

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Tata Steel Technical Services Limited

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

#### **Opinion**

We have audited the accompanying financial statements of Tata Steel Technical Services Limited ("the Company"), which comprise the Balance sheet as at March 31 2023, the Statement of Profit and Loss, including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### **Basis for Opinion**

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

#### **Key Audit Matters**

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

#### **Other Information**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

## **Responsibilities of Management for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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



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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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



**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls with reference to these financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
  - (g) The Company has not paid any remuneration to its directors during the year, therefore no compliance under section 197 read with Schedule V of the Act is required;
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company did not have any pending litigations which would impact its financial position;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There were no amount which were required to be transferred to the Investor Education and Protection Fund by the Company.




- iv. a. The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b. The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on such audit procedures, we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
- v. The Company has not declared and paid any dividend during the year. Therefore, reporting in this regard is not applicable to the Company.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable to the Company w.e.f. April 1, 2023. Therefore, reporting in this regard is not applicable.

Date: April 13, 2023

Place: Noida (Delhi – NCR)



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

  
Bimal Kumar Sipani  
Partner

Membership No. 088926

UDIN : 23088926BGXAYY4050

**Annexure A to Independent Auditor's Report of even date to the members of Tata Steel Technical Services Limited on the financial statements as of and for the year ended March 31, 2023 (Referred to in paragraph 1 of our report on the other legal and regulatory requirements)**

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



- c. The Company has not obtained term loans during the year. Therefore, the provisions of clause 3(ix)(c) of the Order are not applicable to the Company.
- d. The Company has not raised funds on short term basis during the year. Therefore, the provisions of clause 3(ix)(d) of the Order are not applicable to the Company.
- e. The Company has no subsidiaries, joint ventures or associates. Therefore, the provisions of clause 3(ix)(e) of the Order are not applicable to the Company.
- f. The Company has not raised any loan during the year. Therefore, the provisions of clause 3(ix)(f) of the Order are not applicable to the Company.
- (x) a. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Therefore, the provisions of clause 3(x)(a) of the Order are not applicable to the Company.
- b. The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Therefore, the provisions of clause 3(x)(b) of the Order are not applicable to the Company.
- (xi) a. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year nor have we been informed of any such case by the management.
- b. We have not come across any instance of fraud, therefore report under sub-section 12 of section 143 of the Companies Act, 2013 is not required to be filed by us in Form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c. According to information provided to us by the management, there are no whistle-blower complaints received by the Company during the year.
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- (xiii) As per records of the Company examined by us, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and details for the same have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- (xiv) In our opinion and based on our examination, the Company does not have internal audit system and is not required to have an internal audit system as per provisions of the Companies Act, 2013. Therefore, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us, in our opinion the Company has not entered into any non-cash transactions with its directors or persons connected with them during the year and hence provision of section 192 of the Companies Act, 2013 are not applicable to the Company. Therefore, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- (xvi) a. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Therefore, the provisions of clause 3(xvi)(a) of the Order are not applicable to the Company.



- b. In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Therefore, the provisions of clause 3(xvi)(b) of the Order are not applicable to the Company.
- c. In our opinion, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Therefore, the provisions of clause 3(xvi)(c) of the Order are not applicable to the Company.
- d. According to the information and explanation given to us by the management, the Group has five CICs which are registered with the Reserve Bank of India and one CIC which is not required to be registered with the Reserve Bank of India.
- (xvii) The Company has incurred cash loss of Rs. 81.53 lakhs in the current financial year however no cash loss incurred in the immediately preceding financial year.
- (xviii) There has been no resignation of statutory auditor during the year. Therefore, the provisions of clause 3(xviii) of the Order are not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act, 2013 or special account in compliance with the provision of section 135(6) of the Companies Act, 2013.
- (xxi) The Company does not have subsidiary, associate or joint venture. Therefore, the provisions of clause 3(xxi) of the Order are not applicable to the Company.

Date: April 13, 2023

Place: Noida (Delhi – NCR)



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

  
Bimal Kumar Sipani

Partner

Membership No. 088926

UDIN : 23088926BGXAYY4050



**Annexure B to Independent Auditor's Report of even date to the members of Tata Steel Technical Services Limited on the financial statements for the year ended March 31, 2023 (Referred to in paragraph 2(f) of our report on the other legal and regulatory requirements)**

We have audited the internal financial controls with reference to financial statements of Tata Steel Technical Services Limited (Formerly known as Bhushan Steel Madhya Bharat Limited) ('the Company') as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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



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

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

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

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

## Opinion


In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Date: April 13, 2023

Place: Noida (Delhi – NCR)



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

  
Bimal Kumar Sipani  
Partner

Membership No. 088926

UDIN : 23088926BGXAYY4050

# TATA STEEL TECHNICAL SERVICES LIMITED

BALANCE SHEET as at March 31, 2023

(₹ in Lakhs)

	Note	As at March 31, 2023	As at March 31, 2022	
<b>ASSETS</b>				
<b>I Non-current assets</b>				
1	Deferred tax assets	3	114.05	111.28
2	Financial assets			
	(i) Other financial assets	4	18.89	6.62
<b>Total non-current assets</b>			<b>132.94</b>	<b>117.90</b>
<b>II Current assets</b>				
1	Financial assets			
	(i) Trade receivables	5	1,000.93	-
	(ii) Cash and cash equivalents	6	253.97	367.57
2	Contracts assets	7	2,691.68	4,644.04
3	Current tax assets	8	510.64	223.53
4	Other current assets	9	41.82	38.28
<b>Total current assets</b>			<b>4,499.03</b>	<b>5,273.42</b>
<b>Total assets</b>			<b>4,631.97</b>	<b>5,391.32</b>
<b>EQUITY AND LIABILITIES</b>				
<b>I Equity</b>				
1	Equity share capital	10	5.00	5.00
2	Other equity	11	261.92	228.24
<b>Total Equity</b>			<b>266.92</b>	<b>233.24</b>
<b>II Non-Current liabilities</b>				
1	Financial liabilities			
	Other financial liabilities	12	534.88	440.18
2	Provisions	13	665.17	1,379.21
<b>Total non-current liabilities</b>			<b>1,200.06</b>	<b>1,819.38</b>
<b>III Current liabilities</b>				
1	Financial liabilities			
	Other financial liabilities	12	2,589.02	2,759.44
2	Provisions	13	16.82	13.90
3	Current tax liabilities		-	-
4	Other current liabilities	14	559.14	565.35
<b>Total current liabilities</b>			<b>3,164.99</b>	<b>3,338.70</b>
<b>Total equity and liabilities</b>			<b>4,631.97</b>	<b>5,391.32</b>
<b>The accompanying notes are forming part of financial statements</b>		1-39		

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

  
**Bimal Kumar Sipani**  
Partner  
Membership No. 088926



For and on behalf of the Board of Directors

  
**Probal Ghosh**  
Chairman  
and Director  
DIN : 09278911  
Place : Jamshedpur

  
**Sandeep Dhir**  
CEO and Director  
DIN : 09637445  
Place : Bhubneshwar

  
**Nabin Chandra Jha**  
Chief Financial Officer  
PAN : ADPPJ5807N  
Place : Bhubneshwar

Date: April 13, 2023  
Place: Noida (Delhi - NCR)

# TATA STEEL TECHNICAL SERVICES LIMITED

## STATEMENT OF PROFIT AND LOSS for the financial year ended March 31, 2023

(₹ in Lakhs)

	Note	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>I Revenue</b>			
(a) Revenue from operations	15	14,412.85	14606.00
(b) Other Income	16	4.93	12.01
<b>Total income</b>		<b>14,417.78</b>	<b>14618.00</b>
<b>II Expenses:</b>			
(a) Employee benefits expense	17	14,246.58	13901.90
(b) Other expenses	18	273.76	31.54
<b>Total expenses</b>		<b>14,520.34</b>	<b>13933.42</b>
<b>III Profit/(Loss) before exceptional items and tax (I-II)</b>		<b>(102.56)</b>	<b>684.58</b>
<b>IV Exceptional items</b>		-	-
<b>V Profit/(Loss) before tax (III+IV)</b>		<b>(102.56)</b>	<b>684.58</b>
<b>VI Tax expense:</b>			
(a) Current tax		(21.03)	205.62
(b) Income Tax relating to previous year		-	(459.32)
(c) Deferred tax expense/(credit)	3	(2.77)	397.85
<b>Total tax expense</b>		<b>(23.80)</b>	<b>144.16</b>
<b>VII Profit/(Loss) for the year (V-VI)</b>		<b>(78.76)</b>	<b>540.42</b>
<b>VIII Other comprehensive income</b>			
(a) (i) Items that will not be reclassified to profit or loss			
- Re-measurement of the net defined benefit plan		150.26	(667.87)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(37.82)	168.09
(b) (i) Items that will be reclassified to profit and loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Total other comprehensive income</b>		<b>112.44</b>	<b>(499.78)</b>
<b>IX Total comprehensive income for the year (VII+VIII)</b>		<b>33.68</b>	<b>40.64</b>
<b>X Earnings per share [having face value of ₹ 10 each]</b>			
Basic (₹)	19	(157.52)	1,080.84
Diluted (₹)	19	(157.52)	1,080.84
<b>The accompanying notes are forming part of the financial statements</b>	<b>1-39</b>		

As per our report of even date attached

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

*SP*

**Bimal Kumar Sipani**  
Partner  
Membership No. 088926



For and on behalf of the Board of Directors

*Probal Ghosh*  
**Probal Ghosh**  
Chairman and Director  
DIN : 09278911  
Place : Jamshedpur

*Sandeep Dhir*  
**Sandeep Dhir**  
CEO and Director  
DIN : 09637445  
Place : Bhubneshwar

*Nabin Chandra Jha*  
**Nabin Chandra Jha**  
Chief Financial Officer  
PAN : ADPPJ5807N  
Place : Bhubneshwar

Date: April 13, 2023  
Place: Noida (Delhi - NCR)

# TATA STEEL TECHNICAL SERVICES LIMITED

## STATEMENT OF CASH FLOWS for the financial year ended March 31, 2023

(₹ in Lakhs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit/(loss) before taxes	(102.56)	684.58
Adjustments for:		
Interest Income	(4.93)	(12.01)
<b>Operating cash flows before working capital changes</b>	<b>(107.49)</b>	<b>672.56</b>
Change in Working Capital:		
Trade and Other Receivables	935.63	(1,067.68)
Trade and Other Payables and Provisions	(642.77)	662.26
	<b>292.86</b>	<b>(405.42)</b>
<b>Cash generated from operations</b>	<b>185.37</b>	<b>267.14</b>
Direct taxes paid	(303.90)	(247.54)
<b>Net cash generated from operating activities</b>	<b>(118.53)</b>	<b>19.60</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Interest Income	4.93	12.01
<b>Net cash generated in Investing Activities</b>	<b>4.93</b>	<b>12.01</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES:</b>		
<b>Net cash generated/(used) in Financing Activities</b>	<b>-</b>	<b>-</b>
<b>Net (decrease)/increase in Cash and Cash Equivalents (A+B+C)</b>	<b>(113.60)</b>	<b>31.62</b>
<b>Opening Cash and Cash Equivalents</b>	<b>367.57</b>	<b>335.95</b>
<b>Closing Cash and Cash Equivalents (Refer note no 6)</b>	<b>253.97</b>	<b>367.57</b>
The accompanying notes are forming part of the financial statements		

As per our report of even date attached

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


  
**Bimal Kumar Sipani**  
Partner  
Membership No. 088926



For and on behalf of the Board of Directors

  
**Probal Ghosh**  
Chairman and  
Director  
DIN : 09278911  
Place : Jamshedpur

  
**Sandeep Dhir**  
CEO and Director  
DIN : 09637445  
Place : Bhubneshwar

  
**Nabin Chandra Jha**  
Chief Financial  
Officer  
DIN : 09637445  
Place : Bhubneshwar

Date: April 13, 2023  
Place: Noida (Delhi - NCR)

# TATA STEEL TECHNICAL SERVICES LIMITED

## STATEMENT OF CHANGES IN EQUITY for the financial year ended March 31, 2023

### A. EQUITY SHARE CAPITAL

	Balance as at March 31, 2022	Changes during the year	Balance as at March 31, 2023
Equity Shares of ₹ 10 each	5.00	-	5.00

(₹ in Lakhs)

	Balance as at March 31, 2021	Changes during the year	Balance as at March 31, 2022
Equity Shares of ₹ 10 each	5.00	-	5.00

(₹ in Lakhs)

### B. OTHER EQUITY

	Reserves and Surplus Retained earnings	Items of Other Comprehensive Income	Total Equity
Balance as at March 31, 2022	228.24	-	228.24
Profit / (Loss) for the year	(78.76)	-	(78.76)
Other comprehensive income for the year	112.44	-	112.44
<b>Total Comprehensive Income for the Year</b>	<b>33.68</b>	<b>-</b>	<b>33.68</b>
<b>Balance as at March 31, 2023</b>	<b>261.92</b>	<b>-</b>	<b>261.92</b>
Balance as at March 31, 2021	187.60	-	187.60
Profit for the year	540.42	-	540.42
Other comprehensive income for the year	(499.78)	-	(499.78)
<b>Total Comprehensive Income for the Year</b>	<b>40.64</b>	<b>-</b>	<b>40.64</b>
<b>Balance as at March 31, 2022</b>	<b>228.24</b>	<b>-</b>	<b>228.24</b>

(₹ in Lakhs)

**Retained earnings:** Retained earnings are profits earned by the Company after transfer to general reserve and payment of dividend to shareholders.

### The accompanying notes are forming part of the financial statements

For and on behalf of the Board of Directors

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

**Bimal Kumar Sipani**

Partner

Membership No. 088926



**Probal Ghosh**

Chairman and  
Director

DIN : 09278911

Place : Jamshedpur

**Sandeep Dhir**

CEO and Director

DIN : 09637445

Place : Bhubneshwar

**Nabin Chandra Jha**

Chief Financial Officer

PAN : ADPPJ5807N

Place : Bhubneshwar

Date: April 13, 2023

Place: Noida (Delhi - NCR)

# TATA STEEL TECHNICAL SERVICES LIMITED

## NOTES TO FINANCIAL STATEMENTS

(₹ in Lakhs)

### 3. Deferred Tax Assets

	As at March 31, 2023	As at March 31, 2022
(a) Deferred Tax Asset ( Net) Expenses allowable on payment basis under the Income Tax Act, 1961	114.05	111.28
<b>For Details Refer Note 20(c)</b>	<b>114.05</b>	<b>111.28</b>

### 4. OTHER FINANCIAL ASSETS

#### NON-CURRENT

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good Security deposits	18.89	6.62
	<b>18.89</b>	<b>6.62</b>

### 5. TRADE RECEIVABLES

#### CURRENT

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Considered good - Unsecured	1,000.93	-
Less : Allowance for expected credit loss	-	-
	<b>1,000.93</b>	<b>-</b>

(i) For details of receivables from related parties, refer note no. 23

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

(a) directors or other officers of the Company or

(b) firms or private companies in which any director of the Company is a partner, member or director other than disclosed in note no. 23.

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

	As at March 31, 2023	As at March 31, 2022
Opening Balance	-	950.20
Add: Revenue recognised during the year	12,651.05	10,502.14
Less: Receipts during the year	11,650.12	11,452.34
Less: Amounts written off during the year	-	-
<b>Closing Balance</b>	<b>1,000.93</b>	<b>-</b>

(iv) Ageing schedule of trade receivable (from due date) :

As at March 31, 2023

Particulars	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed – considered good	1,000.93					1,000.93
Undisputed – considered doubtful						-
Disputed - considered good						-
Disputed - considered doubtful						-
<b>Total receivable</b>	<b>1,000.93</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,000.93</b>

As at March 31, 2022

Particulars	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed – considered good	-					-
Undisputed – considered doubtful						-
Disputed - considered good						-
Disputed - considered doubtful						-
<b>Total receivable</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



# TATA STEEL TECHNICAL SERVICES LIMITED

## NOTES TO FINANCIAL STATEMENTS

### 6. CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

CURRENT	As at March 31, 2023	As at March 31, 2022
(a) Balance with banks		
- In current accounts	57.26	22.28
- Deposit with original maturity less than three months	196.70	345.26
(b) Cash on hand	-	0.03
	<b>253.97</b>	<b>367.57</b>

### 7. CONTRACT ASSETS

(₹ in Lakhs)

CURRENT	As at March 31, 2023	As at March 31, 2022
Rendering of manpower service [unbilled revenue]	2,691.68	4,644.04
	<b>2,691.68</b>	<b>4,644.04</b>

(i) For details of contract assets pertaining to related parties, refer note no. 27

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

	As at March 31, 2023	As at March 31, 2022
Opening Balance	4,644.04	2,663.64
Add: Performance obligation satisfied but not billed	1,761.80	4,103.86
Less: Recognised as receivable during the year	3,714.17	2,123.46
Closing Balance	<b>2,691.68</b>	<b>4,644.04</b>

### 8. CURRENT TAX ASSETS

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Advance tax recoverable [net of provisions for tax liability]	510.64	223.53
	<b>510.64</b>	<b>223.53</b>

### 9. OTHER CURRENT ASSETS

(₹ in Lakhs)

CURRENT	As at March 31, 2023	As at March 31, 2022
<b>(Unsecured, considered good)</b>		
(a) Advance to employees	8.24	-
(b) Prepaid expenses	33.57	38.28
	<b>41.82</b>	<b>38.28</b>





# TATA STEEL TECHNICAL SERVICES LIMITED

## NOTES TO FINANCIAL STATEMENTS

### 10. EQUITY SHARE CAPITAL

	As at March 31, 2023	As at March 31, 2022
<b>a) Authorised:</b>		
1,00,000 equity shares of ₹ 10/- each (March 31, 2022: 1,00,000 equity shares of ₹ 10/- each)	10.00	10.00
	<b>10.00</b>	<b>10.00</b>
<b>b) Issued, Subscribed and Paid-up:</b>		
50,000 equity shares of ₹ 10/- each (March 31, 2022: 50,000 equity shares of ₹ 10/- each)	5.00	5.00
	<b>5.00</b>	<b>5.00</b>

### c) Reconciliation of number of shares outstanding at the beginning and at the end of the Year

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount (₹ in lakhs)	Number of shares	Amount (₹ in lakhs)
Shares outstanding at the beginning of the Year	50,000	5.00	50,000	5.00
Shares issued during the Year	-	-	-	-
Shares bought back / cancelled during the year	-	-	-	-
Shares outstanding at the end of the Year	<b>50,000</b>	<b>5.00</b>	<b>50,000</b>	<b>5.00</b>

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

The Company has only one class of equity share having a par value of ₹ 10/- each (March 31, 2022: ₹ 10 each). Each shareholder is eligible for one vote for every share held and is entitled to dividend declared from time to time. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

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

Equity shares of ₹ 10/- each fully paid up

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares held	% of holding	Number of shares held	% of holding
Tata Steel Limited* ("Holding company")	49,990	99.98%	49,990	99.98%
<b>Total</b>	<b>49,990</b>	<b>99.98%</b>	<b>49,990</b>	<b>99.98%</b>

\*Including Nominees Shares

### f) Details of the Promoters Equity Shareholding

Equity shares of ₹ 10/- each fully paid up

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares held	% of holding	Number of shares held	% of holding
Tata Steel Limited ("Holding Company")	49,990	99.99%	49,990	99.99%

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



# TATA STEEL TECHNICAL SERVICES LIMITED

## NOTES TO FINANCIAL STATEMENTS

### 11. OTHER EQUITY

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
<b>Retained earnings</b>		
Balance as at the beginning of the year	228.24	187.60
Profit/(loss) for the year	(78.76)	540.42
Other Comprehensive Income for the year*	112.44	(499.78)
<b>Balance as at the end of the year</b>	<b>261.92</b>	<b>228.24</b>
<b>Total other equity</b>	<b>261.92</b>	<b>228.24</b>

\* This consist of remeasurement gain/(loss) on defined benefit plans (net of tax) amounting to ₹ 112.44 Lakhs (Previous year ₹ (499.78) Lakhs)

### 12. OTHER FINANCIAL LIABILITIES

#### NON CURRENT

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Liability for employee family benefit scheme	534.88	440.18
	<b>534.88</b>	<b>440.18</b>

#### CURRENT

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
(a) Employee emoluments	2,349.46	2,748.62
(b) Other payables	239.56	10.82
	<b>2,589.02</b>	<b>2,759.44</b>

### 13. PROVISIONS

#### NON-CURRENT

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
(a) Provision for Employee benefits		
- Gratuity [Refer note 21]	228.84	950.94
- Compensated absences	436.34	428.26
	<b>665.17</b>	<b>1,379.21</b>

#### CURRENT

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
(a) Provision for Employee benefits		
- Gratuity [Refer note 21]	-	-
- Compensated absences	16.82	13.90
	<b>16.82</b>	<b>13.90</b>

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

### 14. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
(a) Contract liabilities	-	273.07
(b) Statutory dues	559.14	292.29
	<b>559.14</b>	<b>565.35</b>



# TATA STEEL TECHNICAL SERVICES LIMITED

## NOTES TO FINANCIAL STATEMENTS

### 15. REVENUE FROM OPERATIONS

	For the year ended March 31, 2023	For the year ended March 31, 2022
Income from rendering of manpower service	12,651.05	10,502.14
Unbilled revenue	1,761.80	4,103.86
	<b>14,412.85</b>	<b>14,606.00</b>

#### A. Disaggregated revenue information

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

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

	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue as per contract price	14,412.85	14,606.00
Less: Rebates, incentives, discounts etc.	-	-
<b>Revenue as per Statement of Profit and Loss</b>	<b>14,412.85</b>	<b>14,606.00</b>

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

B. For movement of trade receivables, refer note no. 5 and contract assets, refer note no. 7. There were no contract liabilities at year end.

#### C. Performance Obligation

**Information about the Company's performance obligations for manpower supply contract are summarised below:**

The performance obligation of the Company in case of supply of manpower is based on supply of manpower as per customers' requirement. Revenue from supply of manpower is accounted for on the basis of billing cycles on calendar month basis to the customers.

The customers make payment for manpower supplied during the billing cycle at contracted price as per terms stipulated under agreement.

There is no unsatisfied performance obligation as on year ending March 31, 2023.

### 16. OTHER INCOME

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income on fixed deposits	4.93	12.01
	<b>4.93</b>	<b>12.01</b>

### 17. EMPLOYEES BENEFIT EXPENSE

	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Salaries, wages and gratuity*	13,016.63	12,971.08
(b) Contribution to provident and other funds	771.57	723.20
(c) Staff welfare expenses	458.38	207.62
	<b>14,246.58</b>	<b>13,901.90</b>

\* net off of pension amounting ₹ 141.16 lakhs ( Previous year: ₹ 473.23 lakhs) payable to nominee / spouse of employees died due to Covid-19 and other cases, recoverable from holding Company, Tata Steel Limited under manpower supply agreement.

### 18. OTHER EXPENSES

	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Rates and taxes	0.67	1.36
(b) Deputation cost	196.51	-
(c) Auditors remuneration:		
For statutory audit	1.50	1.50
For tax audit	0.50	0.50
For certification	0.95	0.75
Reimbursement of Expenses	0.20	0.31
(d) Rent [short term leases]	0.03	0.27
(e) Corporate Social Responsibility	8.00	-
(f) Recruitment charges	5.24	5.04
(g) Miscellaneous expenses	60.16	21.80
	<b>273.76</b>	<b>31.54</b>



# TATA STEEL TECHNICAL SERVICES LIMITED

## NOTES TO FINANCIAL STATEMENTS

### 19 EARNING PER SHARE

	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Profit/ (loss) for the year (₹ Lakhs)	(78.76)	540.42
(b) Face value per share (₹)	10.00	10.00
(c) Number of equity shares at the beginning of the year (No.)	50,000	50,000
Add: Issued during the year (No.)	-	-
Number of equity shares at the end of the year (No.)	50,000	50,000
(d) Weighted average number of equity shares*	50,000	50,000
(e) Weighted average number of equity shares for diluted EPS*	50,000	50,000
(f) Earning Per Share:		
Basic (₹ / share) [ (a)/(d) ]	(157.52)	1,080.84
Diluted (₹/ share) [ (a)/(e) ]	(157.52)	1,080.84

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

### 20. TAX EXPENSES

#### (a) Income tax expense:

The major components of income tax expenses are as follows:

##### (i) Profit or loss section

	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax expense	(21.03)	205.62
Income Tax relating to previous year	-	(459.32)
Deferred tax expense / (credit)	(2.77)	397.85
<b>Total income tax expense recognised in statement of profit &amp; loss</b>	<b>(23.80)</b>	<b>144.16</b>

##### (ii) OCI Section

	For the year ended March 31, 2023	For the year ended March 31, 2022
Income tax charged to OCI	37.82	(168.09)
<b>Total income tax expense recognised in OCI</b>	<b>37.82</b>	<b>(168.09)</b>

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

	For the year ended March 31, 2023	For the year ended March 31, 2022
Accounting profit before tax from continuing operations	(102.56)	684.58
Accounting profit before tax from discontinuing operations	-	-
<b>Accounting profit before income tax</b>	<b>(102.56)</b>	<b>684.58</b>
At India's statutory income tax rate of 25.168% (Previous year: 25.168%)	(25.81)	172.29
<b>Non-deductible expenses for tax purposes:</b>		
(a) Tax effect of items disallowed	2.01	2.14
(b) Tax effect due to tax losses of the current year to the extent of accounting profit.	-	(30.27)
<b>Income tax expense reported in the statement of profit and loss</b>	<b>(23.80)</b>	<b>144.16</b>

#### (c) Deferred Tax Assets (Net)

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>The movement on the deferred tax account is as follows :</b>		
At the beginning of the year	111.28	509.14
Recognised in statement of Profit or loss	2.77	(397.86)
<b>At the end of year</b>	<b>114.05</b>	<b>111.28</b>
	For the year ended March 31, 2022	Recognised in statement of Profit or loss
<b>Deferred Tax Asset/ Liability in relation to disallowance under the Income Tax Act,1961</b>	(111.28)	(2.77)
<b>Total</b>	<b>(111.28)</b>	<b>(114.05)</b>

(d) Deferred tax assets of ₹ 114.05 lakhs (Previous year: 111.28 lakhs) have been recognised in respect of provision for gratuity and leave encashment, and will be adjusted against when the payment for gratuity and leave encashment will be made in the future.

(f) The amounts and expiry dates, if any, of unutilised tax losses and deductible temporary differences for which no deferred tax asset is recognised in the balance sheet are given below :



# TATA STEEL TECHNICAL SERVICES LIMITED

## NOTES TO FINANCIAL STATEMENTS

### 21 Employee benefits

#### A. Defined Contribution Plans

**Provident Fund:** The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits. During the year, the Company has recognised ₹ 771.57 Lakhs (Previous year ₹ 723.20 Lakhs ) as contribution towards Employees Provident Fund in the Statement of Profit and Loss.

#### B. Defined Benefit Plans - Gratuity

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

The most recent actuarial valuation of the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2023 wherein expense and liabilities in respect of gratuity were measured using the Projected Unit Credit Method.

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

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>(₹ Lakhs)</b>		
(i) <b>Reconciliation of fair value of plan assets and defined benefit obligation:</b>		
Fair value of plan assets	2,755.16	1,713.05
Defined benefit obligation	2,983.99	2,663.99
<b>Net assets / (liability) recognised in the Balance Sheet at year end</b>	<b>(228.84)</b>	<b>(950.94)</b>
(ii) <b>Changes in the present value of the defined benefit obligation are, as follows:</b>		
<b>Defined benefit obligation at beginning of the year</b>	<b>950.95</b>	<b>1,713.05</b>
Acquisition adjustment	-	(1,713.05)
Current service cost	344.62	224.21
Interest expense	34.47	115.08
Re-measurements	(150.26)	667.87
Benefits paid	(950.94)	(56.21)
Actuarial (gain)/ loss on obligations - OCI	-	-
<b>Defined benefit obligation at year end</b>	<b>228.84</b>	<b>950.95</b>
(iii) <b>Amount recognised in Statement of Profit and Loss:</b>		
Current service cost	344.62	224.21
Net interest expense	34.47	115.08
Remeasurement of Net Benefit Liability/ Asset	-	-
<b>Amount recognised in Statement of Profit and Loss</b>	<b>379.10</b>	<b>339.29</b>
(iv) <b>Amount recognised in Other Comprehensive Income:</b>		
Actuarial (gain)/ loss on obligations	(150.26)	(667.87)
Return on plan assets (excluding amounts included in net interest expense)	-	-
<b>Amount recognised in Other Comprehensive Income</b>	<b>(150.26)</b>	<b>(667.87)</b>
(v) <b>The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:</b>		
Discount rate (in %)	7.30	7.25
Salary Escalation (in %)	8.00	8.00
Rate of return in plan assets (in %)	-	-
Expected average remaining working lives of employees (in years)	13.00	14.00
Expected average remaining working lives of employees (in years)	13.00	14.00



# TATA STEEL TECHNICAL SERVICES LIMITED

## NOTES TO FINANCIAL STATEMENTS

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

(₹ Lakhs)

Sensitivity Level	As at March 31, 2023		As at March 31, 2022	
	1%	-1%	1%	-1%
Effect of change in discount rate	(364.20)	437.36	(335.36)	404.85
Effect of change in salary escalation	430.00	(365.29)	397.89	(336.22)

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

(vii) Maturity profile of defined benefit obligation :

(₹ Lakhs)

	As at March 31, 2023	As at March 31, 2022
Within next twelve months	77.62	70.96
Between one to five years	543.26	486.91
Beyond five years	1,546.67	1,333.08

(viii) Description of Risk Exposure:

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

**Salary Inflation risk** : Higher than expected increases in salary will increase the defined benefit obligation.

**Interest rate risk** : The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

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

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

(₹ Lakhs)

	As at March 31, 2023	As at March 31, 2022
Service Cost	354.92	344.62
Net Interest Cost		
<b>Expected Expense for the next annual reporting period</b>	<b>354.92</b>	<b>344.62</b>

## 22 Segment Reporting

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



# TATA STEEL TECHNICAL SERVICES LIMITED

## NOTES TO FINANCIAL STATEMENTS

### 23 Related party disclosures

#### Names of related parties and description of relationship

#### A Relationship

##### i) Entity having significant influence over the ultimate holding company

Tata Sons Private Limited

##### ii) Holding Company

Tata Steel Limited (refer below)

##### iii) Fellow Subsidiaries (being subsidiaries of holding company)\*

Angul Energy Limited

Tata Steel Support Services Limited

Tata Steel Foundation

Tata Steel Utilities and Infrastructure Services Limited

\*where transactions has taken place during the year

#### iv) Key Management Personnel

(i) Mr. Probal Ghosh (Non – Executive Director and Chairman)

(ii) Mr. Subodh Pandey (Non – Executive Director)

(iii) Mr. Zubin Palia (Non – Executive Director)

(iv) Mr. Sandeep Dhir (Chief Executive Officer and KMP)

(v) Mr. Nabin Chandra Jha (Chief Financial Officer and KMP)

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

(₹ Lakhs)

Transactions	Year Ended	Ultimate Holding Company	Holding Company	("Fellow Subsidiary")
Income from rendering of services including unbilled	March 31, 2023	-	10,695.15	223.93
	March 31, 2022	-	9,044.22	230.97
Reimbursements of statutory payments, employee benefits and others including unbilled revenue	March 31, 2023	-	3,202.33	43.68
	March 31, 2022	-	4,125.19	32.87
Reimbursements of retirement benefits and compensated absences including unbilled revenue	March 31, 2023	-	243.98	3.78
	March 31, 2022	-	1,146.37	26.36
Business Promotion Expenses	March 31, 2023	31.38	-	-
	March 31, 2022	-	-	-
Deputation costs	March 31, 2023	-	198.82	-
	March 31, 2022	-	-	-
CSR Expenses	March 31, 2023	-	-	8.00
	March 31, 2022	-	-	-
Reimbursement of expenses	March 31, 2023	-	-	-
	March 31, 2022	-	-	-
<b>Closing Balances</b>				
Receivables	March 31, 2023	-	981.00	19.93
	March 31, 2022	-	-	-
Payables	March 31, 2023	-	214.73	-
	March 31, 2022	-	264.64	8.42
Contract assets	March 31, 2023	-	2,608.11	83.57
	March 31, 2022	-	4,521.81	122.23

#### C. Terms and conditions related to Outstanding balances :

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



# TATA STEEL TECHNICAL SERVICES LIMITED

## NOTES TO FINANCIAL STATEMENTS

### 25 Disclosure of Ratios

	As at March 31, 2023	As at March 31, 2022	% change	Reason for Variation more than 25%
Current ratio (Current Assets / Current Liability) (in times)	1.42	1.58	-10.00%	
Debt/Equity ratio (Total debt/ Shareholder's Equity)	Not Applicable	Not Applicable	Not Applicable	
Debt service coverage ratio (Earning available for debt service / Debt service)	Not Applicable	Not Applicable	Not Applicable	
Return on equity ratio (Net profit after taxes / Average Shareholder's Equity) (in times)	-0.21	1.54	-113.33%	Due to loss in current year
Inventory Turnover ratio (Sales / Average Inventory)	Not Applicable	Not Applicable	Not Applicable	
Trade receivable turnover ratio (Net credit sales / Average accounts receivable) (in %)	7.20	NIL	100.00%	
Trade payable turnover ratio (Net credit Purchases/ Average Trade Payable)	Not Applicable	Not Applicable	Not Applicable	
Net capital turnover ratio ( Net Sales / Average working capital) (in times)	54.00	62.62	-13.77%	Due to loss in current year
Net profit ratio (Net Profit / Net Sales) (in %)	-0.55%	3.70%	-114.77%	Due to loss in current year
Return on capital employed ( Earning before interest & taxes / Capital employed)	-0.38	2.94	-113.09%	Due to loss in current year
Return on investment (in %) (Income generated from invested funds/Average invested funds)	Not Applicable	Not Applicable	Not Applicable	

### 26 Corporate Social Responsibility

Particulars	₹ in Lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
(i) Amount required to be spent by the company during the year	8.00	-
(ii) Amount of expenditure incurred	8.00	-
(iii) Shortfall at the end of the year	-	-
(iv) Total of previous years shortfall	-	-
(v) Reason of shortfall	NA	-
(vi) Nature of CSR activities	Skill Development for women	-
(vii) Details of related party transactions	₹ 8.00 lakhs paid to a fellow subsidiary	-
(viii) Movement Provision made for contractual obligation	-	-





# TATA STEEL TECHNICAL SERVICES LIMITED

## NOTES TO FINANCIAL STATEMENTS

### 27 Capital Management

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

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

	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Equity	5.00	5.00
Other Equity	261.92	228.24
<b>Total Capital</b>	<b>266.92</b>	<b>233.24</b>
Borrowings	-	-
<b>Net debts/(Surplus)</b>	<b>-</b>	<b>-</b>
<b>Net debt to total equity</b>	<b>-</b>	<b>-</b>

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

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2023 and March 31, 2022.

### 28 Contingent Liabilities & Capital Commitments

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

### 29 Registration of Charges or satisfaction with Registrar of Companies (ROC)

The company does not have any charges or satisfactions yet to be registered with the registrar of the companies beyond the statutory period.

### 30 Compliance with approved Scheme(s) of Arrangements

The company does not have any approved scheme of arrangements.

### 31 Details of Benami Property held

There are no proceedings which have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

### 32 Willful Defaulter

There are no proceedings which have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

### 33 Relationship with Struck off Companies

During the year, the Company does not have any transactions with the companies struck off under section 248 of Companies Act, 2013.

### 34 Compliance with number of layers of companies

The Company has no subsidiary, therefore clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable on the Company.



# TATA STEEL TECHNICAL SERVICES LIMITED

## NOTES TO FINANCIAL STATEMENTS

### 35 Utilisation of Borrowed funds and share premium

During the financial year ended March 31, 2023, other than the transactions undertaken in the normal course of business and in accordance with extant regulatory guidelines as applicable.

(i) No funds (which are material either individually or in the aggregate) 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 or entity, including foreign entity ("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.

(ii) No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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.

### 36 Undisclosed Income

The Company does not have any transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Also, there are nil previously unrecorded income and related assets.

### 37 Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

### 38 Capital work in progress (CWIP) and Intangible asset under development

- The Company does not have any capital work in progress and Intangible asset under development.
- The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

39 Previous year figures have been regrouped / rearranged wherever necessary to conform current year's figure.

As per our report of even date attached

For and on behalf of board of directors

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

  
Bimal Kumar Sipani  
Partner  
Membership No. 088926

Date: April 13, 2023  
Place: Noida (Delhi - NCR)





Probal Ghosh  
Chairman and Director  
DIN : 09278911  
Place : Jamshedpur



Sandeep Dhir  
CEO and Director  
DIN : 09637445  
Place : Bhubneshwar



Nabin Chandra Jha  
Chief Financial Officer  
PAN : ADPPJ5807N  
Place : Bhubneshwar