31, 2023 (₹ in Lakhs)** |
|---|---|---|
| **11(a) - Cash and cash equivalents** | | |
| (a) Cash on hand | 17 | 7 |
| (b) Cheques, drafts on hand | - | - |
| (c) Unrestricted balances in current accounts | 1,722 | 4,090 |
| **Total Cash and cash equivalents** | **1,739** | **4,097** |
| **11(b) - Bank balances other than above** | | |
| (a) Earmarked balances with banks | | |
| (i) In deposit accounts | 4,024 | 3,650 |
| **Total Bank balances other than above** | **4,024** | **3,650** |

**Notes:**

(a) Earmarked balances with banks primarily represents balances held against issue of bank guarantee and power business.

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**12 - Equity share capital**

| Particulars | As at March 31, 2024 (₹ in Lakhs) | As at March 31, 2023 (₹ in Lakhs) |
|---|---|---|
| **Authorised:** | | |
| 7,50,00,00,000 Equity Shares of Rs. 10 each | 7,50,000 | 7,50,000 |
| (March 31,2023: 7,50,00,00,000 Equity Shares of Rs. 10 each) | | |
| **Issued , Subscribed and Fully Paid up :** | | |
| 6,32,16,337 Equity Shares of Rs 10 each | 6,321 | 6,321 |
| (March 31,2023: 6,32,16,337 Equity Shares of ₹ 10 each) | | |

**Notes:**

(a) Reconciliation of the number of Equity shares and the amount outstanding at the beginning and at the end of the reporting period is as below:

| Particulars | Number of shares | Share Capital (₹ in Lakhs) |
|---|---|---|
| **Balance at March 31, 2022** | 6,00,53,547 | 6,005 |
| Shares issued during the year | 31,62,790 | 316 |
| **Balance at March 31, 2023** | 6,32,16,337 | 6,321 |
| Shares issued during the year | - | - |
| **Balance at March 31, 2024** | 6,32,16,337 | 6,321 |

(b) Shareholding of Promoters are as follows:

| Shares held by Promoters at the end of the year | | | % Change during the year |
|---|---|---|---|
| Promoter name | No of shares | % of Total shares | |
| **As at March 31, 2023** | | | |
| Tata Steel Limited | 6,32,16,277 | 100% | 5% |
| **As at March 31, 2024** | | | |
| Tata Steel Limited | 6,32,16,277 | 100% | - |

(c) Details of shareholders holding more than 5% shares of the Company

| | As on March 31, 2024 | | As on March 31, 2023 | |
|---|---|---|---|---|
| Promoter name | No of shares | % of Holding | No of shares | % of Holding |
| Tata Steel Limited | 6,32,16,277 | 100% | 6,32,16,277 | 100% |

(d) The rights, powers and preferences relating to each class of share capital and the qualifications, limitations and restrictions thereof are contained in the Memorandum and Articles of Association of the Company.

(e) In respect of every equity share, voting rights shall be in same proportion as the capital paid up on such equity share bears to the total paid up capital of the Company.

(f) The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting, except in case of interim dividend.

(g) In the event of liquidation, the shareholders of Equity Shares are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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## 13 - Other equity

| Particulars | As at March 31, 2024 (₹ in Lakhs) | As at March 31, 2023 (₹ in Lakhs) |
|---|---|---|
| Securities premium | 78,990 | 78,990 |
| Retained earnings | 32,097 | 25,360 |
| **Total** | **1,11,087** | **1,04,350** |

**Notes:**

| (i) Securities premium | As at March 31, 2024 (₹ in Lakhs) | As at March 31, 2023 (₹ in Lakhs) |
|---|---|---|
| Opening balance | 78,990 | 72,506 |
| Add: On fresh issue | - | 6,484 |
| **Closing balance** | **78,990** | **78,990** |

| (ii) Retained earnings | As at March 31, 2024 (₹ in Lakhs) | As at March 31, 2023 (₹ in Lakhs) |
|---|---|---|
| Opening balance | 25,360 | 20,917 |
| Net profit for the year | 8,323 | 9,099 |
| Items of other comprehensive income recognised directly in retained earnings | | |
| -Remeasurement of post-employment benefit obligation, net of tax | 19 | (506) |
| Dividends paid (including interim dividend of ₹ 1,247 lakhs) | (1,605) | (4,150) |
| **Closing balance** | **32,097** | **25,360** |

Securities premium is used to record premium on issue of shares. The reserve is utilised in accordance with the provisions of Companies Act, 2013

## 14 - Lease liabilities

| Particulars | As at March 31, 2024 (₹ in Lakhs) | | | As at March 31, 2023 (₹ in Lakhs) | | |
|---|---|---|---|---|---|---|
| | Non Current | Current | Total | Non Current | Current | Total |
| Lease liabilities | 970 | 429 | 1,399 | 1,396 | 438 | 1,834 |
| **Total Lease liabilities** | **970** | **429** | **1,399** | **1,396** | **438** | **1,834** |

## 15 - Trade payables

| Particulars | As at March 31, 2024 (₹ in Lakhs) | | | As at March 31, 2023 (₹ in Lakhs) | | |
|---|---|---|---|---|---|---|
| | Non Current | Current | Total | Non Current | Current | Total |
| Creditors for supplies / services | | | | | | |
| (i) Total outstanding due of micro and small enterprises (Refer note 27(F)) | - | 16,975 | 16,975 | - | 15,880 | 15,880 |
| (ii) Total outstanding due other than (a)(i) above | - | 16,201 | 16,201 | - | 16,070 | 16,070 |
| **Total Trade payables** | - | **33,176** | **33,176** | - | **31,950** | **31,950** |

**Notes:**

(a) Ageing and classification of creditors for suppliers and services:

(₹ in Lakhs)

| As at March 31, 2024 | Unbilled dues/ Not yet due* | Outstanding for the following periods from due date of payment: Less than 1 Year | 1-2 Year | 2-3 Year | More than 3 Year | Total |
|---|---|---|---|---|---|---|
| **Undisputed trade payables** | | | | | | - |
| (i) MSME | 16,975 | - | - | - | - | 16,975 |
| (ii) Others | 16,006 | 167 | - | - | - | 16,173 |
| **Disputed trade payables** | | | | | | |
| (i) MSME | - | - | - | - | - | - |
| (ii) Others | 28 | - | - | - | - | 28 |
| | 33,009 | 167 | - | - | - | 33,176 |

(₹ in Lakhs)

| As at March 31, 2023 | Unbilled dues/ Not yet due* | Outstanding for the following periods from Due date of Payment: Less than 1 Year | 1-2 Year | 2-3 Year | More than 3 Year | Total |
|---|---|---|---|---|---|---|
| **Undisputed trade payables** | | | | | | |
| (i) MSME | 15,840 | 40 | - | - | - | 15,880 |
| (ii) Others | 15,168 | 851 | - | - | - | 16,019 |
| **Disputed trade payables** | | | | | | |
| (i) MSME | - | - | - | - | - | - |
| (ii) Others | 51 | - | - | - | - | 51 |
| | 31,059 | 891 | - | - | - | 31,950 |

* Unbilled dues/ Not yet due includes cases where vendors are yet to submit the invoices, retention money and amount hold for statutory non compliances by the vendors.

(b) Amount outstanding to related parties

| Particulars | As at March 31, 2024 (₹ in Lakhs) | As at March 31, 2023 (₹ in Lakhs) |
|---|---|---|
| Trade payables to related parties (Refer note 27(D)) | 673 | 400 |

## 16 - Other financial liabilities

| Particulars | As at March 31, 2024 (₹ in Lakhs) | | | As at March 31, 2023 (₹ in Lakhs) | | |
|---|---|---|---|---|---|---|
| | Non Current | Current | Total | Non Current | Current | Total |
| (a) Creditors for other liabilities | | | | | | |
| (i) Creditors for capital supplies/services | - | 305 | 305 | - | 315 | 315 |
| (ii) Other credit balances | | | | | | |
| - Security and other deposits | 8,836 | - | 8,836 | 8,671 | 562 | 9,233 |
| - Contribution for capital expenditure | - | 491 | 491 | - | 1,907 | 1,907 |
| - Contract liability | 825 | 735 | 1,560 | 825 | 942 | 1,767 |
| - Other credit balances | - | 384 | 384 | - | 342 | 342 |
| (b) Creditors for accrued wages and salaries | 64 | 3,148 | 3,212 | 94 | 5,576 | 5,670 |
| **Total Other financial liabilities** | **9,725** | **5,063** | **14,788** | **9,590** | **9,644** | **19,234** |

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### 17 - Provisions

| Particulars | As at March 31, 2024 (₹ in Lakhs) | | | As at March 31, 2023 (₹ in Lakhs) | | |
|---|---|---|---|---|---|---|
| | Non Current | Current | Total | Non Current | Current | Total |
| Provision for performance guarantee | - | 100 | 100 | - | 137 | 137 |
| Provision for estimated loss on contracts | 354 | 502 | 856 | 354 | 1,521 | 1,875 |
| Provision for liquidated damages | 170 | 211 | 381 | 162 | 211 | 373 |
| Provision for suraksha scheme | 30 | 3 | 33 | 31 | 3 | 34 |
| **Total Provisions** | **554** | **816** | **1,370** | **547** | **1,872** | **2,419** |

**Note:**

**(a) The details of movement in provisions is as below:**

(₹ in Lakhs)

| Particulars | Performance Guarantee | Estimated loss on contracts | Liquidated Damages | Suraksha Scheme |
|---|---|---|---|---|
| Balance at March 31,2022 | 130 | 524 | 364 | 35 |
| Provision created during the year | 7 | 1,351 | 9 | 2 |
| Provisions reversed/utilised during the year | - | - | - | (3) |
| **Balance at March 31, 2023** | **137** | **1,875** | **373** | **34** |
| Provision created during the year | 56 | 312 | 8 | 2 |
| Provisions reversed/utilised during the year | (93) | (1,331) | - | (3) |
| **Balance at March 31, 2024** | **100** | **856** | **381** | **33** |

### 18 - Employee benefit obligations

| Particulars | As at March 31, 2024 (₹ in Lakhs) | | | As at March 31, 2023 (₹ in Lakhs) | | |
|---|---|---|---|---|---|---|
| | Non Current | Current | Total | Non Current | Current | Total |
| (a) Provision for employee benefits | | | | | | |
| (1) Leave obligations | 3,509 | 508 | 4,017 | 3,476 | 1,028 | 4,504 |
| (2) Long service award | 55 | 4 | 59 | 53 | 7 | 60 |
| (3) Provision for employee separation compensation | 500 | 193 | 693 | 643 | 201 | 844 |
| (4) Employee redundancy provision | 810 | 120 | 930 | 842 | 140 | 982 |
| (b) Provision for post retirement obligations (Refer note 27(B)) | | | | | | |
| (1) Retiring gratuity | 472 | - | 472 | 1,142 | - | 1,142 |
| (2) Other defined benefit provisions | 205 | 11 | 216 | 186 | 4 | 190 |
| **Total Employee benefit obligations** | **5,551** | **836** | **6,387** | **6,342** | **1,380** | **7,722** |

Note:

As per the leave policy of the Company, an employee is entitled to be paid the accumulated leave balance on separation. The Company presents the leave obligations as current and non-current based on actuarial valuation considering estimates of availment of leave, separation of employee etc.

### 19 - Deferred income

| Particulars | As at March 31, 2024 (₹ in Lakhs) | | | As at March 31, 2023 (₹ in Lakhs) | | |
|---|---|---|---|---|---|---|
| | Non Current | Current | Total | Non Current | Current | Total |
| (a) Grants for property, plant and equipment | 52 | 54 | 106 | 106 | 54 | 160 |
| (b) Other deferred income | 11,086 | 722 | 11,808 | 9,479 | 628 | 10,107 |
| **Total Deferred income** | **11,138** | **776** | **11,914** | **9,585** | **682** | **10,267** |

### 20 - Other liabilities

| Particulars | As at March 31, 2024 (₹ in Lakhs) | | | As at March 31, 2023 (₹ in Lakhs) | | |
|---|---|---|---|---|---|---|
| | Non Current | Current | Total | Non Current | Current | Total |
| (a) Advances received from customers | - | 4,721 | 4,721 | - | 4,073 | 4,073 |
| (b) Employee recoveries and employer contributions | - | 308 | 308 | - | 268 | 268 |
| (c) Statutory Dues (GST, Excise duty, service tax, TDS, etc) | - | 1,526 | 1,526 | - | 2,171 | 2,171 |
| (d) Power surplus | - | 5,297 | 5,297 | - | 2,348 | 2,348 |
| (e) Other credit balances | - | 175 | 175 | - | 163 | 163 |
| **Total Other liabilities** | - | **12,027** | **12,027** | - | **9,023** | **9,023** |

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**Notes Forming Part of Financial Statement**

**21 - Revenue from operations**

| Particulars | For the year ended March 31, 2024 (₹ in Lakhs) | March 31, 2023 (₹ in Lakhs) |
|---|---|---|
| **Revenue from contracts with customer** | | |
| (a) Service income | 75,878 | 66,618 |
| (b) Income from construction activities | 25,720 | 20,092 |
| (c) Sale of power | 61,738 | 53,941 |
| (d) Sale of land | 665 | 999 |
| (e) Other operating revenue | 724 | 604 |
| **Total Revenue from operations** | **1,64,725** | **1,42,254** |
| **The broad break-up of revenue from operation is as below** | | |
| Revenue recognised at a point in time | 63,031 | 55,502 |
| Revenue recognised over time | 1,01,694 | 86,752 |
| | **1,64,725** | **1,42,254** |

The aggregate amount of the transaction price allocated to the remaining performance obligation, which are partially or fully unsatisfied as at year end is Rs. 1,29,247 lacs (March 31, 2023 : Rs. 1,16,561 lacs) and the entity will recognize this revenue as the contract is completed and / or executed, which is expected to occur over the next 6–47 months.

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| **Reconciliation of revenue recognised with contract price** | | |
| **Contract price** | 1,63,676 | 1,43,622 |
| Adjustment for : | | |
| Liquidated damages | 8 | 10 |
| Performance guarantee | (38) | 7 |
| Estimated loss on contract (net) | (1,019) | 1,351 |
| | **1,64,725** | **1,42,254** |

**22 - Other income**

| **Particulars** | March 31, 2024 | March 31, 2023 |
|---|---|---|
| (a) Dividend income | 1,486 | 3,686 |
| (b) Interest income | 348 | 182 |
| (c) Net Gain / (Loss) on sale of current investments | 439 | 293 |
| (d) Fair Value Changes on non-derivative financial asset/financial liability | 55 | 30 |
| (e) Liability no longer required written back | 1,085 | 252 |
| (f) Profit / (Loss) on sale of Property, Plant and Equipment (net) | (0) | 3 |
| (g) Other miscellaneous income | 526 | 422 |
| **Total Other income** | **3,939** | **4,868** |

a) '0' indicates value below the rounding off conversion of ₹ Lakhs.

**23 - Direct expenses**

| **Particulars** | March 31, 2024 | March 31, 2023 |
|---|---|---|
| (a) Purchase of power | 54,671 | 48,346 |
| (b) Cost of services | 58,538 | 49,991 |
| (c) Cost of land sold | 318 | 416 |
| (d) Stores and spares consumed | 17,467 | 15,390 |
| (e) Fuel oil consumed | 446 | 535 |
| **Total Direct expenses** | **1,31,440** | **1,14,678** |

**24 - Employee benefit expenses**

| **Particulars** | March 31, 2024 | March 31, 2023 |
|---|---|---|
| (a) Salaries and wages, including bonus | 15,422 | 11,895 |
| (b) Contribution to provident and other funds | 1,617 | 1,448 |
| (c) Redundancy cost | 129 | 141 |
| (d) Staff welfare expenses | 1,185 | 934 |
| **Total Employee benefit expenses** | **18,353** | **14,418** |

The Company has recognised, in the Statement of Profit and Loss for the current year, an amount of ₹ 326 Lakhs (March 31, 2023: ₹ 459 Lakhs ) as expenses for short term employee benefits with respect to key managerial personnel:

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**Notes Forming Part of Financial Statement**

**25 - Finance costs**

| Particulars | For the year ended March 31, 2024 (₹ in Lakhs) | For the year ended March 31, 2023 (₹ in Lakhs) |
|---|---|---|
| (a) Interest expense | | |
| (1) Interest on security deposits | 870 | 626 |
| (2) Interest on others | 19 | 3 |
| (b) Finance charges on leases | 183 | 77 |
| **Total Finance costs** | **1,072** | **706** |

**26 - Other expenses**

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| (a) Repairs to plant and machinery | 62 | 76 |
| (b) Rent | 32 | 162 |
| (c) Rates and taxes | 293 | 168 |
| (d) Insurance | 174 | 120 |
| (e) Provisions for doubtful debts and advances | 383 | (61) |
| (1) Allowance for credit losses | 360 | (119) |
| (2) Provision for doubtful advances | 23 | 58 |
| (3) Bad debts and advances written off | - | 4,662 |
| (4) Provision for bad and doubtful debts and advances written back | - | (4,662) |
| (f) Payment to Statutory auditors [excluding GST of ₹ 6.34 lakhs (March 31,2023 GST of ₹ 3 lakhs)] | | |
| (1) Audit fee | 27 | 13 |
| (2) Tax audit fee | 4 | 3 |
| (3) Certification fee | 6 | 2 |
| (4) Out-of-pocket expenses | 2 | 1 |
| (g) Legal and other professional fees | 276 | 245 |
| (h) Advertisement, promotion and selling expenses | 41 | 73 |
| (i) Travelling expenses | 1,138 | 971 |
| (j) CSR expenditure (Refer note 27(O)) | 135 | 119 |
| (k) Information technology expenses | 1,329 | 1,309 |
| (l) Miscellaneous expenses | 719 | 1,206 |
| **Total Other expenses** | **4,621** | **4,407** |

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TATA STEEL UTILITIES AND INFRASTRUCTURE SERVICES LIMITED

27(A): Financial Instruments

(i) Capital management

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

The Company determines the amount of capital required based on annual operating plans and other strategic investment plans. The funding needs are met through equity, cash generated from operations.

The Company monitors the capital structure based on net debt to equity ratio and maturity profile of the overall debt portfolio of the Company. Net debt includes lease obligations less cash and cash equivalents, other bank balances (including non-current earmarked balances) and current investments.

| Particulars | As at March 31,2024 (₹ in Lakhs) | As at March 31,2023 (₹ in Lakhs) |
|---|---|---|
| Equity share capital | 6,321 | 6,321 |
| Other equity | 1,11,087 | 1,04,350 |
| Total equity (A) | 1,17,408 | 1,10,671 |
| | | |
| Non-current lease obligations | 970 | 1,396 |
| Current lease obligations | 429 | 438 |
| Gross debt (B) | 1,399 | 1,834 |
| Total capital (A+B) | 1,18,807 | 1,12,505 |
| | | |
| Gross debt as above | 1,399 | 1,834 |
| Less: Current investments | 5,764 | 3,616 |
| Less: Cash and cash equivalents | 1,739 | 4,097 |
| Less: Other balances with banks (including non-current earmarked balances) | 4,024 | 3,650 |
| Net debt (C) | (10,128) | (9,529) |
| Net debt to equity | * | * |

* Net debt being negative, not applicable

(ii) Categories of financial instruments

| Particulars | As at March 31,2024 (₹ in Lakhs) | As at March 31,2023 (₹ in Lakhs) |
|---|---|---|
| Financial assets | | |
| Measured at fair value through profit and loss (FVTPL) | | |
| (a) Investments in mutual funds | 5,764 | 3,616 |
| Measured at amortized cost | | |
| (a) Cash and cash equivalents | 1,739 | 4,097 |
| (b) Bank balances other than above | 4,024 | 3,650 |
| (c) Trade receivables | 36,728 | 29,056 |
| (d) Other financial assets | 19,618 | 22,623 |
| (e) Investments in subsidiaries | 71,336 | 71,336 |
| (f) Loans | 14 | 20 |

Financial Liabilities

| | | |
|---|---|---|
| Measured at amortized cost | | |
| (a) Trade payables | 33,176 | 31,950 |
| (b) Other financial liabilities | 14,788 | 19,234 |
| (c) Lease liabilities | 1,399 | 1,834 |

Investments in mutual funds are mandatorily classified as fair value through Statement of Profit and Loss.

At the end of the reporting period, there are no significant concentrations of credit risk for financial assets designated at Fair Value through Profit and Loss (FVTPL). The carrying amount reflected above represents the entities maximum exposure to credit risk for such financial assets.

(iii) Fair value measurement

The short term financial assets and liabilities are stated at amortized cost which is approximately to their fair values.

Investments carried at their fair values, are generally based on market quotations. The fair value in respect of the unquoted equity instruments cannot be reliably measured.

Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

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

**Quoted prices in an active market (Level 1):** This level of hierarchy includes financial assets and liabilities that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of quoted equity shares and mutual fund investments.

**Valuation techniques with observable inputs (Level 2):** This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This level of hierarchy includes Group's over-the-counter (OTC) derivative contracts.

**Valuation techniques with significant unobservable inputs (Level 3):** This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model did not 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. This level includes investment in unquoted equity shares.

| | As at March 31,2024 (₹ in Lakhs) | As at March 31,2023 (₹ in Lakhs) | Fair Value Hierarchy |
|---|---|---|---|
| Investments in mutual funds | 5,764 | 3,616 | Level 1 |
| Investments in equity shares | 85,540 | 85,540 | Level 3 |

There have been no transfers between Level 1 and Level 2 for the years ended March 31, 2024 and March 31, 2023.

(i) Current financial assets are stated at carrying value which is approximately equal to their fair value.

(ii) Investments carried at fair value are generally based on market price quotations. Investments in equity shares included in Level 3 of the fair value hierarchy have been valued using the cost approach to arrive at their fair value.

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**(iv) Financial risk management**

In the course of its business, the Company is exposed primarily to interest rate and credit risk, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which not only covers the foreign exchange risks but also other risk associated with financial assets and liabilities such as interest rate risk and credit risk. The risk management aims at:

1. Create a stable business planning environment by reducing the impact of interest rate fluctuation on the Company's business plan.
2. Achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

**Market risk:**

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

**Credit risk management:**

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, loan receivables, investments and cash and cash equivalents. None of the financial instruments of the Company results in material concentration of credit risk.

Trade receivables consist of a large number of customers. Ongoing credit evaluation is performed on the financial condition of account receivables and where appropriate, provision has been considered in the books.

Credit risk exposure to a single counterparty:

| Customer Name | March 31, 2024 | March 31, 2023 | Remarks |
|---|---|---|---|
| Tata Steel Limited | 56.04% | 42.24% | Since Holding Company, the credit risk is low. |
| Karnataka Urban Water Supply and Drainage Board | 7.93% | 11.93% | Customer being a Government organization the credit risk is low. |
| Jharkhand Urban Infrastructure and Development Company | 6.48% | 10.95% | |

Concentration of Credit risk to any counterparty did not exceed 10% of gross receivables at any time during the year.

**Liquidity risk management:**

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 entity has obtained fund and non-fund based working capital lines from various banks. The entity invests its surplus funds in bank fixed deposit and liquid plus schemes of mutual funds, which carry no/low mark to market risk.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments.

(₹ in Lakhs)

| Particulars | Carrying amount | Contractual cash flows | less than 1 year | Between 1 – 5 years | More than 5 years |
|---|---|---|---|---|---|
| March 31, 2024 | | | | | |
| Non-derivative financial liabilities | | | | | |
| Trade payables | 33,176 | 33,176 | 33,176 | - | - |
| Lease liabilities | 1,399 | 1,399 | 429 | 970 | - |
| Other financial liabilities | 14,788 | 14,788 | 5,063 | 889 | 8,836 |
| | 49,363 | 49,363 | 38,668 | 1,859 | 8,836 |
| March 31, 2023 | | | | | |
| Non-derivative financial liabilities | | | | | |
| Trade payables | 31,950 | 31,950 | 31,950 | - | - |
| Lease liabilities | 1,834 | 1,834 | 438 | 1,396 | - |
| Other financial liabilities | 19,234 | 19,234 | 9,644 | 919 | 8,671 |
| | 53,018 | 53,018 | 42,032 | 2,315 | 8,671 |

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**27(B): Employee Benefits**

**(I) Defined contribution plans**

The Company participates in a number of defined contribution plans on behalf of relevant personnel. Any expense recognized in relation to these schemes represents the value of contributions payable during the period by them at rates specified by the rules of those plans. The only amounts included in the balance sheet are those relating to the prior months contributions that were not due to be paid until after the end of the reporting period.

The Company has recognized, in the statement of profit and loss account for the current year, an amount of ₹ 1,123 Lakhs (March 31, 2023: 1,025 Lakhs) as expenses under the following defined contribution plans:

| Sr. no. | Benefit (Contribution to) | April 2023 - March 2024 | April 2022 - March 2023 |
|---|---|---|---|
| | | (₹ in Lakhs) | (₹ in Lakhs) |
| (a) | Provident fund | 776 | 678 |
| (b) | Employees pension scheme | 198 | 192 |
| (c) | TISCO employees pension scheme | 56 | 53 |
| (d) | Superannuation fund | 93 | 102 |
| | **Total Benefit (Contribution)** | **1,123** | **1,025** |

The major defined contribution plans operated by Company are as below:

**Provident fund:**
The Company provide provident fund benefit for eligible employee as per applicable regulation where both employees and the Company make monthly contributions at a specified percentage of the covered employee's salary.

The contributions, as specified under the law, are made to the provident fund and pension fund set up as an irrevocable trust by the Company and the Central Provident Fund under the State Pension scheme.

**Superannuation fund:**
The Company in India has a superannuation plan. Employees who are members of the defined benefit superannuation plan are entitled to benefits depending on the years of service and salary drawn.

Separate irrevocable trusts are maintained for employees covered and entitled to benefits. The Company contributes up to 15% or ₹ 1.50 Lakhs whichever is lower, of the eligible employee's salary to the trust every year. Such contributions are recognized as an expense when incurred. The Company has no further obligation beyond this contribution.

**(II) Defined benefit plans**

The Company operates post retirement defined benefit plans as follows:

- a) Funded
  - i. Post retirement gratuity
- b) Unfunded
  - i. Farewell gifts
  - ii. Packing and transportation benefit

**Post retirement gratuity:**
The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes annual contributions to gratuity funds established as trusts or insurance companies. Company's liability for gratuity benefits payable in the future based on an actuarial valuation.

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**Notes Forming Part of Financial Statements**

The following table sets out the amounts recognized in the financial statements for the retiring gratuity plans in respect of the Company:

| | **Change in defined benefit obligation** | **For the year ended** | |
|---|---|---|---|
| | | **March 31,2024 (₹ in Lakhs)** | **March 31,2023 (₹ in Lakhs)** |
| a. | Obligation as at the beginning of the year | 8,140 | 7,311 |
| b. | Current service cost | 454 | 411 |
| c. | Interest cost | 540 | 480 |
| d. | Re-measurement (gains)/losses | | |
| | Actuarial gains and losses arising from changes in financial assumption | 140 | (131) |
| | Actuarial gains and losses arising from changes in experience adjustments | 35 | 977 |
| e. | Benefits paid | (1,378) | (908) |
| | **Obligation as at the end of the year** | **7,931** | **8,140** |
| **Change in plan assets** | | | |
| a. | Fair value of plan assets as at beginning of the year | 6,998 | 6,985 |
| b. | Interest income | 499 | 468 |
| c. | Re-measurement gains/(losses) | | |
| | Return on plan assets (excluding amounts included in net interest expense) | 198 | 127 |
| d. | Employers' contributions | 1,142 | 326 |
| e. | Benefits paid | (1,378) | (908) |
| | **Fair value of plan assets as at end of the year** | **7,459** | **6,998** |
| | **Amount recognized in the Balance Sheet consists of** | **As at March 31,2024 (₹ in Lakhs)** | **As at March 31,2023 (₹ in Lakhs)** |
| a. | Fair value of plan assets as at beginning/end of the year | (7,459) | (6,998) |
| b. | Present value of obligation as at the beginning/end of the year | 7,931 | 8,140 |
| | **Net liability arising from defined benefit obligation** | **472** | **1,142** |

| | **Expenses recognized in the Statement of Profit and Loss** | **For the year ended** | |
|---|---|---|---|
| | | **March 31,2024 (₹ in Lakhs)** | **March 31,2023 (₹ in Lakhs)** |
| a. | Service cost | | |
| | (i) Current service cost | 454 | 411 |
| | (ii) Past service cost | - | - |
| b. | Net interest expense | 41 | 12 |
| | **Defined benefit costs recorded in the Statement of Profit and Loss** | **495** | **423** |
| c. | The return on plan assets (greater/(less) than discount rate) | (198) | (127) |
| d. | Actuarial gains and losses arising from changes in financial assumption | 140 | (131) |
| e. | Actuarial gains and losses arising from changes in experience adjustments | 35 | 977 |
| | **Defined benefit costs recorded in other comprehensive income** | **(23)** | **719** |
| | **Total of defined benefit costs** | **472** | **1,142** |

The assumptions used in accounting for the retiring gratuity plans are set out below:

| | **Assumptions** | **Valuation as at** | |
|---|---|---|---|
| | | **March 31,2024** | **March 31,2023** |
| a. | Discount rate (per annum) | 7.00% | 7.25% |
| b. | Rate of escalation in salary (per annum) | | |
| | OPR | 10.00% | 10.00% |
| | NOPR | 7.50% | 7.50% |

The defined benefit plans expose the Company to a number of actuarial risks as below:

**Investment risk:** The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government/high quality bond yields; if the return on plan asset is below this rate, it will create a plan deficit.

**Interest risk:** A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

**Salary risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

**Longevity risk:** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

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The weighted average duration of the defined benefit obligation as at March 31, 2024 is 7 years (March 31, 2023: 7 years). The expected maturity analysis of undiscounted gratuity is as follows:

| Particulars | As at March 31, 2024 (₹ in Lakhs) | As at March 31, 2023 (₹ in Lakhs) |
|---|---|---|
| Less than a year | 1,288 | 1,975 |
| Between 1-2 years | 755 | 667 |
| Between 2-5 years | 1,617 | 1,990 |
| Over 5 years | 11,818 | 34,596 |
| **Total** | **15,478** | **39,228** |

The Company expects to contribute ₹ 472 Lakhs to the funded retiring gratuity plans in financial year 2025.

The fair value of Company's plan asset as of March 31, 2024 and March 31, 2023 by category are as follows:

| Investment details (%) | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| a. | GOI Securities (Central and State) | 20.65% | 20.65% |
| b. | High Quality Corporate Bonds (Including Public Sector Bonds) | 12.01% | 12.01% |
| c. | Cash and Scheme of Insurance - conventional products | 63.50% | 63.50% |
| d. | Equity shares of listed companies | 2.32% | 2.32% |
| e. | Others | 1.52% | 1.52% |
| | | **100.00%** | **100.00%** |

The table below outlines the effect on the defined benefit obligation in the event of a decrease/increase of 1% in the assumed rate of discount rate and salary escalation:

(₹ in Lakhs)

| Assumption | Change in assumption | Impact on scheme liabilities |
|---|---|---|
| **As at March 31, 2024** | | |
| Discount rate | Increase by 1%, | (533) |
| | Decrease by 1% | 617 |
| Salary escalation | Increase by 1%, | 600 |
| | Decrease by 1% | (530) |
| **As at March 31, 2023** | | |
| Discount rate | Increase by 1%, | (481) |
| | Decrease by 1% | 555 |
| Salary escalation | Increase by 1%, | 542 |
| | Decrease by 1% | (480) |

The above sensitivities may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

**Packaging and transportation benefit scheme:**
The packaging and transportation benefit scheme is a defined benefit plan that provides a benefit upon meeting the requisite service eligibility criteria. Packing and transportation is given to officers for shifting their household materials which is up to 1.5 times of their last drawn salary.

**Farewell gift benefit scheme:**
The farewell gift benefit scheme is a defined benefit plan that provides a benefit upon meeting the requisite service eligibility criteria. The farewell benefit is given to retiring employees in terms of gift coupons as per the category, i.e. ₹ 5,000 to all non officers, ₹ 7,000 to officers of 'JM01 to JM07' and ₹ 5,000 to other officers.

The following table sets out the amounts recognized in the financial statements for the other defined benefit plans in respect of the Company:

| Change in defined benefit obligation | | For the year ended | |
|---|---|---|---|
| | | March 31,2024 (₹ in Lakhs) | March 31,2023 (₹ in Lakhs) |
| a. | Obligation as at the beginning of the year | 188 | 205 |
| b. | Current service cost | 17 | 17 |
| c. | Interest cost | 14 | 14 |
| d. | Re-measurement (gains)/losses | | |
| | Actuarial gains and losses arising from changes in financial assumption | 5 | (5) |
| | Actuarial gains and losses arising from changes in experience adjustments | (7) | (38) |
| e. | Benefits paid | (2) | (5) |
| | **Obligation as at the end of the year** | **215** | **188** |

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| | Expenses recognized in the Statement of Profit and Loss | For the year ended | |
|---|---|---|---|
| | | March 31,2024 (₹ in Lakhs) | March 31,2023 (₹ in Lakhs) |
| a. | Service cost | | |
| | (i) Current service cost | 17 | 17 |
| b. | Net interest expense | 14 | 14 |
| | **Defined benefit costs recorded in the Statement of Profit and Loss** | **31** | **31** |
| c. | Actuarial gains and losses arising from changes in financial assumption | 5 | (5) |
| d. | Actuarial gains and losses arising from changes in experience adjustments | (7) | (38) |
| | **Defined benefit costs recorded in Other comprehensive income** | **(2)** | **(43)** |
| | **Total of defined benefit costs** | **29** | **(12)** |

The assumptions used in accounting for the other defined benefit plans are set out below:

| | Assumptions | Valuation as at | |
|---|---|---|---|
| | | March 31,2024 | March 31,2023 |
| a. | Discount rate (per annum) | 7.00% | 7.25% |
| b. | Rate of escalation in salary (per annum) | | |
| | OPR | 10.00% | 10.00% |
| | NOPR | 7.50% | 7.50% |

The weighted average duration of the defined benefit obligation as at March 31, 2024 is 7 years (March 31, 2023: 7 years) for Farewell gift benefit and 11 years (March 31, 2023: 11 years) for packing and transportation benefit. The expected maturity analysis of undiscounted liability is as follows:

| Particulars | As at March 31, 2024 (₹ in Lakhs) | As at March 31, 2023 (₹ in Lakhs) |
|---|---|---|
| Less than a year | 11 | 4 |
| Between 1-2 years | 12 | 18 |
| Between 2-5 years | 33 | 32 |
| Over 5 years | 82 | 123 |
| **Total** | **138** | **177** |

The table below outlines the effect on the defined benefit obligation in the event of a decrease/increase of 1% in the assumed rate of discount rate and salary escalation:

(₹ in Lakhs)

| Assumption | Change in assumption | Impact on scheme liabilities |
|---|---|---|
| **As at March 31, 2024** | | |
| Discount rate | Increase by 1%, | (20) |
| | Decrease by 1% | 24 |
| Salary escalation | Increase by 1%, | 22 |
| | Decrease by 1% | (19) |
| **As at March 31, 2023** | | |
| Discount rate | Increase by 1%, | (18) |
| | Decrease by 1% | 21 |
| Salary escalation | Increase by 1%, | 19 |
| | Decrease by 1% | (17) |

The above sensitivities may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

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Chartered Accountants
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**Notes Forming Part of Financial Statements**

**27(C): Information about Operating segments**

(₹ in Lakhs)

| Particulars | Service | Power | Construction | Real estate | Un-allocated | Total |
|---|---|---|---|---|---|---|
| Total Revenue | **75,974** | **62,366** | **25,720** | **665** | - | **1,64,725** |
| | *66,660* | *54,503* | *20,092* | *999* | - | *1,42,254* |
| Segment Results before finance cost and taxes. | **6,340** | **3,008** | 1,350 | **346** | - | **11,044** |
| | *9,279* | *1,989* | (1,780) | *582* | - | *10,070* |
| Unallocated corporate expenses (net off other Income) | - | - | - | - | **(526)** | **(526)** |
| | - | - | - | - | *(722)* | *(722)* |
| Finance Costs (net off income) | - | **869** | - | - | **(146)** | **723** |
| | *30* | *625* | - | - | *(131)* | *524* |
| Profit before taxes and exceptional items including other comprehensive income | - | - | - | - | - | **10,847** |
| | - | - | - | - | - | *10,268* |
| Taxes | - | - | - | - | - | **2,505** |
| | - | - | - | - | - | *1,675* |
| Profit after taxes (Total comprehensive income for the year) | - | - | - | - | - | **8,342** |
| | - | - | - | - | - | *8,593* |
| Segment assets | **35,166** | **34,409** | **21,772** | **7,588** | **99,534** | **1,98,469** |
| | *26,793* | *32,342* | *25,171* | *7,955* | *1,00,859* | *1,93,120* |
| Segment liabilities | **27,368** | **33,224** | **15,462** | **1,013** | **3,994** | **81,061** |
| | *35,260* | *29,656* | *13,438* | *828* | *3,267* | *82,449* |
| Segment assets capitalized / (disposed) during the year. | **554** | **3,944** | **121** | - | **(19)** | **4,600** |
| | *273* | *2,075* | *166* | - | *1* | *2,515* |
| Segment depreciation and amortisation | **638** | **1,396** | **227** | - | **95** | **2,356** |
| | *461* | *1,273* | *147* | - | *88* | *1,969* |
| Non-cash expenses other than depreciation (net off reversals) | - | - | **(665)** | - | - | **(665)** |
| | - | - | *1,309* | - | - | *1,309* |

**Notes:**

(i) The Company has disclosed business segment as the primary segment. There is no significant difference in the business conditions prevailing in various states in India, where the Company has its operations. There are no sales made by the Company to external customers outside India. Consequently, there is no need for separate disclosure for geographical segment as required under IND AS-108 "Operating Segment".

(ii) Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis. Assets and Liabilities that cannot be allocated between the segments are shown as unallocated corporate assets and liabilities respectively.

(iii) Operating segments have been identified based on how the Chief Operating Decision Maker (CODM) reviews and assesses the Company's performance

(iv) Previous year figures are in italics.

TATA STEEL UTILITIES AND INFRASTRUCTURE SERVICES LIMITED
**Notes Forming Part of Financial Statements**

**27(D): Related party disclosure as per Ind AS 24**

List of related parties and relationships:

| Party | Relationship |
|---|---|
| Tata Sons Private Limited | Investor having significant influence over Holding Company |
| Tata Steel Limited | Holding Company |
| Tayo Rolls Limited | Fellow Subsidiaries |
| The Indian Steel and Wire Products Limited | |
| Tinplate Company of India Limited (merged with Tata Steel Limited w.e.f January 15, 2024) | |
| Tata Metaliks Limited (merged with Tata Steel Limited w.e.f February 01, 2024) | |
| Tata Steel Long Products Limited (merged with Tata Steel Limited w.e.f November 15, 2023) | |
| Neelanchal Ispat Nigam Limited | |
| Tata Steel Support Services Limited | |
| Ceramat Private Limited | |
| Tata Steel Mining Limited (merged with Tata Steel Limited w.e.f September 01, 2023) | |
| Tata Steel Foundation | |
| Jamshedpur Football and Sporting Private Limited | |
| Tata Steel Downstream Products Limited | |
| MJunction Services Limited | Joint Venture of Holding Company |
| TM International Logistics Limited | |
| Tata Refractories Limited | Associate of Holding Company |
| Tata Blue Scope Steel Private Limited | Joint Venture of fellow subsidiary |
| Jamshedpur Continuous Annealing and Processing Company Private Limited | |
| Haldia Water Management Limited | Subsidiaries |
| Kalimati Global Shared Services Limited | |
| The Tata Pigments Limited | |
| Adityapur Toll Bridge Company Limited | |
| Tata Steel SEZ Limited | |
| Naba Diganta Water Management Limited | Joint Ventures |
| Jamipol Limited | |
| Nicco Jubilee Park Limited | |
| Himalaya Steel Mill Services Private Limited | |
| Mr. Ritu Raj Sinha | Key Managerial Personnel |

**(i) Transactions with related parties in the normal course of business are as follows:**

(₹ In Lakhs)

| Particulars | Investor having significant influence over Holding Company | Holding Company | Fellow subsidiaries | Joint ventures of Holding Company | Subsidiaries | Joint Venture of fellow subsidiary | Joint Ventures | Associate of Holding Company | Key managerial personnel |
|---|---|---|---|---|---|---|---|---|---|
| Purchase of power | - | 25,461 | - | - | - | - | - | - | - |
| | - | *23,549* | - | - | - | - | - | - | - |
| Purchase of goods/stores | - | 752 | 81 | - | - | - | - | - | - |
| | - | *1,325* | *409* | - | - | - | - | - | - |
| Sale of power | - | 924 | - | - | 7 | - | - | - | - |
| | - | *830* | - | - | *5* | - | - | - | - |
| Rendering of services | - | 87,726 | 3,898 | - | 49 | 387 | 70 | 465 | - |
| | - | *89,999* | *3,392* | *7* | *53* | *105* | *60* | - | - |
| Receiving of services | 427 | 1,365 | 26 | 8 | 20 | - | - | - | - |
| | *735* | *807* | *28* | *32* | *78* | - | - | - | - |
| Interest expenses | - | - | 0 | - | - | - | - | - | - |
| | - | - | *0* | - | - | - | - | - | - |
| Loans (ICD) recovered | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | *10* | - | - |

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(₹ in Lakhs)

| Particulars | Investor having significant influence over Holding Company | Holding Company | Fellow subsidiaries | Joint ventures of Holding Company | Subsidiaries | Joint Venture of fellow subsidiary | Joint Ventures | Associate of Holding Company | Key managerial personnel |
|---|---|---|---|---|---|---|---|---|---|
| Interest income | - | - | - | - | - | - | - | - | - |
| | *-* | *-* | *-* | *-* | *-* | *-* | *1* | *-* | *-* |
| Expenses incurred | - | - | - | - | 4 | - | 0 | - | - |
| | *-* | *-* | *3* | *-* | *3* | *-* | *1* | *-* | *-* |
| Rent expenses | - | - | - | - | - | - | 2 | - | - |
| | *-* | *-* | *-* | *-* | *-* | *-* | *2* | *-* | *-* |
| Unsecured advances/ deposits received | - | 36 | - | - | - | - | - | - | - |
| | *-* | *704* | *102* | *-* | *-* | *-* | *-* | *-* | *-* |
| Issue of equity shares | - | - | - | - | - | - | - | - | - |
| | *-* | *316* | *-* | *-* | *5,144* | *-* | *-* | *-* | *-* |
| Premium on issue of equity shares | - | - | - | - | - | - | - | - | - |
| | *-* | *6,484* | *-* | *-* | *1,656* | *-* | *-* | *-* | *-* |
| Purchase of investments in subsidiaries and joint ventures | - | - | - | - | - | - | - | - | - |
| | *-* | *7,698* | *-* | *-* | *-* | *-* | *-* | *-* | *-* |
| Dividend paid | - | 1,605 | - | - | - | - | - | - | - |
| | *-* | *4,150* | *-* | *-* | *-* | *-* | *-* | *-* | *-* |
| Dividend received | - | - | - | - | 203 | - | 1,283 | - | - |
| | *-* | *-* | *-* | *-* | *303* | *-* | *3,383* | *-* | *-* |
| Remuneration paid | - | - | - | - | - | - | - | - | 256 |
| | *-* | *-* | *-* | *-* | *-* | *-* | *-* | *-* | *298* |

**(ii) Outstanding balances:**

(₹ in Lakhs)

| Particulars | Investor having significant influence over Holding Company | Holding Company | Fellow subsidiaries | Joint ventures of Holding Company | Subsidiaries | Joint Venture of fellow subsidiary | Joint Ventures | Associate of Holding Company | Key managerial personnel |
|---|---|---|---|---|---|---|---|---|---|
| Trade receivables | - | 22,015 | 1,605 | - | 24 | 136 | 0 | 306 | - |
| | *-* | *12,994* | *1,439* | *-* | *50* | *69* | *0* | *-* | *-* |
| Other financial assets - contract assets | - | 14,522 | 292 | - | - | 37 | - | 205 | - |
| | *-* | *17,556* | *15* | *-* | *-* | *-* | *-* | *-* | *-* |
| Loans (ICD) | - | - | - | - | - | - | - | - | - |
| | *-* | *-* | *-* | *-* | *-* | *-* | *10* | *-* | *-* |
| Other financial assets | - | - | - | 0 | 5 | 2 | 0 | - | - |
| | *-* | *-* | *-* | *0* | *1* | *2* | *-* | *-* | *-* |
| Investments | - | - | - | - | 73,002 | - | 14,204 | - | - |
| | *-* | *-* | *-* | *-* | *73,002* | *-* | *14,204* | *-* | *-* |
| Trade payables | 494 | 131 | 23 | 1 | 20 | 4 | - | - | - |
| | *358* | *(29)* | *9* | *-* | *53* | *4* | *5* | *-* | *-* |
| Other non-financial liabilities | - | 616 | 830 | - | - | - | - | - | - |
| | *-* | *1,128* | *156* | *1* | *-* | *-* | *-* | *-* | *-* |

a) The Company has provided support letter to Haldia Water Management Limited for ₹ 500 Lakhs for meeting its liabilities as and when they fall due for a period of 12 months.

b) The details of remuneration paid to key managerial personnel are provided in note 24. During the year ended March 31, 2024, the Company has contributed ₹ Nil lakhs (March 31, 2023: ₹ Nil lakhs) to post employment benefit plans managed by the holding company. As at March 31, 2024, amount receivable from post-employment benefit fund is ₹ 0.01 lakhs (March 31, 2023: ₹ 109 lakhs) on account of retirement benefit obligations paid by the Company directly.

c) Transactions with joint ventures have been disclosed at full value and not at their proportionate share.

d) Previous year figures in italics.

e) '0' indicates value below the round off conversion of ₹ Lakhs

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**27(E): Contingent liabilities and capital commitments**

(i) Claims not acknowledged by the Company:

| Particulars | As at March 31, 2024 (₹ in Lakhs) | As at March 31, 2023 (₹ in Lakhs) |
|---|---|---|
| - Sales tax, value added tax and service tax | 9,320 | 9,320 |
| - Legal cases | 1,454 | 1,454 |
| - Income tax | 1,714 | 1,714 |

(ii) The Company has evaluated the impact of the Supreme Court Judgement in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952. In the assessment of the management these amounts are not payable and have not been deposited during the year. The aforesaid matter is not likely to have an impact and accordingly no provision has been made in these financial statements.

(iii) Capital Commitments (net of advances) for the acquisition of Property, plant and equipments as at March 31, 2024 is ₹ 260 Lakhs (as at March 31, 2023: ₹ 279 Lakhs).

27(F): The dues as defined in the "Micro Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises forming part of note 15(a) as at March 31, 2024 are as under:

| Particulars | For the year ended March 31, 2024 (₹ in Lakhs) | For the year ended March 31, 2023 (₹ in Lakhs) |
|---|---|---|
| **Due in respect of micro, small and medium enterprises is :** | | |
| (a) (i) * Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at the end of accounting year | 16,975 | 15,880 |
| (ii) Interest due thereon | - | 2 |
| (b)(i) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year | 48,092 | 50,731 |
| (ii) Interest paid to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - |
| (c) Interest due and payable for the year ,where the principal has been paid but interest under the MSMED Act, 2006 not paid | 19 | 1 |
| (d) Interest accrued and remaining unpaid at the end of accounting year | 173 | 154 |

* Includes dues of micro, small and medium enterprises (MSME) included within other financial liabilities.

**27(G): Earnings per Share (EPS)**

| Particulars | For the year ended March 31, 2024 (₹ in Lakhs) | For the year ended March 31, 2023 (₹ in Lakhs) |
|---|---|---|
| (i) Profit for the year | 8,323 | 9,099 |
| (ii) Profit attributable to equity shareholders of the Company used in calculating basic/diluted EPS | 8,323 | 9,099 |
| (iii) Weighted average number of equity shares used as denominator in calculating basic/diluted EPS | 6,32,16,337 | 6,05,09,555 |
| (iv) Nominal value of ordinary shares (Rs.) | 10 | 10 |
| (v) Basic /diluted earnings per ordinary share (Rs.) | 13.17 | 15.04 |

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27(H): Income tax recognised in the statement of profit and loss

| Particulars | For the year ended March 31, 2024 (₹ in Lakhs) | For the year ended March 31, 2023 (₹ in Lakhs) |
|---|---|---|
| Current tax | | |
| - In respect of current year | 1,758 | 1,929 |
| - In respect of prior year | 256 | 66 |
| Deferred tax | 491 | (320) |
| **Total Income tax expenses** | **2,505** | **1,675** |

The income tax expenses for the year can be reconciled to the accounting profit as follows:

| Particulars | For the year ended March 31, 2024 (₹ in Lakhs) | For the year ended March 31, 2023 (₹ in Lakhs) |
|---|---|---|
| Profit before tax from continuing operations | 10,847 | 10,268 |
| | | |
| (a) Income tax expense calculated at 25.168% | 2,730 | 2,585 |
| (b) Decrease in tax expenses due to benefit of chapter VI deductions | (380) | (928) |
| (c) Effect of expenses not allowed in income tax | 64 | 20 |
| (d) Adjustments to current tax in respect of previous year | 256 | 66 |
| (e) Effect of expenses allowed in tax on payment basis | (165) | (83) |
| (f) Effect of reversal of provision on which deferred tax was not created | - | 15 |
| **Total** | **2,505** | **1,675** |
| | | |
| **Income tax expenses recognised in Statement of Profit and Loss** | **2,505** | **1,675** |

The tax rate used for the year ended March 31, 2024 and March 31, 2023 reconciliation above is the corporate tax rate of 25.168% payable by corporate entities in India on taxable profits under the Indian tax laws.

Significant component of deferred tax assets and liabilities for the year ended March 31, 2024 is as follows:

(₹ In Lakhs)

| Particulars | As at March 31, 2022 | Deferred tax (expense)/ Income recognised in profit and loss | For the year ended March 31, 2023 | Deferred tax (expense)/ Income recognised in profit and loss | For the year ended March 31, 2024 |
|---|---|---|---|---|---|
| Deferred tax asset | | | | | |
| Provision for leave salaries | 1,016 | 106 | 1,122 | (123) | 999 |
| Other provisions | 1,988 | 372 | 2,360 | (220) | 2,140 |
| Provision for employee separation scheme | 369 | (49) | 320 | (44) | 276 |
| Deferred income | 2,485 | 99 | 2,584 | 415 | 2,999 |
| **Total** | **5,858** | **528** | **6,386** | **28** | **6,414** |
| | | | | | |
| Deferred tax liability | | | | | |
| Property, plant and equipment and others | 3,293 | 208 | 3,501 | 519 | 4,020 |
| **Total** | **3,293** | **208** | **3,501** | **519** | **4,020** |
| **Net Deferred tax asset** | **2,565** | **320** | **2,885** | **(491)** | **2,394** |

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**Notes Forming Part of Financial Statements**

**27(I) Capital work in progress (CWIP):**

**A. Ageing**

(₹ in Lakhs)

| Particulars | Amount in CWIP for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| **As at March 31, 2024** | | | | | |
| Projects in progress | 2,627 | 343 | 46 | 4 | 3,020 |
| Projects temporarily suspended | - | - | - | - | - |
| **Total** | **2,627** | **343** | **46** | **4** | **3,020** |
| **As at March 31, 2023** | | | | | |
| Projects in progress | 1,938 | 369 | 254 | 41 | 2,602 |
| Projects temporarily suspended | - | - | - | - | - |
| **Total** | **1,938** | **369** | **254** | **41** | **2,602** |

**B. Expected Capitalisation / Completion Schedule:** For CWIP whose completion is overdue:

(₹ in Lakhs)

| As at March 31, 2024 | To be completed in | | | |
|---|---|---|---|---|
| | Less than1 year | 1-2 years | 2-3 years | More than 3 years |
| **Projects in progress:** | | | | |
| Land, Boundary and Other work at 33/11kV substation at Kanderbera | 77 | - | - | - |
| 33KV FEDR BIRBAN/BALIGUMA MAUJA 33/11KV | 5 | - | - | - |
| 2nd 132kV Source from Tata Power to TGS 132/33 kV Substation (Part-1) | 583 | - | - | - |
| 33kV, 11kV and LT Distribution Network at EMC (Part-1) | 48 | - | - | - |
| 11kV and LT Distribution Network at Adityapur / Gamharia Area (Part-1) | 71 | - | - | - |
| 11kV Network Augmentation at Seraikela Town and nearby area (Part-1) | 124 | - | - | - |
| 2nd 11kV underground feeder for Seraikela Town Distribution (Part-1) | 19 | - | - | - |
| Installation of 11kV RMU for reliability enhancement in existing network (Part-1) | 57 | - | - | - |
| Network Augmentation work in Rural Area (Part-1) | 152 | - | - | - |
| Replacement of bare O/H line by ABC in Gamharia Rural Network (Part-1) | 3 | - | - | - |
| Roll out of Smart and Pre-Paid Metering for Consumers (Part-1) | 3 | - | - | - |
| Construction of Store-room in existing Substation at Phase -1,2,4 and 7 (Part-1) | 6 | - | - | - |
| **Total** | **1,148** | - | - | - |

(₹ in Lakhs)

| As at March 31, 2023 | To be completed in | | | |
|---|---|---|---|---|
| | Less than1 year | 1-2 years | 2-3 years | More than 3 years |
| **Projects in progress:** | | | | |
| 33kV Feeder to Birbans / Baliguma Mouza | 616 | - | - | - |
| Land, Boundary and Other work at 33/11kV substation at Kanderbera | 44 | - | - | - |
| 11kV and LT Distribution Network at Adityapur / Gamharia Area (Part-1) | 54 | - | - | - |
| 11kV Network Augmentation at Seraikela Town and nearby area (Part-1) | 4 | - | - | - |
| **Total** | **718** | - | - | - |

**27(J) Leases:**

| Particulars | Note No | As at March 31, 2024 (₹ in Lakhs) | As at March 31, 2023 (₹ in Lakhs) |
|---|---|---|---|
| Depreciation charge of Right-of-use assets | | | |
| Leasehold land | 3A | 43 | 43 |
| Plant and machinery | | 246 | 103 |
| Vehicles | | 203 | 86 |
| Interest expenses (included in finance costs) | 25 | 183 | 77 |
| Expenses related to short term leases (included in other expenses) | | 32 | 75 |

a) The total cash outflow for leases for the year ended was ₹ 619 Lakhs (for the year ended March 31, 2023 ₹ 286 Lakhs)

b) Rent expenses also include rent of guest houses and Company quarters which have not been classified as short term lease. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right of- use asset and a lease liability. Payments made for short-term leases and leases of low value are expensed on a straight-line basis over the lease term.

c) As at March 31, 2024, commitments for leases not yet commenced was Nil (March 31, 2023: Nil).

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**27(K) Ratios:**

| Ratios | Numerator | Denominator | Current Period | Previous Period | % Variance |
|---|---|---|---|---|---|
| Current ratio | Current assets | Current liabilities | 1.45 | 1.31 | 11% |
| Debt-equity ratio | Total debt | Shareholder's equity | N.A. | N.A. | N.A. |
| Debt service coverage ratio | Earning for debt service | Debt service | 5.68 | 13.49 | -58% |
| Return on equity ratio | Profit after tax | Average shareholder's equity | 0.07 | 0.09 | -22% |
| Inventory turnover ratio | Sales (Revenue from operations) | Average inventory | 18.36 | 15.85 | 16% |
| Trade receivables turnover ratio | Sales (Revenue from operations) | Average trade receivable | 5.01 | 5.47 | -8% |
| Trade payables turnover ratio | Direct expenses | Average trade payable | 4.04 | 3.76 | 7% |
| Net capital turnover ratio | Total revenue | Working capital | 7.00 | 8.75 | -20% |
| Net profit ratio | Profit after tax | Total revenue | 0.05 | 0.06 | -17% |
| Return on capital employed | Earning before interest and tax | Capital employed | 0.10 | 0.10 | 0% |
| Return on investment | Profit after tax | Cost of investment | 0.07 | 0.08 | -13% |

**Reason for Variations over 25% or More:**

Debt Service Coverage Ratio: The interest on security deposit pertaining to current year is adjusted with consumer billing in March 2024 itself, while in the previous year it was done in the month of April 2023.

**27(L): Details of quarterly returns filed with banks:**

| Name of the bank | Aggregate working capital limit sanctioned (fund based) (₹ in Lakhs) | Nature of current assets offered as security |
|---|---|---|
| HDFC Bank (HDFC) | 1,000 | Stocks and receivables - Pari Pasu charge on entire current assets of the Company. |
| State Bank of India (SBI) | 1,000 | Hypothecation of book debts of the Company and other current assets with other MBA lenders. |

**Details furnished in quarterly returns filed with the above banks:** (₹ in Lakhs)

| Nature of amount | Statement | Quarter | Amount as per quarterly statement | Amount as per financials | Difference |
|---|---|---|---|---|---|
| Net working capital | FFR1 submitted to SBI | Q1 | 17,787 | 17,787 | - |
| | | Q2 | 19,333 | 19,333 | - |
| | | Q3 | 19,352 | 19,352 | - |
| | | Q4 | 24,101 | 24,101 | - |
| Inventory | Stock Statement with HDFC and SBI | Q1 | 8,817 | 8,817 | - |
| | | Q2 | 8,905 | 8,905 | - |
| | | Q3 | 9,234 | 9,234 | - |
| | | Q4 | 9,013 | 9,013 | - |
| Gross trade receivables including unbilled debtors (Net of contract liability) | Stock Statement with HDFC and SBI | Q1 | 48,068 | 48,068 | - |
| | | Q2 | 55,300 | 55,300 | - |
| | | Q3 | 48,305 | 48,305 | - |
| | | Q4 | 56,843 | 56,843 | - |
| Trade payables and including capital creditors | Stock Statement with HDFC and SBI | Q1 | 31,040 | 31,040 | - |
| | | Q2 | 31,805 | 31,805 | - |
| | | Q3 | 33,131 | 33,131 | - |
| | | Q4 | 33,482 | 33,482 | - |

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**27(M): Immovable property not being held in the name of the Company as at March 31, 2024:**

| Description of the asset | Gross carrying value (₹ in Lakhs) | Net carrying value (₹ in Lakhs) | Whether these are presently held by the promoter, a director or either of their relatives or employee | Reason for not being held in the name of the Company. Specify if there is any dispute. |
|---|---|---|---|---|
| Extension Of TSUISL school building | 36 | 30 | No | Land is provided to Tata Steel Limited (TSL) on lease from Government of Jharkhand. Buildings are extension done as per business needs on the existing building of TSL. |
| Bluescope building for new HR/IR office | 31 | 26 | No | |
| Construction of society office | 3 | 2 | No | |
| Construction of engineering building | 7 | 6 | No | |
| Ladies washroom building | 1 | - | No | |
| Construction of PBD building | 40 | 35 | No | Buildings constructed in industrial plot G-9, C/87(P), NS- 128, NS-60, NS-5 of Adityapur Industrial Area Development Authority (AIADA). The Company has the possession certificate for the same. |
| Substation building | 26 | 18 | No | |
| Office building 1st floor of Ph-1 S/S | 46 | 34 | No | |
| Office building 1st floor of Ph-1 S/S | 4 | 3 | No | |
| Boundary wall for Saraikela S/S under 33KVA | 16 | 12 | No | |
| Substation building at TGS | 136 | 96 | No | Land taken on lease by Tata Steel Limited (TSL). Managing Director, TSL has given the approval for using the Tata Growth Shop (TGS) land on April 29, 2006. |
| Substation building at TGS | 28 | 20 | No | |
| Substation building at TGS | 19 | 14 | No | |
| Oil godown at TGS | 1 | 1 | No | |
| Substation building at TGS | 1 | 1 | No | |
| **Total** | **404** | **298** | | |

**27(N): Additional regulatory information required by Schedule III**

**(i) Details of benami property held** - No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

**(ii) Wilful defaulter** - The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

**(iii) Relationship with struck off companies** - The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

**(iv) Compliance with number of layers of companies**- The Company has complied with the number of layers prescribed under the Companies Act, 2013.

**(v) Compliance with approved scheme(s) of arrangements** - The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

**(vi) Registration of charges or satisfaction with Registrar of Companies** - There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

**(vii) Fair valuation of investment property: The** Company does not require fair valuation since there are no investment properties.

**(viii) Valuation of Property, Plant and Equipment, intangible asset and investment property:** The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

**(ix) Utilisation of borrowed funds and share premium:** (A) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(B) The Company has not received any funds from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall,

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

**(x) Undisclosed income:** There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

**(xi)** The Company has done an assessment to identify Core Investment Company (CIC) [including CIC's in the Group] as per the necessary guidelines of Reserve Bank of India (including Core Investment Companies (Reserve Bank) Directions 2016). The Companies identified as CICs at group level are Tata Sons Private Limited, Tata Industries Limited, Panatone Finvest Limited, TMF Holdings Limited, Fincare Business Services Limited, T S Investments, Talace Private Limited.

**(xii) Details of crypto currency or virtual currency:** The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

**TATA STEEL UTILITIES AND INFRASTRUCTURE SERVICES LIMITED**
**Notes Forming Part of Financial Statements**

**27(O): Disclosure in relation to corporate social responsibility expenditure**

| | For the year ended March 31, 2024 (₹ in Lakhs) | For the year ended March 31, 2023 (₹ in Lakhs) |
|---|---|---|
| Education | 53 | 56 |
| Employability | 8 | 17 |
| Essential elements - adopted villages | 10 | 25 |
| Tata engage | 1 | 1 |
| Project sarthak | 19 | 18 |
| Project sarthak - other than ongoing | 4 | - |
| Sports | 16 | 2 |
| Health care | 2 | - |
| Health care – other than ongoing | 2 | - |
| Miscellaneous | 18 | - |
| Miscellaneous - other than ongoing | 2 | - |
| **Total** | **135** | **119** |
| Amount required to be spent as per Section 135 of the act | 135 | 119 |
| *Amount spent during the year on* | | |
| (i) Construction/Acquisition of an asset | - | - |
| (ii) On purposes other than (i) above | 138 | 105 |

(₹ in Lakhs)

| Details of ongoing CSR projects under Section 135(6) of the Act | Balance as at April 01, 2023 | Amount required to be spent during the year | Amount spent during the year | Balance as at March 31, 2024 |
|---|---|---|---|---|
| Education | 5 | 53 | 57 | 1 |
| Employability | 7 | 8 | 15 | - |
| Essential elements - adopted villages | - | 10 | 10 | - |
| Tata engage | 0 | 1 | 1 | - |
| Project sarthak | 2 | 19 | 25 | (4) |
| Sports | - | 16 | 15 | 1 |
| Health care | - | 2 | 2 | - |
| Miscellaneous | - | 18 | 5 | 13 |
| **Total** | **14** | **127** | **130** | **11** |

(₹ in Lakhs)

| Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects | Balance unspent as at April 01, 2023 | Amount deposited in fund of Schedule VII of the Act within 6 months | Amount required to be spent during the year | Amount spent during the year | Balance unspent as at March 31, 2024 |
|---|---|---|---|---|---|
| Project sarthak | - | - | 3 | 4 | (1) |
| Health care | - | - | 2 | 2 | - |
| Miscellaneous | - | - | 3 | 2 | 1 |
| **Total** | - | - | 8 | 8 | - |

'0' indicates value below the rounding off conversion of ₹ Lakhs.

**27(P):** The dividend declared by the Company is based on profits available for distribution as reported in the financial statements of the Company. On April 25, 2024 the Board of Directors of the Company have proposed a dividend of ₹ 2.70/- per Ordinary share of ₹ 10 each in respect of the year ended March 31, 2024 subject to the approval of shareholders at the Annual General Meeting, if approved, the dividend would result in a cash outflow of ₹ 1,709 Lakhs.

**27(Q):** The Company's Immediate Holding Company Tata Steel Limited prepares its consolidated financial statements as required under section 129(3) of the Act. Tata Steel Utilities and Infrastructure Services Limited is an Intermediate Holding Company with Investments in subsidiaries and joint ventures and has availed the exemption as per proviso to rule 6 of section 129(3) of the Act for not preparing its consolidated financial statements.

**For Price Waterhouse & Co Chartered Accountants LLP**
**Firm Registration Number - 304026E/E-300009**

**Piyush Sonthalia**
**Partner**
**Membership No - 062447**

**Place : Kolkata**
**Date: April 25, 2024**

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

**Chanakya Chaudhary**
**Chairman**
**DIN: 02139568**
**Place : Jamshedpur**

**Manish Kumar Agarwal**
**Chief Financial Officer**
**Place : Jamshedpur**

**Ritu Raj Sinha**
**Managing Director**
**DIN: 00729535**
**Place : Jamshedpur**

**Nisha Anil Seth**
**Company Secretary**
**Place : New Delhi**

**Date: April 25, 2024**

TATA STEEL UTILITIES AND INFRASTRUCTURE SERVICES LIMITED

# Price Waterhouse & Co Chartered Accountants LLP

**Independent Auditor's Report**

**To the Members of Tata Steel Utilities and Infrastructure Services Limited**

**Report on the Audit of the Financial Statements**

## Opinion

1. We have audited the accompanying financial statements of Tata Steel Utilities and Infrastructure Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

## Basis for Opinion

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

## Other Information

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

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

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

   We have nothing to report in this regard.

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LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
Kolkata

Price Waterhouse & Co Chartered Accountants LLP, Plot No. 56 & 57, Block DN, Sector V, Salt Lake
Kolkata - 700 091, India
T: +91 (33) 44001111 / 44662000

Registered office and Head office: Plot No. 56 & 57, Block DN, Sector-V, Salt Lake, Kolkata - 700 091

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

5. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

   - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

## Report on other legal and regulatory requirements

11. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

12. As required by Section 143(3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid financial statements have been kept so far as it appears from our examination of those books, except that the backup of certain books of account and other books and papers maintained in electronic mode has not been maintained on a daily basis during the year and the matters stated in paragraph 12(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

    (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 12(b) above on reporting under Section 143(3)(b) and paragraph 12(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

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(g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(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, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27(E) to the financial statements.

ii. The Company has made provision as at March 31, 2024, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. (Refer Note 17 to the financial statements). The Company did not have any derivative contracts as at March 31, 2024.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2024.

iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in Note 27N(ix) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 27N(ix) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

vi. Based on our examination, which included test checks, the Company has used five accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software, except that in case of three accounting software the audit log is not maintained at application level for modification, if any, by certain users with specific access and for other two accounting software the audit trail feature, at application level did not operate throughout the year while no audit trail has been enabled at the database level for direct data changes for all accounting software. Further, during the course of our audit except for the aforesaid instances where we are not able to comment upon, we did not notice any instance of audit trail feature being tampered with.

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Kolkata

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

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

Piyush Sonthalia
Partner
Membership Number: 062447
UDIN: 24062447BKFTEG4006
Kolkata
April 25, 2024

# Price Waterhouse & Co Chartered Accountants LLP

## Annexure A to Independent Auditor's Report

Referred to in paragraph 12(g) of the Independent Auditor's Report of even date to the members of Tata Steel Utilities and Infrastructure Services Limited on the financial statements for the year ended March 31, 2024


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

1. We have audited the internal financial controls with reference to financial statements of Tata Steel Utilities and Infrastructure Services Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

## Management's Responsibility for Internal Financial Controls

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

## Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

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LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
Kolkata

**Annexure A to Independent Auditor's Report**

Referred to in paragraph 12(g) of the Independent Auditor's Report of even date to the members of Tata Steel Utilities and Infrastructure Services Limited on the financial statements for the year ended March 31, 2024


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

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

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

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

**Opinion**

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

Piyush Sonthalia
Partner
Membership Number: 062447
UDIN: 24062447BKFTEG4006
Kolkata
April 25, 2024

**Annexure B to Independent Auditors' Report**

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Tata Steel Utilities and Infrastructure Services Limited on the financial statements as of and for the year ended March 31, 2024


In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.

(b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 2 on Property, plant and equipment and Note 3A on Right-of-use assets to the financial statements, are held in the name of the Company, except for the following:

| Description of property | Gross carrying value (Rs. in lakhs) | Held in the name of | Whether promoter, director or their relative or employee | Period held - indicate range, where appropriate | Reason for not being held in the name of the Company |
|---|---|---|---|---|---|
| Buildings | 78 | Tata Steel Limited (TSL) | No | Not applicable | Land is provided to TSL on lease from Government of Jharkhand. Buildings are extension done as per business needs on the existing building of TSL. |
| Buildings | 141 | Adityapur Industrial Area Development Authority (AIADA) | No | Not applicable | Buildings constructed in industrial of AIADA. The Company has the possession certificate for the same. |
| Buildings | 185 | Tata Steel Limited (TSL) | No | Not applicable | Land taken on lease by TSL whose Managing Director has given the approval for using the Tata Growth Shop (TGS) land on April 29, 2006. |

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Kolkata

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.

(e) Based on the information and explanations furnished to us, no proceedings [have been initiated on (or) are pending against] the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in the financial statements does not arise.

ii. (a) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

(b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of account. Also, refer Note 27(L) to the financial statements.

iii. (a) The Company has not made any investments in, granted secured / unsecured loans/ advances in nature of loans to companies, limited liability partnerships and other parties during the year, other than investments in sixteen mutual fund schemes and granted unsecured loans to six employees. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances to parties other than subsidiaries, joint ventures and associates are as per the table given below:

| | **Loans (Rs. in lakhs)** |
|---|---|
| Aggregate amount granted/ provided during the year. | |
| - Others | 5 |
| Balance outstanding as at balance sheet date in respect of the above case | |
| - Others | 4 |

The above amounts are included in Note 5 on Loans to the financial statements.

(b) In respect of the aforesaid investments / loans, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest.

(c) In respect of the loans, the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.

(d) In respect of the loans, there is no amount which is overdue for more than ninety days.

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(e) There were no loans /advances in nature of loans which have fallen due during the year and were renewed/extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans/advances in nature of loan.

(f) The loans granted during the year, had stipulated the scheduled repayment of principal and the same were not repayable on demand.

iv. In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its certain services. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) In our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. We are informed that the Company has applied for exemption from operations of Employees' State Insurance Act. We are also informed that actions taken by the authorities to bring the employees of the Company under the Employees' State Insurance Scheme has been contested by the Company and payment has not been made of the contribution demanded. Also, refer note 27(E) to the financial statements regarding management's assessment on certain matters relating to provident fund.

(b) There are no statutory dues of provident fund, employees' state insurance, duty of customs, duty of excise and cess which have not been deposited on account of any dispute. The particulars other statutory dues referred to in sub-clause (a) as at March 31, 2024 which have not been deposited on account of a dispute, are as follows:

| Name of the statute | Nature of dues | Amount (net of payments) (Rs. in lakhs) | Amount Paid (Rs. in lakhs) | Period to which amount relates | Forum where the dispute is pending |
|---|---|---|---|---|---|
| Jharkhand CST Act, 1956 | Sales Tax | 101 | - | 2009-10 and 2011-12 | Commissioner of Commercial Taxes |
| | | 53 | 26 | 2008-09 and 2013-14 | Commercial Taxation Tribunal |
| | | 4 | - | 2017-18 | Deputy Commissioner of Commercial Taxes |
| Jharkhand VAT Act, 2005 | Value Added Tax | 1,313 | 75 | 2012-13, 2014-15 to 2016-17 | Joint Commissioner of Commercial Taxes (Appeals) |
| | | 230 | 6 | 2007-08 and 2013-14 | Commissioner of Commercial Taxes |
| | | 987 | - | 2017-18 | Deputy Commissioner of Commercial Taxes |

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# Price Waterhouse & Co Chartered Accountants LLP



| Name of the statute | Nature of dues | Amount (net of payments) (Rs. in lakhs) | Amount Paid (Rs. in lakhs) | Period to which amount relates | Forum where the dispute is pending |
|---|---|---|---|---|---|
| Madhya Pradesh VAT Act, 2002 | Value Added Tax | 28 | - | 2010-11 | Assistant Commissioner of Commercial Taxes |
| Andhra Pradesh VAT Act, 2005 | Value Added Tax | 2 | 107 | 2008-09 to 2009-10 | High Court |
| West Bengal VAT Act, 2003 | Value Added Tax | 102 | 31 | 2012-13, 2013-14 and 2016-17 | Appellate & Revisional Board |
| Karnataka CST Act, 1957 | Sales Tax | 32 | 5 | 2008-09 and 2015-16, 2016-17 | Joint Commissioner of Commercial Taxes (Appeals) |
| | | 86 | 34 | 2009-10 | Commercial Taxation Tribunal |
| | | 917 | - | 2011-12 to 2012-13 | High Court |
| Odisha CST Act, 1957 | Sales Tax | 8 | 1 | 2012-13 to 2015-16 | Deputy Commissioner of Commercial Taxes (Appeals) |
| Kerala VAT Act, 2003 | Value Added Tax | 11 | - | 2016-17 | Deputy Commissioner of Commercial Taxes (Appeals) |
| Finance Act, 1994 | Service Tax | 8,821 | 326 | 2008-09 to 2016-17 | Commissioner of Central Excise & Service Tax |
| | | 136 | - | 2017-18 | Joint Commissioner of CGST |
| Income-tax Act, 1961 | Income-tax | 1,824 | - | AY 2010-11 to AY 2012-13 | Income Tax Appellate Tribunal |
| Central Goods and Services Tax Act, 2017 | GST Demand | 16 | 2 | 2017-18 | Appellate Authority |
| Electricity Duty Act | Electricity Duty | 1 | - | 2013-14 to 2015-16 | Deputy Commissioner of Commercial Taxes |

viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. (a) As the Company did not have any loans or other borrowings from any lender during the year, the reporting under clause 3(ix)(a) of the Order is not applicable to the Company.

(b) On the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not obtained any term loans. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

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(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, the Company has not raised funds on short-term basis. Accordingly, reporting under clause 3(ix)(d) of the Order is not applicable to the Company.

(e) On an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting under this clause. As explained by the management, there were certain complaints in respect of which investigations are ongoing as on the date of our report and our consideration of the complaints having any bearing on our audit is based on the information furnished to us by the management.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act and, accordingly, to this extent, the reporting under clause 3(xiii) of the Order is not applicable to the Company.

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xiv. (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the period under audit have been considered by us.

xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) has seven CICs as part of the Group as detailed in note 27(N) (xi) to the financial statements. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) of the Order is not applicable.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that 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. (a) In respect of other than ongoing projects, as at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable.

(b) The Company has not transferred the amount of Corporate Social Responsibility remaining unspent under sub-section (5) of Section 135 of the Act pursuant to ongoing projects to a special account in compliance with the provision of sub-section (6) of Section 135 of the Act until the date of our report. However, the time period for such transfer, i.e., a period of thirty days from the end of the financial year as permitted under the said sub-section has not elapsed until the date of our report. Details are as given below:

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| Financial year | Amount to be spent in accordance with section 135(5) (Rs. in lakhs) | Amount remaining unspent as at the year-end to be transferred special account u/s 135(6) (Rs. in lakhs) | Amount transferred to Special Bank Account u/s 135(6), within 30 days from end of financial year (or till the date of audit report, if that is earlier) (Rs. in lakhs) | Amount transferred to Special Bank Account u/s 135(6), after a period of 30 days from end of financial year (till the date of audit report) (Rs. in lakhs) | Amount not transferred to Special Bank Account u/s 135(6), till the date of audit report (Rs. in lakhs) |
|---|---|---|---|---|---|
| FY 2023 - 2024 | 127 | 11 | - | - | 11 |

Also, refer Note 27(O) to the financial statements.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

Piyush Sonthalia
Partner
Membership Number: 062447
UDIN: 24062447BKFTEG4006
Kolkata
April 25, 2024