Price Waterhouse & Co Chartered Accountants LLP

Independent auditor's report

To the Members of Tata Steel Utilities and Infrastructure Services Limited (formerly Jamshedpur Utilities and Services Company 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 (formerly Jamshedpur Utilities & Services Company Limited) ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, 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.

Emphasis of matter

4. We draw your attention to Note 26(K) to the financial statements, which describes the management's assessment of the impact of the outbreak of Coronavirus (Covid-19) on the business operations of the Company. The management believes that no adjustments are required in the financial statements as it does not impact the current financial year, however, in view of the various preventive measures taken (such as complete lock-down restrictions by the Government of India, travel restrictions etc.) and highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve.

Our opinion is not modified in respect of this matter.

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

Price Waterhouse & Co Chartered Accountants LLP, 252, Veer Savarkar Marg, Shivaji Park, Dadar (West) Mumbai - 400 028
T: +91 (22) 66691500, F: +91 (22) 66547804 / 07

Registered office and Head office: Plot No. Y-14, Block EP, Sector V, Salt Lake Electronic Complex, Bidhan Nagar, Kolkata 700 091

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report but does not include the financial statements and our auditor's report thereon. The Director's 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 will 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 identified above when it becomes available 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.

   When we read the Director's 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 appropriate action as applicable under the relevant laws and regulations.

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

6. 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.

7. 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

8. 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.

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Mumbai

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

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

10. 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.

11. 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

12. As required by the Companies (Auditor's Report) Order, 2016 ("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.

13. 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.

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Chartered Accountants
FRN 304026E/E-300009
Mumbai

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

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

e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

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

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 26(E) to the financial statements;
ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2020;
iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2020.

14. 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 and Co Chartered Accountants LLP
Firm Registration Number: 304026E/E300009
Chartered Accountants

Gautam Wadhera

Gautam Wadhera
Partner
Membership Number: 508835
UDIN: 20508835AAAABY8798
Place: Mumbai
Date: May 30, 2020

Annexure A to Independent Auditors' Report

Referred to in paragraph 13(f) of the Independent Auditors' Report of even date to the members of Tata Steel Utilities and Infrastructure Services Limited (formerly Jamshedpur Utilities and Services Company Limited) on the financial statements for the year ended March 31, 2020

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 (formerly Jamshedpur Utilities & Services Company Limited) ("the Company") as of March 31, 2020 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 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.

Auditors' 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 on Audit of Internal Financial Controls Over Financial Reporting (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.

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

Annexure A to Independent Auditors' Report

Referred to in paragraph 13(f) of the Independent Auditors' Report of even date to the members of Tata Steel Utilities and Infrastructure Services Limited (formerly Jamshedpur Utilities and Services Company Limited) on the financial statements for the year ended March 31, 2020

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 control 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, 2020, 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.

For Price Waterhouse and Co Chartered Accountants LLP
Firm Registration Number: 304026E/E300009
Chartered Accountants

Gautam Wadhera

Gautam Wadhera
Partner
Membership Number: 508335
UDIN: 20508835AAAABY8798
Place: Mumbai
Date: May 30, 2020

Annexure B to Independent Auditors' Report
Referred to in paragraph 12 of the Independent Auditors' Report of even date to the members of Tata Steel Utilities and Infrastructure Services Limited (formerly Jamshedpur Utilities and Services Company Limited) on the financial statements as of and for the year ended March 31, 2020

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) The title deeds of immovable properties of land, as disclosed in Note 2 on fixed assets to the financial statements, are held in the name of the Company. According to the information and explanation given to us and the records examined by us, we report that immovable properties of building amounting to Rs. 404 lakhs have been constructed on land not owned by the Company.

ii. The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.

iii. The Company has granted unsecured loans, to one of its Subsidiary Company companies covered in the register maintained under Section 189 of the Act.

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

(b) In respect of the aforesaid loan, the schedule of repayment of principal and payment of interest has been stipulated. The repayments of the principal amounts and interest have not been received as stipulated in the agreement.

(c) In respect of the aforesaid loans, the total amount overdue for more than ninety days as at March 31, 2020 is Rs. 1,750 lakhs (including interest of Rs. 100 lakhs for the period May 31, 2012 to May 31, 2013), is considered doubtful of recovery as the subsidiary company had ceased its operation. Accordingly the amounts have been fully provided for in these financial statements.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 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 from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

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

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities.

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

Price Waterhouse & Co Chartered Accountants LLP

Annexure B to Independent Auditors' Report
Referred to in paragraph 12 of the Independent Auditors' Report of even date to the members of Tata Steel Utilities and Infrastructure Services Limited (formerly Jamshedpur Utilities and Services Company Limited) on the financial statements as of and for the year ended March 31, 2020

Further, for the period March 1, 2020 to March 31, 2020, the Company has paid Goods and Service Tax and filed Form-GSTR 3B after the due date but within the timelines allowed by Ministry of Finance under the Notification Number CBEC-20/06/04-2020 -GST] dated April 03, 2020 on fulfilment of conditions specified therein.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of duty of customs and goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, value added tax and service tax as at March 31, 2020 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in lakhs)*	Period to which amount relates	Forum where the dispute is pending
Jharkhand CST Act, 1956	VAT Demand	56	2006-07 and 2009-10	Commissioner
Jharkhand VAT Act, 2005	VAT Demand	203	2007-08 and 2013-14	Commissioner
Madhya Pradesh VAT Act, 2002	VAT Demand	18	2010-11	Assistant Commissioner
West Bengal VAT Act, 2003	VAT Demand	40	2008-09	Tribunal
Jharkhand CST Act, 1956	VAT Demand	62	2011-12 and 2013-14	Tribunal
West Bengal VAT Act, 2003	VAT Demand	104	2012-13 to 2014-15	Appellate & Revisional Board
West Bengal VAT Act, 2003	VAT Demand	56	2016-17 to 2017-18	Sr JCCT (A)
Madhya Pradesh VAT Act, 2002	VAT Demand	10	2011-12	Sr JCCT (A)
Andhra Pradesh VAT Act, 2005	VAT Demand	109	2008-09 to 2009-10	High Court of Andhra Pradesh
Jharkhand CST Act, 1956	VAT Demand	60	2008-09, 2011-12, 2015-16	JCCT (A)
Jharkhand VAT Act, 2005	VAT Demand	1,354	2012-13 and 2014-15 to 2016-17	JCCT (A)
Karnataka VAT Act, 2003	VAT Demand	83	2008- 09 to 2009-2010	JCCT (A)
West Bangal VAT Act, 2003	VAT Demand	21	2015-16	JCCT (A)
Karnataka VAT, 2003	VAT Demand	917	2011-12 to 2012-13	High Court of Karnataka
Odisha CST Act, 1957/Kerala VAT Act, 2003	VAT Demand	19	2012-13 to 2016-17	Dy Commissioner (Appeals)
Finance Act, 1994	Service Tax Demand	8,821	2008-09 to 2016-17	CESTAT
Finance Act, 1994	Service Tax Demand	102	2012-13 to 2016-17	Commissioner
Income Tax Act, 1961	Income Tax Demand	407	AY 2010-11 to AY 2012-13	ITAT

*net of amount paid under protest

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Annexure B to Independent Auditors' Report
Referred to in paragraph 12 of the Independent Auditors' Report of even date to the members of Tata Steel Utilities and Infrastructure Services Limited (formerly Jamshedpur Utilities and Services Company Limited) on the financial statements as of and for the year ended March 31, 2020

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government. The Company has not issued any debentures at the balance sheet date.

ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. 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.
Also refer paragraph-14 of our main audit report.

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

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

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

For Price Waterhouse and Co Chartered Accountants LLP
Firm Registration Number: 304026E/E300009
Chartered Accountants

Gautam Wadhera

Gautam Wadhera
Partner
Membership Number: 508835
UDIN: 20508835AAAABY8798
Place: Mumbai
Date: May 30, 2020

TATA STEEL UTILITIES AND INFRASTRUCTURE SERVICES LIMITED
(Formerly - Jamshedpur Utilities and Services Company Limited)
Balance Sheet as at March 31, 2020

	Note No.	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
(I) ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Property, Plant and Equipment	02	20,341	16,446
(ii) Capital work-in-progress	02	2,604	2,854
(iii) Intangible assets	03	402	463
(iv) Right to use Property, Plant and Equipment	03A	240	-
(b) Equity accounted investments	04	1,368	1,368
(c) Investments in subsidiaries	05	400	400
(d) Financial assets			
(i) Trade receivables	10	2,186	-
(ii) Other financial assets	06	270	349
(e) Other non-financial assets	07	646	845
(f) Non current income tax assets		2,993	2,574
(g) Deferred tax assets (Net)	26(H)	2,613	3,172
		34,063	28,471
(2) Current assets			
(a) Inventories	08	9,300	7,809
(b) Financial assets			
(i) Current investments	09	1,101	
(ii) Trade receivables	10	20,376	30,079
(iii) Cash and Cash Equivalents	11	2,352	732
(iv) Other balance with Bank	11	3,772	2,752
(iv) Other financial assets	06	14,262	11,645
(c) Other non-financial assets	07	4,173	5,534
		55,336	58,551
TOTAL ASSETS		89,399	87,022
(II) EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	12	2,435	2,435
(b) Other Equity			
(i) Reserves and Surplus		13,948	11,299
		16,383	13,734
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Long term borrowings	13	78	-
(ii) Trade payables	19	245	44
(iii) Other financial liabilities	14	8,460	7,190
(b) Long term provisions	15	5,339	4,611
(c) Retirement benefit obligations	16	1,275	542
(d) Deferred income	17	8,279	7,121
		23,676	19,508
(3) Current liabilities			
(a) Financial liabilities			
(i) Short term borrowings	13	-	12
(ii) Trade payables	19		
(a) Total outstanding due of micro and small enterprises		1,115	360
(b) Total outstanding due other than (ii)(a) above		32,349	32,594
(iii) Other financial liabilities	14	3,883	4,560
(b) Short term provisions	15	1,606	2,376
(c) Retirement benefit obligations	16	11	9
(d) Deferred income	17	776	656
(e) Other non-financial liabilities	18	9,600	12,785
(f) Income tax liabilities			428
		49,340	53,780
TOTAL EQUITY AND LIABILITIES		89,399	87,022

The notes referred to above form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration no - FRN304026E/E300009
Chartered Accounts

Gautam Wadhera

Gautam Wadhera
Partner
Membership No - 508835

Place : Mumbai
Date : May 30, 2020

For and on behalf of the Board of Directors

Charakya Chaudhary
Chairman
DIN: 02139568

Manish Kumar Agarwal
Chief Financial Officer

Tarun Kumar Daga
Tarun Kumar Daga
Managing Director
DIN: 01686499

Preeti Sehgal
Company Secretary

Place : Jamshedpur
Date : May 30, 2020

Tata Steel Utilities & Infrastructure Services Ltd. Jamshedpur

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TATA STEEL UTILITIES AND INFRASTRUCTURE SERVICES LIMITED

(Formerly - Jamshedpur Utilities and Services Company Limited)

Statement of Profit and Loss for the period ended March 31, 2020

		Note No.	For the year ended March 31, 2020 ₹ in Lakhs	For the year ended March 31, 2019 ₹ in Lakhs
I	Revenue from operations	20	1,07,004	1,11,413
II	Other Income	21	1,169	1,492
III	**Total Revenue (I + II)**		1,08,173	1,12,905
IV	Expenses			
	(a) Direct Expenses	22	80,113	83,832
	(b) Employee benefits expense	23	16,479	16,358
	(c) Finance costs	24	750	667
	(d) Depreciation and amortisation expense	02	2,104	1,706
	(e) Other expenses	25	3,739	4,446
	Total Expenses		1,03,185	1,07,009
V	Profit before taxes (III - IV)		4,988	5,896
VI	Tax Expense			
	(a) Current tax			
	- In respect of Current Year		1,125	2,109
	- In respect of Prior Year		(34)	(36)
	(b) Deferred tax		559	(673)
	Total tax expense		1,650	1,400
VII	Profit after taxes (V - VI)		3,338	4,496
VIII	Other comprehensive income			
	(i) Items that will not be reclassified subsequently to the statement of profit and loss			
	(a) Remeasurement gains/(losses) on post employment defined benefit plans.		(636)	101
	(ii) Income tax on items that will not be reclassified subsequently to the statement of profit and loss.		143	(35)
	Total Other comprehensive (loss)/Income		(493)	66
IX	**Total comprehensive income for the year (VII + VIII)**		2,845	4,562
	Basic and Diluted Earnings per Share (Refer note 26(G))		13.71	18.91

The notes referred to above form an integral part of the Statement of Profit and Loss.

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 no - FRN304026E/E300009
Chartered Accounts

Gautam Wadhera

Gautam Wadhera
Partner
Membership No - 508835

Place : Mumbai
Date : May 30, 2020

For and on behalf of the Board of Directors

Chanakya Chaudhary
Chairman
DIN: 02139568

Manish Kumar Agarwal
Chief Financial Officer

Tarun Kumar Daga

Tarun Kumar Daga
Managing Director
DIN: 01686499

Preeti Sehgal
Company Secretary

Place : Jamshedpur
Date : May 30, 2020

Tata Steel Utilities & Infrastructure Services Ltd. Jamshedpur

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TATA STEEL UTILITIES AND INFRASTRUCTURE SERVICES LIMITED

(Formerly - Jamshedpur Utilities and Services Company Limited)

Cash Flow Statement for the year ended 31st March, 2020

	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
A. Cash Flow from Operating activities:		
Profit before taxes	4,988	5,896
Adjustments for:		
Depreciation and amortisation	2,104	1,706
Finance costs charged to profit and loss account	750	667
Dividend Income from investments	(50)	-
Provision for inventory	44	380
Finance Income	(373)	(45)
Other non cash items	1,220	764
Operating profit before changes in current/non current assets and liabilities	8,683	9,368
Adjustments for:		
Non current/ current financial and other assets	5,004	(11,898)
Retirement benefit assets/obligations	99	(160)
Inventories	(1,535)	(410)
Non current/ current financial and other liabilities/provisions	(2,242)	10,459
Deferred income	1,278	552
Cash generated from operations	11,287	7,911
Income taxes paid (excluding dividend tax)	(1,795)	(1,465)
Net cash from/(used in) operating activities	9,492	6,446
B. Cash Flow from Investing activities:		
Purchase of capital assets	(5,359)	(4,078)
Sale of capital assets	-	73
Sale/(Purchase) of current investments	(1,100)	2,548
Purchase of investments in subsidiaries	-	(385)
Dividend received from JV	50	-
Fixed deposits with banks (placed) / realised	(740)	(2,414)
Interest received from external investments / agencies	373	45
Net cash from/(used in) investing activities	(6,776)	(4,211)
C. Cash Flow from Financing activities:		
Issue of Equity shares	-	400
Repayment of borrowings from external agencies (Bank etc.)	(12)	(1,338)
Interest paid to external agencies (Bank etc.)	(722)	(1,301)
Dividend paid	(171)	(102)
Tax on dividend paid	(25)	(21)
Repayment of principle portion of lease liabilities	(139)	-
Interest paid on lease liabilities	(27)	-
Net cash from/(used in) financing activities	(1,096)	(2,362)
Net increase or decrease in cash or cash equivalents	1,620	(127)
Cash & cash equivalents As at the beginning of the year	732	859
Cash & cash equivalents As at the end of the year	2,352	732
Cash and cash equivalents:		
- Cash in hand	8	3
- Balance in current account	2,344	729
	2,352	732

Notes :

1. Figures in brackets indicate outflows
2. Previous year figures have been recast/restated where necessary.

This is the Cash flow Statement referred to in our report of even date.
For Price Waterhouse & Co. Chartered Accountants LLP
Firm Registration no - FRN304026E/E300009
Chartered Accounts

Gautam Wadhera

Gautam Wadhera
Partner
Membership No - 508835

Place : Mumbai
Date : May 30, 2020

For and on behalf of the Board of Directors

Chanakya Chaudhary
Chairman
DIN: 02139568

Manish Kumar Agarwal
Chief Financial Officer

Tarun Kumar Daga
Managing Director
DIN: 01686499

Preeti Sehgal
Company Secretary

Tata Steel Utilities & Infrastructure Services Ltd. Jamshedpur

Place : Jamshedpur
Date : May 30, 2020

(1) Company Information

Tata Steel Utilities and Infrastructure Services Limited (Formerly known as Jamshedpur Utilities and Services Company 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 in 2004, it has the legacy of over ten decades of experience in providing these services-water, waste water, 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 on March 31, 2020, 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, 2020 were approved by the board of directors and authorized for issue on May 30, 2020.

(2) Significant accounting policy

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

(a) 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 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.

The management of the Company have assessed its liquidity position (including the impact of COVID-19) and its possible sources of funds. The management beliefs that the Company will be able to meet its obligation in next twelve months from the balance sheet date. Accordingly, these financial statements have been prepared on going concern basis.

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.

The Company has adopted the new accounting standard Ind AS 116 'Leases' during the year using the modified retrospective approach with right-of-use asset recognized at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to those leases. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted.

The company's immediate holding company Tata Steel Limited prepared its consolidated financial statements as required under section 129(3) of the Act. TSUISL is an intermediate holding company with investments in subsidiaries, associates 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.

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(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.

Key source of estimation of uncertainty at the date of financial statements, which may cause material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment, useful lives of property, plant and equipment and intangible assets, valuation of deferred tax assets, provisions, contingent liabilities and fair value measurements of financial instruments as discussed below. Key source of estimation of uncertainty in respect of revenue recognition and employee benefits have been discussed in the respective policies.

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.

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.

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(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.

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. Trial run expenses (net of revenue) are capitalised. Borrowing costs incurred during the period of construction is capitalised as part of cost of qualifying asset.

The gain or loss arising on disposal of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.

(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's 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. No further charge is provided in respect of assets that are fully written down but are still in use. 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 equipment	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)	3-40 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.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately.

(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 Group 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 Group 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.

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The Company accounts for sale and lease back transaction, recognising right of use assets and lease liability, measured in the same way as other right of use assets and lease liability. Gain or loss on the sale transaction is recognised in the consolidated statement of profit and loss.

The company as lessor

Operating lease – Rental income from operating leases is recognized in the statement of profit and loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

Finance lease – When assets are leased out under a finance lease, the present value of the minimum lease payments is recognized as a receivable. The difference between the gross receivable and the present value of the receivable is recognized as unearned finance income. Lease income is recognized over the term of the lease using the net investment method before tax, which reflects a constant periodic rate of return.

(i) Investment in Subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures are carried at cost/deemed 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.

(i) Financial assets

Cash and Bank Balances

Cash and bank balances consist of:

Cash and cash equivalents - which includes cash in 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.

Other bank balances - 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.

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Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets 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.

Financial asset not measured at amortized cost or at fair value through other comprehensive income is carried at fair value through profit or loss.

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 life time 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.

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.

Interest-bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortized cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognized over the term of the borrowings in the statement of profit and loss.

Derecognition of financial liabilities

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

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(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

Inventories are stated at the lower of cost and net realizable value. Costs comprise direct materials and, where applicable, direct labor costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Stores and spare parts are carried at lower of cost and net realizable value.

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.

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

(a) 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

(b) 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

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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) Insurance

Insurance premiums in respect of insurance placed and reinsurance premiums in respect of risks are charged to the statement of profit and loss in the period to which they relate.

(r) 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.

Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction.

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.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is recognized as deferred

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tax assets in the balance sheet when the asset can be measured reliably, and it is probable that the future economic benefit associated with the asset will be realized.

(s) Revenue

The company has applied the Standard Ind AS 115-Revenue from Contract with customer 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.

The company derives revenue from the transfer of goods and services over the period of time.

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 recognized 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 recognized 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 Council (JSERC) for the units consumed by the consumer.

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.

(t) Foreign currency transactions and translation

The financial statements of the company are presented in (₹), which are the functional currency of the company and the presentation currency for the financial statements.

In preparing the individual financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

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(u) Borrowing Costs

Borrowings costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for the intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is recognized in the statement of profit and loss.

(v) **Earnings per Share**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated using the weighted average number of shares and dilutive potential shares except where the result would be anti-dilutive.

(w) **Segment Reporting**

The Company identifies primary segments based on the dominant source, nature of risks and returns, internal organization, management structure and the internal performance reporting systems. The accounting policies adopted for the segment reporting are in line with the accounting policies of the Company.

(x) Recent Accounting Pronouncements

Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2019 containing the following new amendments to Ind AS which the Company has applied as they are effective for annual periods beginning April 1, 2019.

Appendix C to Ind AS 12, Income Taxes (Uncertainty over income tax treatments) – Not applicable to the Company since no such transactions during the year.

Prepayment Features with Negative Compensation – Amendments to Ind AS 109 – Not applicable to the Company since no such transactions during the year.

Long-Term Interest in Associates and Joint Ventures – Amendments to Ind AS 28 – Not applicable to the Company.

Other Amendments:

- Amendments to Ind AS 103, Business Combinations – Not applicable to the Company since no such transactions during the year.
- Amendments to Ind AS 11, Joint Arrangement – Not applicable to the Company since no such transactions during the year.
- Amendments to Ind AS 12, Income Taxes – This Amendment related to dividend on financials instruments classified as equity. No dividend declared during the year.
- Amendments to Ind AS 23, Borrowings Costs – Not applicable, since Company does not have any borrowings.

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02 - Property, Plant and Equipments

₹ in Lakhs

Particulars	Freehold Land	Buildings	Plant and Machinery	Furniture and fixtures	Office Equipments	Vehicles	Total Tangible Assets	Capital work in progress (CWIP)	Total tangible assets including CWIP
Cost as at April 01, 2019	83	403	21,298	204	106	45	22,139	2,854	24,993
Additions	-	1	5,750	16	22	2	5,791	5,541	11,332
Disposals	-	-	-	-	-	-	-	-	-
Other re-classifications (Transfers in / out)	-	-	-	-	-	-	-	(5,791)	(5,791)
Cost as at March 31, 2020	83	404	27,048	220	128	47	27,930	2,604	30,534
Accumulated depreciation as at April 01, 2019	-	48	5,502	68	58	17	5,693	-	5,693
Charge for the year	-	12	1,839	24	17	4	1,896	-	1,896
Disposals	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at March 31, 2020	-	60	7,341	92	75	21	7,589	-	7,589
Net Block as at March 31, 2020	83	344	19,707	128	53	26	20,341	2,604	22,945
Cost as at April 01, 2018	16	403	18,840	153	90	20	19,522	1,427	20,949
Additions	67	-	2,544	51	16	25	2,703	4,130	6,833
Disposals	-	-	(86)	-	-	-	(86)	-	(86)
Other re-classifications (Transfers in / out)	-	-	-	-	-	-	-	(2,703)	(2,703)
Cost as at March 31, 2019	83	403	21,298	204	106	45	22,139	2,854	24,993
Accumulated depreciation as at April 01, 2018	-	36	3,935	44	44	13	4,072	-	4,072
Charge for the year	-	12	1,580	24	14	4	1,634	-	1,634
Disposals	-	-	(13)	-	-	-	(13)	-	(13)
Accumulated depreciation as at March 31, 2019	-	48	5,502	68	58	17	5,693	-	5,693
Net Block as at March 31, 2019	83	355	15,796	136	48	28	16,446	2,854	19,300

Notes:

(a) Estimated amount of contract remaining to be executed on capital account and not provided for: ₹ 16 Lakhs (as at March 31, 2019: ₹ 148 Lakhs).

(b) Depreciation and amortisation for the year:

	Year Ended March 31, 2020 (₹ in Lakhs)	Year Ended March 31, 2019 (₹ in Lakhs)
Depreciation	1,896	1,634
Amortisation (Refer note - 03)	74	72
Depreciation on Right to use Property, Plant and Equipment (Refer note - 03A)	134	-
	2,104	1,706

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03 - Intangible Assets

₹ in Lakhs

Particulars	Software Costs	Development of property	Other Intangible Assets	Total Intangible Assets	Intangible assets under development	Total including intangible assets under development
Cost as at April 01, 2019	76	579	52	707	-	707
Additions	13	-	-	13	13	26
Disposals	-	-	-	-	-	-
Other re-classifications (Transfers in / out)	-	-	-	-	(13)	(13)
Cost as at March 31, 2020	89	579	52	720	-	720
Accumulated depreciation as at April 01, 2019	45	168	31	244	-	244
Charge for the year	13	55	6	74	-	74
Accumulated depreciation as at March 31, 2020	58	223	37	318	-	318
Net Block as at March 31, 2020	31	356	15	402	-	402
Cost as at April 01, 2018	64	555	52	671	-	671
Additions	12	24	-	36	36	72
Disposals	-	-	-	-	-	-
Other re-classifications (Transfers in / out)	-	-	-	-	(36)	(36)
Cost as at March 31, 2019	76	579	52	707	-	707
Accumulated depreciation as at April 01, 2018	35	112	25	172	-	172
Charge for the year	10	56	6	72	-	72
Accumulated depreciation as at March 31, 2019	45	168	31	244	-	244
Net Block as at March 31, 2019	31	411	21	463	-	463

Notes:

(a) During the current year, company received a government grant of ₹ NIL (March 31, 2019: ₹ 97 Lakhs) from Mysore city corporation. The carrying amount of grant received as at March 31, 2020 is ₹ 320 Lakhs (as at March 31, 2019: ₹ 374 Lakhs).

(b) Development of property includes 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 is 13.8 years and post closure period is 15 years. Carrying amount of Mysore landfill project as at March 31, 2020 is ₹ 356 Lakhs (as at March 31, 2019: ₹ 411 Lakhs). The remaining useful life of the intangible asset is 5 years and 11 months.

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03A - Right to use Property, Plant and Equipments

₹ in Lakhs

Particulars	Freehold Land	Property, Plant and Equipments	Office Equipments	Total Right to Use assets
Additions relating to transition under Ind AS 116	-	171	69	240
Additions	-	128	-	128
Disposals	-	-	-	-
Other re-classifications (Transfers in / out)	6	-	-	6
Cost as at March 31, 2020	6	299	69	374
Charge for the year	0	111	23	134
Disposals	-	-	-	-
Accumulated depreciation as at March 31, 2020	0	111	23	134
Net Block as at March 31, 2020	6	188	46	240

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04 - Equity accounted investments

Particulars	As at March 31, 2020		As at March 31, 2019	
	Nos	₹ in Lakhs	Nos	₹ in Lakhs
Unquoted Investments (Face of Rs 10 each fully paid up)				
SEZ Adityapur Limited	25,497	3	25,497	3
Naba Diganta Water Management Limited	1,36,53,000	1,365	1,36,53,000	1,365
Total Equity accounted investments	**1,36,78,497**	**1,368**	**1,36,78,497**	1,368

Notes:
(a) Details of Entities material joint venture at the end of the reporting year is as follows:

Name of the joint venture	Principal Activity	Place of incorporation and principal place of business	Proportion of ownership interest and voting right held by the entity.	
			As at March 31, 2020	As at March 31, 2019
Naba Diganta Water Management Limited	BOT projects and PPP Model comprising of integrated water supply system and sewerage system.	West Bengal, India	74%	74%
SEZ Adityapur Limited	Develop the Special Economic Zone (SEZ) at Adityapur, Jamshedpur.	Jharkhand, India	51%	51%

05 - Investments in subsidiaries

Unquoted Investment in subsidiary company	As at March 31, 2020 (₹ in Lakhs)	As at March 31, 2019 (₹ in Lakhs)
Cost at beginning of year	2,066	1,681
Movement during the year	-	385
Cost at end of year	2,066	2,066
Provision at beginning of year	1,666	1,666
Movement during the year	-	-
Provision at end of year	1,666	1,666
Carrying value at end of year	400	400

Name of the subsidiary	Principal Activity	Place of incorporation and principal place of business	Proportion of ownership interest and voting right held by the entity.	
			As at March 31, 2020	As at March 31, 2019
Haldia Water Management Limited 1,66,64,210 Equity shares of Rs. 10 each [March 31, 2019: 1,66,64,210 Equity shares of Rs. 10 each]	BOT projects and O&M of the water treatment facilities in Haldia region.	West Bengal, India	60%	60%
Kalimati Global Shared Services Limited 40,00,006 Equity shares of Rs. 10 each [March 31, 2019: 40,00,006 Equity shares of Rs. 10 each]	Business of providing outsourcing/ consultancy services	West Bengal, India	100%	100%

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06 - Other financial Assets

Particulars	As at March 31, 2020 (₹ in Lakhs)			As at March 31, 2019 (₹ in Lakhs)		
	Non Current	Current	Total	Non Current	Current	Total
(a) Contract assets	202	14,012	14,214	-	11,395	11,395
(b) Security deposits	-	250	250	-	250	250
(c) Loans and advances to group companies	-	4,617	4,617	-	4,996	4,996
(d) Earmarked Non-current Cash and bank balances*	68	-	68	349	-	349
Gross other financial assets	270	18,879	19,149	349	16,641	16,990
Less: Provision for bad & doubtful other financial assets						
(a) Contract assets	-	-	-	-	-	-
(b) Security deposits	-	-	-	-	-	-
(c) Loans and advances to group companies	-	4,617	4,617	-	4,996	4,996
(d) Earmarked Non-current Cash and bank balances	-	-	-	-	-	-
Total provision for bad & doubtful other financial assets	-	4,617	4,617	-	4,996	4,996
Net other financial assets	270	14,262	14,532	349	11,645	11,994
Classification of other financial assets						
Secured, considered good	-	-	-	-	-	-
Unsecured, considered good	270	14,262	14,532	349	11,645	11,994
Doubtful	-	4,617	4,617	-	4,996	4,996
Gross other financial assets	270	18,879	19,149	349	16,641	16,990

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

07 - Other non-financial assets

Particulars	As at March 31, 2020 (₹ in Lakhs)			As at March 31, 2019 (₹ in Lakhs)		
	Non Current	Current	Total	Non Current	Current	Total
(a) Capital advances	9	-	9	37	-	37
(b) Advance with public bodies	2,101	1,492	3,593	2,105	1,062	3,167
(c) Prepaid Lease Payments	-	-	-	6	0	6
(d) Other loans and advances	10	3,218	3,228	12	4,599	4,611
Gross non financial assets	2,120	4,710	6,830	2,160	5,661	7,821
Less: Provision for bad & doubtful non financial assets						
(a) Capital advances	-	-	-	-	-	-
(b) Advance with public bodies	1,474	-	1,474	1,315	-	1,315
(c) Prepaid Lease Payments	-	-	-	-	-	-
(d) Other loans and advances	-	537	537	-	127	127
Total provision for bad & doubtful non financial assets	1,474	537	2,011	1,315	127	1,442
Total other non financial assets	646	4,173	4,819	845	5,534	6,379
Classification of other non-financial assets						
Secured, considered good	-	-	-	-	-	-
Unsecured, considered good	646	4,173	4,819	845	5,534	6,379
Doubtful	1,474	537	2,011	1,315	127	1,442
Gross other non-financial assets	2,120	4,710	6,830	2,160	5,661	7,821

Notes:
(a) Other loans and advances includes loans given to Key managerial personnel aggregates to ₹ 0.40 Lakhs As at March 31, 2020 (March 31, 2019: ₹ 0.57 Lakhs).
(b) Prepaid lease payment relate to land leases classified as operating in nature as the title is not expected to transfer at the end of the lease term and considering that land has an indefinite economic life. During the current year, amount has been reclassified under leases as per Ind AS 116.
(c) '0' indicates value below the rounding off conversion of ₹ Lakhs.

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08 - Inventories

Particulars	As at March 31, 2020 (₹ in Lakhs)	As at March 31, 2019 (₹ in Lakhs)
Inventories (lower of cost or net realizable value)		
- Land, plots and construction in progress	7,622	6,417
- Stores & Spares	1,678	1,392
Total Inventories	9,300	7,809

Notes:
(a) The value of stores and spares above is stated after impairment of ₹ 642 Lakhs (March 31, 2019: ₹ 597 Lakhs) for provision for slow moving and obsolete item.
(b) Land, plots and construction in progress is recognised as cost or fair value whichever is lower. During the year ended March 31, 2020, Lands was valued from a certified valuer. Fair value of the land as per the valuation report is ₹ 19,319 Lakhs. Hence land has been recognised at cost.

09 - Current Investments

Particulars	As at March 31, 2020 (₹ in Lakhs)	As at March 31, 2019 (₹ in Lakhs)
Unquoted Investments		
(a) Investment in mutual funds		
TATA MONEY MARKET FUND	1,101	-
Total Current Investments	**1,101**	-

10 - Trade Receivables

Particulars	As at March 31, 2020 (₹ in Lakhs)		As at March 31, 2019 (₹ in Lakhs)	
	Non Current	Current	Non Current	Current
(a) Secured, Considered good	-	2,504	-	3,307
(b) Unsecured, Considered good	2,186	17,872	-	26,772
(c) Unsecured, Considered Doubtful	1,571	1,228	-	3,589
Less: Allowance for Credit losses	1,571	1,228	-	3,589
	2,186	**20,376**	-	**30,079**

Notes:

(a) Ageing of trade receivables and credit risk arising there from is as below:

	As at March 31, 2020(₹ in Lakhs)		
	Gross Credit Risk	Allowance for Credit loss	Net Credit Risk
Amount not yet due	11,112	-	11,112
One month overdue	3,978	-	3,978
Two months overdue	1,606	-	1,606
Three months overdue	831	-	831
Between three to six months overdue	507	-	507
Greater than six months overdue	7,327	2,799	4,528
	25,361	2,799	22,562

	As at March 31, 2019 (₹ in Lakhs)		
	Gross Credit Risk	Allowance for Credit loss	Net Credit Risk
Amount not yet due	19,844	-	19,844
One month overdue	2,228	-	2,228
Two months overdue	1,648	-	1,648
Three months overdue	109	-	109
Between three to six months overdue	953	-	953
Greater than six months overdue	8,886	3,589	5,297
	33,668	3,589	30,079

(b)The Company considers its maximum exposure to credit risk with respect to customers As at March 31, 2020 to be ₹ 22,562 Lakhs (March 31, 2019: ₹ 30,079 Lakhs), which is the fair value of trade receivables (after allowance for credit losses).

Of the trade receivable balance As at March 31,2020 ₹ 11,836 Lakhs (As at March 31, 2019 of ₹ 18,562 Lakhs) is due from Tata Steel Limited the holding company, and ₹ 2,186 Lakhs (As at March 31, 2019 of ₹ 3,095 Lakhs) is due from Mysore city corporation, the entities largest customers. There are no other customers who represents more than 10% of the total balance of Trade Receivables.

(c) Movement in Allowance for Credit Losses:

Particulars	As at March 31, 2020 (₹ in Lakhs)	As at March 31, 2019 (₹ in Lakhs)
Balance at the beginning of the year	3,589	3,005
Provision created during the year	802	586
Provisions reversed during the year	(152)	(2)
Provision for bad & doubtful debts written back	(1,440)	-
Balance at the end of the year	2,799	3,589

(d) There are no outstanding debts due from directors or other officers of the company.

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11 - Cash and Bank Balances

Particulars	As at March 31, 2020 (₹ in Lakhs)	As at March 31, 2019 (₹ in Lakhs)
Cash and Cash Equivalents		
(a) Cash in hand	8	3
(b) Unrestricted Balances in current accounts	2,344	729
Total cash and cash equivalents	2,352	732
Other Balance with Banks		
(a) Earmarked Balances with banks	3,772	2,752
(i) In Current Account	-	2,332
(ii) In Deposit Account	3,772	420
Total cash and bank balances	6,124	3,484

Notes:

(a) Earmarked cash and bank balances primarily represents balances held against issue of bank guarantee an d power business.

12 - Share Capital

Particulars	As at March 31, 2020 (₹ in Lakhs)	As at March 31, 2019 (₹ in Lakhs)
Authorised :		
3,12,00,000 Equity Shares of Rs. 10 each	3,120	3,120
(March 31,2019: 3,12,00,000 Equity Shares of ₹ 10 each)		
Issued , Subscribed and Fully Paid up :		
2,43,50,000 Equity Shares of Rs 10 each	2,435	2,435
(March 31,2019: 2,43,50,000 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, 2018	2,03,50,000	2,035
Shares issued during the year	40,00,000	400
Balance at March 31, 2019	2,43,50,000	2,435
Shares issued during the year	-	-
Balance at March 31, 2020	2,43,50,000	2,435

(a) Of the above 2,43,49,940 Equity Shares (As at March 31,2019: 2,43,49,940 Equity Shares) are held by Tata Steel Limited, the holding Company.

(b) 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.

(c) 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.

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

(e) 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.

(f) On April 16, 2018, the company invited its shareholders to subscribe to a right issue of 40,00,000 equity shares at an issue price of ₹ 10 per share, with such to be issue on and ranked for dividends after May 24, 2018. The issue was fully subscribed.

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13 - Borrowings

Particulars	As at March 31, 2020 (₹ in Lakhs)				As at March 31, 2019 (₹ in Lakhs)			
	Long Term	Current maturities of Long-term *	Short Term	Total	Long Term	Current maturities of Long-term *	Short Term	Total
(a) Working Capital Demand Loans from banks	-	-	-	-	-	-	12	12
(b) Lease Liabilities	78	151	-	229	-	-	-	-
Total Borrowing	78	151	-	229	-	-	12	12

Notes:
(a) * Current maturities of long-term lease liabilities is reported as a part of other current liabilities (Refer note no - 14).
(b) In the previous year, the company only recognised lease assets and lease liabilities only in relation to leases that were classified as finance lease under Ind AS 17, Leases. The company had no finance lease during the previous year. For adjustments recognised on adoption of Ind AS 116 on April 01, 2019, refer note 26(I).

14 - Other financial liabilities

Particulars	As at March 31, 2020 (₹ in Lakhs)			As at March 31, 2019 (₹ in Lakhs)		
	Non Current	Current	Total	Non Current	Current	Total
(a) Current maturities of Lease liabilities	-	151	151	-	-	-
(b) Creditors for other liabilities						
(i) Creditors for capital supplies/services	-	556	556	-	388	388
(ii) Other credit balances						
- Security and other deposits	7,635	606	8,241	7,190	514	7,704
- Contribution for capital expenditure	-	1,661	1,661	-	1,883	1,883
- Contract Liability	825	625	1,450	-	1,433	1,433
- Other credit balances	-	284	284	-	342	342
Total Other financial liabilities	8,460	3,883	12,343	7,190	4,560	11,750

15 - Provisions

Particulars	As at March 31, 2020 (₹ in Lakhs)			As at March 31, 2019 (₹ in Lakhs)		
	Non Current	Current	Total	Non Current	Current	Total
(a) Provision for employee benefits						
(1) Long-term Employee Benefits	3,569	584	4,153	3,252	639	3,891
(2) Provision for employee separation compensation	1,052	269	1,321	1,176	259	1,435
(3) Employee redundancy provision	202	80	282	183	117	300
(b) Other Provisions						
(1) Provision for Performance guarantee	-	139	139	-	186	186
(2) Provision for estimated loss on contracts	354	201	555	-	359	359
(3) Provisions for Liquidated Damages	162	333	495	-	816	816
Total Provisions	5,339	1,606	6,945	4,611	2,376	6,987

Notes:

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

₹ in Lakhs

Particulars	Performance Guarantee	Estimated loss on contracts	Liquidated Damages
Balance at March 31,2018	155	395	363
Provision created during the year	31	0	453
Provisions reversed/utilised during the year	-	(36)	-
Balance at March 31, 2019	186	359	816
Provision created during the year	-	197	126
Provisions reversed/utilised during the year	(47)	(1)	(447)
Balance at March 31, 2020	139	555	495

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16 - Retirement benefit obligations

Particulars	As at March 31, 2020 (₹ in Lakhs)			As at March 31, 2019 (₹ in Lakhs)		
	Non Current	Current	Total	Non Current	Current	Total
(a) Retiring Gratuity	1,017	-	1,017	365	-	365
(b) Other Defined Benefit Provisions	258	11	269	177	9	186
Total Retirement benefit obligations	**1,275**	**11**	**1,286**	**542**	9	551

17 - Deferred Income

Particulars	As at March 31, 2020 (₹ in Lakhs)			As at March 31, 2019 (₹ in Lakhs)		
	Non Current	Current	Total	Non Current	Current	Total
(a) Grants for property, plant & equipment	266	54	320	320	53	373
(b) Other deferred income	8,013	722	8,735	6,801	603	7,404
Total Deferred Income	8,279	776	9,055	7,121	656	7,777

18 - Other non-financial liabilities

Particulars	As at March 31, 2020 (₹ in Lakhs)			As at March 31, 2019 (₹ in Lakhs)		
	Non Current	Current	Total	Non Current	Current	Total
(a) Advances received from customers	-	4,125	4,125	-	6,641	6,641
(b) Employee recoveries and employer contributions	-	268	268	-	260	260
(c) Statutory Dues (GST, Excise duty, service tax, TDS, etc)	-	1,113	1,113	-	1,916	1,916
(d) Other credit balances	-	4,094	4,094	-	3,968	3,968
Total Other non-financial liabilities	-	9,600	9,600	-	12,785	12,785

19 - Trade Payables

Particulars	As at March 31, 2020 (₹ in Lakhs)			As at March 31, 2019 (₹ in Lakhs)		
	Non Current	Current	Total	Non Current	Current	Total
(a) Creditors for supplies / services						
(i) Total outstanding due of micro and small enterprises (Refer note 26F).	-	1,115	1,115	-	360	360
(ii) Total outstanding due other than (a)(i) above	189	26,145	26,334	-	27,555	27,555
(b) Creditors for accrued wages and salaries	56	6,204	6,260	44	5,039	5,083
Total Trade Payables	245	33,464	33,709	44	32,954	32,998

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20 - Revenue from Operations

Particulars	For the year ended March 31, 2020 (₹ in Lakhs)	For the year ended March 31, 2019 (₹ in Lakhs)
(a) Service Income	54,327	48,306
(b) Income From Construction Activities	20,105	26,427
(c) Sale of Power	32,572	36,680
Total Revenue from Operations	**1,07,004**	**1,11,413**

21 - Other Income

Particulars		
(a) Interest income	373	45
(b) Net Gain / (Loss) on sale of investments	121	78
(c) FV Changes on non-derivative FA/FL	1	-
(d) Liability no longer required written back	73	849
(e) Other miscellaneous income	551	520
(f) Dividend Income	50	-
Total Other Income	**1,169**	**1,492**

22 - Direct Expenses

Particulars		
(a) Stores and spares consumed	13,564	17,618
(b) Fuel oil consumed	380	398
(c) Purchase of power	26,969	31,143
(d) Cost of services	39,200	34,673
Total Direct Expenses	**80,113**	**83,832**

23 - Employee Benefit Expenses

Particulars		
(a) Salaries and wages, including bonus	14,417	14,287
(b) Contribution to provident and other funds		
(1) Provident Fund and Employee Pension Scheme	859	838
(2) Superannuation Fund and other fund	186	207
(3) Gratuity	388	452
(c) Staff welfare expenses	629	574
Total Employee Benefit Expenses	**16,479**	**16,358**

Salary and wages amounting to ₹ 53 Lakhs (March 31, 2019: ₹ 53 Lakhs) have been capitalised during the year for Sarikela Kharsawa power project.

The company has recognised, in the statement of profit and loss for the current period, an amount of ₹ 267 Lakhs (March 31, 2019: ₹ 312 Lakhs) as expenses under the following kinds of employee benefits with respect to Key managerial personnel:

Particulars		
(a) Short term employee benefits	183	255
(b) Long term employee benefits	84	57
	267	312

24 - Finance Cost

Particulars		
(a) Interest expense		
(1) Interest Debentures and Fixed Loans	2	
(2) Interest on Others	721	
(b) Finance charges on leases	27	
Total Finance Cost	**750**	[illegible]67

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25 - Other Expenses

Particulars	For the year ended March 31, 2020 (₹ in Lakhs)	For the year ended March 31, 2019 (₹ in Lakhs)
(a) Repairs to plant and machinery	325	290
(b) Rent	115	234
(c) Rates and taxes	202	307
(d) Insurance	71	38
(e) Provisions for doubtful debts and advances	1,221	764
(1) Allowance for credit loss	650	584
(2) Provision for doubtful advances	571	180
(3) Bad debts & advances written off	1,821	-
(4) Provision for bad & doubtful debts & advances written back	(1,821)	-
(f) Payment to auditors [Excluding GST of ₹ 4 Lakhs (March 31,2019 GST of ₹ 2 Lakhs)]		
(1) As Auditors	9	9
(2) For Taxation matters	2	2
(3) For Other services	6	1
(4) Auditors out-of-pocket expenses	3	-
(g) Legal and other professional fees	322	149
(h) Advertisement, Promotion & Selling Expenses	38	55
(i) Travelling Expenses	754	887
(j) Miscellaneous expenses	671	1,710
Total Other Expenses	3,739	4,446

Notes:

(a) Amount required to be spent by the Company on Corporate Social Responsibility (CSR) activities during the year was ₹ 122 Lakhs (year ended March 31, 2019: ₹ 106 Lakhs).

(b) Revenue expenditure charged to statement of profit and loss in respect of Corporate Social Responsibility (CSR) activities undertaken during the year is ₹ 99 Lakhs [₹ 85 Lakhs paid in cash and ₹ 14 Lakhs is yet to be paid] as compared to ₹ 110 Lakhs [₹ 73 Lakhs paid in cash and ₹ 37 Lakhs is yet to be paid] for the year ended March 31, 2019.

(c) Other expenses amounting to ₹ 5 Lakhs (March 31, 2019: ₹ 6 Lakhs) have been capitalised during the year for Sarikela Kharsawa power project and ₹ 444 Lakhs (March 31, 2019: ₹ 141 Lakhs) have been taken to inventory for real estate project.

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26(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, other long-term/short-term borrowings. The company's policy is aimed at combination of short-term and long-term borrowings.

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 interest bearing borrowings less cash and cash equivalents, other bank balances (including non-current earmarked balances) and current investme nts.

Particulars	As at March 31,2020 ₹ in Lakhs	As at March 31,2019 ₹ in Lakhs
Equity Share Capital	2,435	2,435
Other Equity	13,948	11,299
Total Equity (A)	**16,383**	**13,734**
Short term Borrowings	-	12
Current Maturity of Lease liabilities	151	-
Gross Debts (B)	151	12
Total Capital (A+B)	**16,534**	**13,746**
Gross debts as above	151	12
Less: Current Investments	1,101	-
Less: Cash and bank balances	6,124	3,484
Less: Other Bank balances (Non current Earmarked balances)	68	349
Net Debts (C)	(7,142)	(3,821)
Net Debts to Equity	(0.47)	(0.34)

Net debt to equity as at March 31, 2020 and March 31, 2019 has been computed based on average equity.

(ii) Categories of financial instruments

Particulars	As at March 31,2020 ₹ in Lakhs	As at March 31,2019 ₹ in Lakhs
Financial assets		
Measured at fair value through Statement of profit and loss (FVTPL)		
(a) Mandatorily measured:		
(i) Investments in mutual funds	1,101	-
Measured at Amortized cost		
(a) Cash and bank balances	6,124	3,484
(b) Trade Receivables	22,567	30,079
(c) Other financial assets	14,532	11,994
(d) Investments in subsidiaries	400	400
Financial Liabilities		
Measured at Amortized cost		
(a) Borrowings	78	12
(b) Trade payables	33,709	32,998
(c) Other financial liabilities	12,343	11,750

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 & 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.

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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.

Investment in mutual funds is measured at fair value at the end of each reporting period. The following table gives information about how the fair values are determined.

Particulars	Fair Value		Fair Value hierarchy	Valuation technique(s) and key input(s)
	As at March 31,2020 ₹ in Lakhs	As at March 31,2019 ₹ in Lakhs		
Investments in Mutual funds	1,101	-	Level 1	NAV's in the active market.

There have been no transfers between Level 1 and Level 2 for the years ended March 31, 2020 and March 31, 2019.

(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.

Interest rate Risk:

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs.

The sensitivity analysis has been determined based on the exposure to interest rates for financial assets and liabilities at the end of the reporting period. For financial assets/liabilities, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the entities profit for the year ended March 31, 2020 would increase/decrease by Nil. (For the year ended March 31, 2019: by ₹ 0.12 Lakhs). This is mainly on account of company's exposure to interest rates on its variable rate borrowing.

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, and investments, 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.

Apart from Tata Steel Limited, the parent company the entity does not have any significant credit risk exposure to any single counterparty. Concentration of credit risk related to Tata steel Limited is approx. 47.89% (As on 31st March 2019: 55.95%) of the gross trade receivables. Concentration of credit risk of Mysore City Corporation, company's second largest customer is approx. 14.81% (As on 31st March 2019: 11.86%). Since the Mysore city corporation is a government organization the credit risk is low. Concentration of credit risk to any other counterparty did not exceed 10% of gross trade receivables at any time during the year.

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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 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, 2020					
Non-derivative financial liabilities					
Borrowings					
(i) Principal	229	229	151	78	-
(ii) Interest	-	-	-	-	-
Trade payables	33,709	33,709	33,464	245	-
Other financial liabilities	12,191	12,191	3,731	825	7,635
	46,129	46,129	37,346	1,148	7,635
March 31, 2019					
Non-derivative financial liabilities					
Borrowings					
(i) Principal	12	12	12	-	-
(ii) Interest	-	-	-	-	-
Trade payables	32,998	32,998	32,954	44	-
Other financial liabilities	11,750	11,750	4,560	-	7,190
	44,760	44,760	37,526	44	7,190

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26(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 profit and loss account for the current period, an amount of ₹ 1,045 Lakhs (March 31, 2019: ₹1,045 Lakhs) as expenses under the following defined contribution plans:

Sr. no.	Benefit (Contribution to)	Apr-Mar 2020 (₹ in Lakhs)	Apr-Mar 2019 (₹ in Lakhs)
(a)	Provident Fund	669	652
(b)	Employees Pension Scheme	190	186
(c)	TISCO Employees Pension Scheme	64	66
(d)	Superannuation Fund	122	141
	Total Benefit (Contribution)	**1,045**	**1,045**

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 or to respective Regional Provident Fund Commissioner 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. Companies liability for gratuity benefits payable in the future based on an actuarial valuation

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 31,2020 (₹ in Lakhs)	March 31,2019 (₹ in Lakhs)
a.	Obligation as at the beginning of the year	6,498	6,337
b.	Current service cost	374	428
c.	Interest cost	454	448
d.	Re-measurement (gains)/losses		
	Actuarial gains and losses arising from changes in financial assumption	442	[illegible]
	Actuarial gains and losses arising from changes in experience adjustments	208	[illegible]
	Actuarial gains and losses arising from changes in demographic assumption	-	[illegible]
e.	Benefits paid	(913)	[illegible]
	Obligation as at the end of the year	7,063	[illegible]

Change in Plan Assets			
a.	Fair value of plan assets as at beginning of the year	6,133	5,706
b.	Interest income	440	424
c.	Re-measurement gains/(losses)		
	Return on plan assets (excluding amounts included in net interest expense)	21	93
d.	Employers' Contributions	365	631
e.	Benefits paid	(913)	(721)
	Fair value of plan assets as at end of the year	**6,046**	**6,133**

Amount recognized in the balance sheet consists of		As at March 31,2020 (₹ in Lakhs)	As at March 31,2019 (₹ in Lakhs)
a.	Fair value of plan assets as at beginning/end of the year	(6,046)	(6,133)
b.	Present value of obligation as at the beginning/end of the year	7,063	6,498
	Net liability arising from defined benefit obligation	**1,017**	365

Expenses recognized in the statement of profit and loss		For the year ended	
		March 31,2020 (₹ in Lakhs)	March 31,2019 (₹ in Lakhs)
a.	Service cost		
	(i) Current service cost	374	428
	(ii) Past Service Cost	-	-
b.	Net interest expense	14	24
	Defined benefit costs recorded in profit and loss	388	452
c.	The return on plan assets (greater/(less) than discount rate)	(21)	(93)
d.	Actuarial gains and losses arising from changes in financial assumption	442	-
e.	Actuarial gains and losses arising from changes in demographic assumption	-	-
f.	Actuarial gains and losses arising from changes in experience adjustments	208	6
	Defined benefit costs recorded in Other comprehensive income	629	(87)
	Total of defined benefit costs	1,017	365

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

Assumptions		Valuation as at	
		March 31,2020	March 31,2019
a.	Discount rate (per annum)	6.50%	7.50%
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.

The weighted average duration of the defined benefit obligation as at March 31, 2020 is 7 years (March 31, 2019: 6 years).

The Company expects to contribute ₹ 1,017 Lakhs to the funded retiring gratuity plans in financial year 2021.

The fair value of Company's plan asset as of March 31, 2020 and 2019 by category are as follows:

Investment details (%)		As at March 31, 2020	As at March 31, 2019
a.	GOI Securities (Central and State)	16.03%	13.20%
b.	High Quality Corporate Bonds (Including Public Sector Bonds)	7.15%	1.44%
c.	Cash & Scheme of Insurance - conventional products	76.82%	85.36%
		100.00%	100.00%

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

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Assumption	Change in assumption	Impact on scheme liabilities
As at March 31,2020		
Discount rate	Increase by 1%, decrease by 1%	Decrease by 6%, increase by 7%
Salary escalation	Increase by 1%, decrease by 1%	Increase by 7%, decrease by 6%
As at March 31,2019		
Discount rate	Increase by 1%, decrease by 1%	Decrease by 6%, increase by 6%
Salary escalation	Increase by 1%, decrease by 1%	Increase by 6%, decrease by 6%

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 & Transportation Benefit Scheme:
The Packaging & Transportation Benefit Scheme is a Defined Benefit Plan that provides a benefit upon meeting the requisite service eligibility criteria. Packing & 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. ₹ 5000/- to all NOPRs, ₹ 7000/- to OPR of 'JM01 to JM07' and ₹ 5000/- to other OPR.

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 31,2020 (₹ in Lakhs)	For the Year ended March 31,2019 (₹ in Lakhs)
a.	Obligation as at the beginning of the year	178	171
b.	Current service cost	15	14
c.	Interest cost	13	13
d.	Re-measurement (gains)/losses		
	Actuarial gains and losses arising from changes in financial assumption	18	-
	Actuarial gains and losses arising from changes in experience adjustments	(11)	(15)
	Actuarial gains and losses arising from changes in demographic assumption	-	-
e.	Benefits paid	(6)	(5)
	Obligation as at the end of the year	207	178

	Expenses recognized in the statement of profit and loss	For the year ended March 31,2020 (₹ in Lakhs)	For the year ended March 31,2019 (₹ in Lakhs)
a.	Service cost		
	(i) Current service cost	15	14
	(ii) Past Service Cost	-	-
b.	Net interest expense	13	13
	Defined benefit costs recorded in profit and loss	28	27
c.	Actuarial gains and losses arising from changes in financial assumption	18	-
d.	Actuarial gains and losses arising from changes in demographic assumption	-	-
e.	Actuarial gains and losses arising from changes in experience adjustments	(11)	(15)
	Defined benefit costs recorded in Other comprehensive income	7	(15)
	Total of defined benefit costs	35	12

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

	Assumptions	Valuation as at March 31,2020	Valuation as at March 31,2019
a.	Discount rate (per annum)	6.50%	7.50%
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, 2020 is 6 years (March 31, 2019: 6 years) for Farewell Gift Benefit and 10 years (March 31, 2019: 9 years) for Packing & Transportation Benefit.

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

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Assumption	Change in assumption	Impact on scheme liabilities
As at March 31,2020		
Discount rate	Increase by 1%, decrease by 1%	Farewell Gift: Decrease by 6% and Increase by 6%. Packing & Transportation: Decrease by 9% and Increase by 10%.
Salary escalation	Increase by 1%, decrease by 1%	Packing & Transportation: Increase by 10% and Decrease by 9%.
As at March 31,2019		
Discount rate	Increase by 1%, decrease by 1%	Farewell Gift: Decrease by 5% and Increase by 6%. Packing & Transportation: Decrease by 8% and Increase by 10%.
Salary escalation	Increase by 1%, decrease by 1%	Packing & Transportation: Increase by 9% and Decrease by 8%.

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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26(C): Information about Operating segments

₹ In Lakhs

Particulars	Service	Power	Construction	Un-allocated	Total
Total Revenue	54,327	32,572	20,105	-	1,07,004
	48,306	*36,680*	*26,427*	-	*1,11,413*
Segment Results before finance cost and taxes.	5,850	2,046	660	-	8,556
	5,357	*2,429*	*838*	-	*8,624*
Unallocated Corporate Expenses (net off other Income)				3,826	3,826
				2,005	*2,005*
Finance Costs (net of income)	8	676	20	(326)	378
	-	*574*	*22*	*26*	*622*
Profit before taxes and exceptional items					4,352
					5,997
Exceptional Items					-
					-
Taxes					1,507
					1,435
Profit after taxes (Total Comprehensive Income of the year)					2,845
					4,562
Segment assets	21,293	23,558	21,856	18,311	85,018
	19,689	*23,221*	*27,640*	*11,532*	*82,082*
Segment Liabilities	26,612	23,094	19,015	4,295	73,016
	24,566	*21,060*	*22,339*	*4,883*	*72,848*
Segment assets capitalized during the period.	370	5,475	87	-	5,932
	372	*2,287*	*80*	-	*2,739*
Segment depreciation	214	1,521	266	103	2,104
	117	*1,264*	*269*	*56*	*1,706*
Non-cash expenses other than depreciation	-	-	583	388	971
	-	-	*1,081*	*(52)*	*1,029*

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) Total un-allocable assets exclude:

	As at March 31, 2020 (₹ in Lakhs)	As at March 31, 2019 (₹ in Lakhs)
Investments in Subsidiary	400	400
Equity Accounted Investments	1,368	1,368
Deferred Tax assets	2,613	3,172
Total	4,381	4,940

(iv) Total un-allocable liabilities exclude:

	As at March 31, 2020 (₹ in Lakhs)	As at March 31, 2019 (₹ in Lakhs)
Secured loan (cash credit and Term Loan)	-	12
Provision for taxation	-	428
Total	-	440

(v) Previous year figures are in italics.

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26(D): Related party transactions

List of related Parties and relationships:

Party	Relationship
Tata Sons Private Limited	Promotor of Holding Company
Tata Steel Limited	Holding Company
Adityapur Toll Bridge Company Limited	Fellow subsidiaries
Tayo Rolls Limited	Fellow subsidiaries
The Indian Steel and Wire Products Limited	Fellow subsidiaries
Tata Pigments Limited	Fellow subsidiaries
Tinplate Company of India Limited	Fellow subsidiaries
Tata Metaliks DI Pipes Limited	Fellow subsidiaries
Tata Steel Long Products Limited	Fellow subsidiaries
Tata Steel Foundation	Fellow subsidiaries
Jamshedpur Football and Sporting Private Limited	Fellow subsidiaries
Tata Steel Bhushan Steel Limited	Fellow subsidiaries
Tata Steel Downstream Products Limited	Fellow subsidiaries
Tata Blue Scope Steel limited	Joint Venture of Holding Company
MJunction Services Limited	Joint Venture of Holding Company
Jamipol ltd	Joint Venture of Holding Company
TM International Logistics Limited	Joint Venture of Holding Company
Jamshedpur Continuous Annealing & Processing Company Private Limited	Joint Venture of Holding Company
Nicco Jubilee Park Limited	Joint Venture of Holding Company
Haldia Water Management Limited	Subsidiaries
Kalimati Global Shared Services Limited	Subsidiaries
Nabadiganta Water Management Ltd.	Joint Ventures
SEZ Adityapur Limited	Joint Ventures
Mr. Ashish Mathur [Upto July 31, 2018]	Key Managerial Personnel
Mr. Tarun Kumar Daga [From August 01, 2018]	Key Managerial Personnel

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

₹ in Lakhs

Particulars	Promotor of Holding Company	Holding company	Fellow subsidiaries	JV of Holding Company	Subsidiaries	Joint Ventures	Key Managerial Personnel
Purchase of Power	-	15,154					
	-	*(18,187)*	-	-	-	-	-
Purchase of Goods/Stores	-	611	2,583	-	-	-	-
	-	*(2,170)*	*(1,079)*	*(0)*	-	-	-
Sale of Power	-	639	12	-	-	-	-
	-	*(580)*	*(12)*	-	-	-	-
Rendering of services	-	72,687	2,322	10	-	9	-
	-	*(75,632)*	*(2,208)*	*(5)*	-	-	-
Receiving of services	171	891	44	4	-		-
	(191)	*(997)*	*(54)*	*(12)*	-		-

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₹ in Lakhs

Particulars	Promotor of Holding Company	Holding company	Fellow subsidiaries	JV of Holding Company	Subsidiaries	Joint Ventures	Key Managerial Personnel
Interest Expenses	-	0	0	-	-	-	-
	-	*(14)*	*(0)*	-	-	-	-
Expenses incurred	-	-	-	-	1	2	-
	-	-	-	-	*(9)*	*(1)*	-
Rent Expenses	-	-	-	-	-	2	-
	-	-	-	-	-	*(2)*	-
Unsecured advances/ deposits accepted	-	901	330	-	-	-	-
	-	*(1,427)*	*(100)*	-	-	-	-
Dividend paid	-	171	-	-	-	-	-
	-	*(102)*	-	-	-	-	-
Dividend received	-	-	-	-	-	50	-
	-	-	-	-	-	-	-
Remuneration paid	-	-	-	-	-	-	149
	-	-	-	-	-	-	*(218)*

(ii) Outstanding transactions:

₹ in Lakhs

Particulars	Promotor of Holding Company	Holding company	Fellow subsidiaries	JV of Holding Company	Subsidiaries*	Joint Ventures	Key Managerial Personnel
Trade Receivables	-	23,367	882	0	-	11	-
	-	*(28,257)*	*(1,034)*	*(2)*	*(1,456)*	-	-
Other financial Assets (ICD)	-	-	-	-	1,650	-	-
	-	-	-	-	*(1,650)*	-	-
Other financial Assets	-	-	-	-	2,958	9	-
	-	-	-	-	*(3,337)*	*(8)*	-
Trade payables	160	11	253	6	-	13	-
	(168)	*(39)*	*(387)*	*(4)*	-	*(12)*	-
Other non-financial liabilities	-	3,088	219	-	-	-	-
	-	*(5,377)*	*(110)*	-	-	-	-

Notes:

* During the current year, company has written off Trade receivables of ₹ 1,440 Lakhs and Other financial assets of ₹ 301 Lakhs.

Company has provided support letter to Haldia Water Management Limited for ₹ 514 Lakhs and SEZ Adityapur Limited for ₹ 10 Lakhs for meeting its liabilities as and when they fall due for a period of 12 months.

Previous year figures in italics and in brackets.

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26(E): Contingent Liabilities and commitments

Claims not acknowledged by the Company:

Particulars	As at March 31, 2020 (₹ in Lakhs)	As at March 31, 2019 (₹ in Lakhs)
- Sales Tax, VAT & Service Tax	9,414	7,781
- Legal cases	211	213
- Income Tax	1,714	1,565

26(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 & Small Enterprises forming part of note 19(a) as at March 31, 2020 are as under:

Particulars	For the year ended March 31, 2020 (₹ in Lakhs)	For the year ended March 31, 2019 (₹ in Lakhs)
Due in respect of Micro, Small and Medium Industries is :		
(a) (i) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at the end of accounting year	1,115	360
(ii) Interest due thereon	2	1
(b)(i) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	9,919	1,643
(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	25	12
(d) Interest accrued and remaining unpaid at the end of accounting year	133	106

26(G): Earnings per Share (EPS)

Particulars	For the year ended March 31, 2020 (₹ in Lakhs)	For the year ended March 31, 2019 (₹ in Lakhs)
(i) Profit/(Loss) for the year	3,338	4,496
(ii) Profit/(Loss) attributable to equity Shareholders of the company used in calculating basic/Diluted EPS	3,338	4,496
(iii) Weighted average number of Equity Shares used as denominator in calculating Basic/Diluted EPS	2,43,50,000	2,37,69,178
(iv) Nominal value of Ordinary Shares (Rs)	10	10
(v) Basic /Diluted Earnings per Ordinary Share (Rs)	13.71	18.91

26(H): Income tax recognised in profit or loss

Particulars	For the year ended March 31, 2020 (₹ in Lakhs)	For the year ended March 31, 2019 (₹ in Lakhs)
Current Tax		
- In respect of current year	982	2,144
- In respect of prior year	(34)	(36)
Deferred Tax	559	(673)
Total Income tax recognised in the current year	1,507	1,435

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

Particulars	For the year ended March 31, 2020 (₹ in Lakhs)	For the year ended March 31, 2019 (₹ in Lakhs)
Profit before tax from continuing operations	4,352	5,997
(a) Income tax expense calculated at 25.168% (March 31, 2019: 34.944%)	1,095	2,096
(b) Decrease in tax expenses due to benefit of 80IA	-	(659)
(c) Effect of expenses not allowed in income tax	32	43
(d) Adjustments to current tax in respect of prior periods	(34)	(36)
(e) Reversal of DTL originated during tax holiday period	-	49
(f) Effect of change in income tax rates on deferred tax	888	(24)
(g) Effect of reversal of provision on which deferred tax was not created	(461)	(18)
(h) Adjustments to deferred tax in respect of prior periods	-	(16)
(i) Tax on exempt income	(13)	-
(j) Total	1,507	1,435
Income tax expenses recognised in profit or loss account	1,507	1,435

The tax rate used for the year ended March 31, 2020 and March 31, 2019 reconciliation above is the corporate tax rate of 25.168% and 34.944% respectively 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, 2020 is as follows:

₹ in Lakhs

	As at March 31, 2018	Deferred tax (expense)/ income recognised in profit and loss	As at March 31, 2019	Deferred tax (expense)/ income recognised in profit and loss	As at March 31, 2020
Deferred Tax Asset					
Provision for leave salaries	1,382	(39)	1,343	(310)	1,033
Other Provisions	1,357	739	2,096	(287)	1,809
Provision for Employee Separation Scheme	608	12	620	(174)	446
Deferred Income	2,501	217	2,718	(439)	2,279
Total	5,848	929	6,777	(1,210)	5,567
Deferred Tax Liability					
Fixed Assets	3,349	256	3,605	(651)	2,954
Total	3,349	256	3,605	(651)	2,954
Net Deferred tax asset	2,499	673	3,172	(559)	2,613

26(I) Leases:

The Company has taken certain plant and machinery under operating leases. The following is the summary of future minimum lease rental payments under non-cancellable operating leases entered into by the Company:

Future minimum lease payments	As at March 31, 2020 (₹ in Lakhs)	As at March 31, 2019 (₹ in Lakhs)
(i) Not later than 1 year	-	136
(ii) Later than 1 year but not later than 5 years	-	154
(iii) Later than 5 years	-	-
Operating lease charge		
(i) Lease payments recognised in the profit & loss account	-	140

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Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the same to all lease contracts existing on April 1, 2019 using the modified retrospective approach with right-of-use asset recognized at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to those leases. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted.

On adoption of Ind AS 116, the company recognised lease liabilities in relation to leases which had previously been classified as operating lease under the principles of Ind AS 17, Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as on April 01, 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on April 01, 2019 was 11.06%.

The Company has applied exemptions prescribed in Ind AS 116 "Leases" to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Measurement of Lease liabilities

Particulars	₹ in Lakhs
Operating lease commitments as at March 31, 2019	290
Discounted using the lessee's incremental borrowing rate of at the date of initial application	259
Short-term leases recognised on a straight-line basis as expense	19
Lease liability recognised as at April 1, 2019	240

Following the application of the modified retrospective method at the date of adoption of Ind AS 116 "Leases", right-of-use assets of ₹ 240 Lakhs were measured.

The statement of Profit & loss shows the following amount relating to leases.

Particulars	Note No	As at March 31, 2020 (₹ in Lakhs)	As at March 31, 2019 (₹ in Lakhs)
Depreciation Charge of Right to Use Assets			
Freehold Land	3A	0	-
Property, Plant & Equipment	3A	111	-
Office Equipment	3A	23	-
Interest Expenses (Included in Finance Cost)	24	27	-
Expenses related to Short term Leases (Included in Other expenses)		29	-

The total cash outflow for leases for the year ended was ₹ 195 Lakhs.

Rent expenses also include rent of guest houses and company quarters which have not been classified as short term lease.

26(J): The new section – Section 115BAA has been inserted in the Income Tax Act,1961 to give the benefit of a reduced corporate tax rate for the domestic companies. Section 115BAA states that domestic companies have the option to pay tax at a rate of 22% from the FY 2019-20 (AY 2020-21) onwards if such domestic companies adhere to certain conditions specified.
Further, the Central Board of Direct Taxes (CBDT) has issued Circular No. 29/2019 dated 2 October 2019 read with Section 115BAA and Section 115JB of the Income Tax Act 1961, clarifying that the companies which opt for the recently announced reduced corporate tax rate of 22% will not be eligible to claim set-off of brought forward (i) credit on account of Minimum Alternate Tax (MAT) paid in the past; and (ii) loss on account of additional depreciation. Basis the assessment performed by the management, it has opted to exercise the option of new tax rate under section 115BAA.

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26(K): The Company has three major business segments viz. Power distribution, Town management - Operation & Maintenance services and Construction services which includes business-laying of water networking and civil construction. Company's major line of business falls under essential services like Power distribution (regulated business under Jharkhand State Electricity Regulatory Commission), Town management - Operation & Maintenance services which includes Water distribution, Municipal Waste management, Public Health Services (road sweeping, garbage collection), Road maintenance, park and garden maintenance etc. Rendering of these essential services continued through the lockdown period, though at a slightly reduced scale. The only segment impacted by the lockdown are the construction services which have also been started post the year end.

Basis the significant line of business falling under essential services and majority transactions are with Tata Steel Limited (Holding Company), management believes no adjustments are required in the financial statements as it does not impact the current financial year or future operations. However, in view of the various preventive measures taken (such as lock-down restrictions by the Government of India, travel restrictions etc.) and highly uncertain overall economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon the circumstances as they evolve.

26(L): The company is not having any financial liability classified under financing activity in the statement of cash flow as at March 31, 2020 and hence additional disclosures required under Ind AS 7 related to movement of financial liabilities under financing activities are not applicable.

26(M): The dividend declared by the Company is based on profits available for distribution as reported in the financial statements of the Company. On May 30, 2020, the Board of Directors of the Company have proposed a dividend of ₹1.60 per Ordinary share of ₹10 each in respect of the year ended March 31, 2020 subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹390 Lakhs.

26(N): Previous year figures have been recasted/restated wherever necessary.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration no - FRN304026E/E300009
Chartered Accounts

Gautam Wadhera

Gautam Wadhera
Partner
Membership No - 508835

Place : Mumbai
Date : May 30, 2020

For and on behalf of the Board of Directors

Chanakya Chaudhary
Chairman
DIN: 02139568

Manish Kumar Agarwal
Chief Financial Officer

Tarun Kumar Daga

Tarun Kumar Daga
Managing Director
DIN: 01686499

Preeti Sehgal
Company Secretary

Place : Jamshedpur
Date : May 30, 2020

Tata Steel Utilities & Infrastructure Services Ltd. ★ Jamshedpur