

# Independent Auditor's Report

## To the Members of Tata Projects Limited

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

#### Opinion

- We have audited the accompanying consolidated financial statements of Tata Projects Limited (hereinafter referred to as the "Holding Company") its subsidiaries and jointly controlled operations (Holding Company, its subsidiaries and jointly controlled operations together referred to as "the Group") and its associate company (refer Note 3.3 to the attached consolidated financial statements), which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").
- In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group and its associate company as at 31<sup>st</sup> March 2023, and consolidated total comprehensive income (comprising of loss and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

#### Basis for Opinion

- 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 Consolidated Financial Statements" section of our report. We are

independent of the Group and its associate company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraphs 15 and 19 of the Other Matters section below, other than the unaudited financial statements/ financial information as certified by the management and referred to in sub-paragraphs 16, 18 and 20 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter

- We draw your attention to Note 35.30 to the consolidated financial statements, regarding an ongoing investigation by a law enforcement agency in relation to power system improvement projects where the Holding Company is one of the EPC Contractors.
  - We draw your attention to Note 35.31 to the consolidated financial statements regarding an ongoing assessment by an external expert with respect to certain potential misconduct or violation of processes/internal controls in the Quality Services division of the Holding Company.

Our opinion is not modified in respect of these matters.

#### Key Audit Matters

- Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p><b>Estimation of construction contract revenue and related costs</b></p> <p>(Refer Note 3.5 and Note 26 to the consolidated financial statements)</p> <p>The Holding Company enters into engineering, procurement and construction contracts, which generally extend over a period of 2 to 5 years. The contract prices are usually fixed, but they also include an element of variable consideration, including variations and claims net of assessed value of liquidated damages. Variable consideration is recognized when its recovery is assessed to be highly probable.</p> <p>Based on contractual tenability of the claims/variations, status of the discussions/negotiations with the customers, management expert's assessment and legal opinion, wherever considered necessary, Management periodically assess the recoverability of the claims/variations.</p> <p>Estimated costs are determined based on the work to be performed that includes certain cost contingencies and cost savings which take into account specific circumstances of each contract.</p> <p>Contract revenue is measured based on the proportion of contract costs incurred for work performed until the balance sheet date, relative to the estimated total contract costs. The recognition of revenue and profit/loss, therefore, rely on estimates in relation to total estimated costs and estimated contract price of each contract.</p> <p>Therefore, we considered these estimates of revenue recognised and related costs recorded as a key audit matter given the complexities involved and significance of the amounts to the consolidated financial statements.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> <li>Understood and evaluated the design and tested the operating effectiveness of controls around estimation of construction contract costs and contract price including the reviews and approvals thereof and controls around assessing the recoverability of contract assets ('unbilled revenue') relating to claims/variations;</li> <li>Assessed the appropriateness of the revenue recognition accounting policies in line with Ind AS 115 "Revenue from Contracts with Customers".</li> <li>Inspected minutes of project review meetings with appropriate participation of key management in relation to estimates and status of the project;</li> <li>For selected sample of contracts, performed the following procedures;             <ol style="list-style-type: none"> <li>Obtained and examined project related source documents such as contract agreements and variation orders;</li> <li>Variable consideration is recognized by the management when its recovery is assessed to be highly probable. Variable consideration includes variations/claims net of assessed value of liquidated damages, if any. We have evaluated the assessment by reviewing the contractual terms and expert's assessment, wherever considered necessary;</li> <li>Evaluated the management's assessment of recoverability of contract assets ('unbilled revenue') relating to claims/variations by reference to contractual terms, expert's assessment and legal advice;</li> <li>For contract assets relating to claims/variations engaged the services of auditor's expert to assess the recoverability of contract assets;</li> <li>Assessed the basis for determining the total costs including changes made over period by reference to supporting documents and estimates made in relation to cost-to-complete the projects;</li> <li>Tested the calculation of percentage of completion under Input method adopted by Management including the testing of costs incurred and recorded against the contracts;</li> <li>Evaluated the reasonableness of key assumptions included in related estimated total contract costs (comprising of committed budgeted costs and additional forecasted costs associated to price, variation, prolongation etc.,).                 <ul style="list-style-type: none"> <li>For a selected sample of contracts, obtained the breakdown of estimated total contract costs and tested elements of the committed cost by obtaining executed purchase orders/ agreements. External cost references/ customer confirmations/documentary evidence on estimated total contract costs relating to variable consideration in claims.</li> </ul> </li> </ol> </li> </ul>

Key audit matter	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> <li>Evaluated reasonableness of management's judgements and assumptions by using past trends and comparing the movement in estimated total contracts costs from previous periods.</li> </ul> <p>Based on the procedures performed above, no significant exceptions were noted in estimates of construction contract revenue, related costs and disclosures made.</p>
<p><b>Assessment of litigations and related disclosure under contingent liabilities</b></p> <p>(Refer Note 3.13, Note 35.01 and Note 35.02 to the consolidated financial statements)</p> <p>As at 31<sup>st</sup> March 2023, the Holding Company has exposure towards litigations relating to various matters including direct tax, indirect tax and claims from vendors/ customers as set out in the aforementioned notes.</p> <p>The Holding Company's tax/legal team performs an assessment of such matters to determine the probability of occurrence of material outflow of economic resources and whether a provision should be recognized or a disclosure should be made. These assessments are also supported with external legal advice in certain cases as considered appropriate.</p> <p>As the ultimate outcome of the matters are uncertain and the positions taken are based on the application of the best judgment of Management, related legal advice including those relating to interpretation of laws/ regulations, it is considered to be a key audit matter.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> <li>Understood and evaluated the design and tested the operating effectiveness of controls in relation to assessment of litigations including those relating to the direct tax, indirect tax and claims from vendors/ customers as set out in the aforementioned notes;</li> <li>Inquired with Holding Company's tax/legal team, the recent developments and the status of the material litigations, which were also reviewed and noted by the Audit Committee periodically;</li> <li>Circularised and obtained confirmation letters directly from Holding Company's external legal counsel, wherever considered necessary, to corroborate the merits and current status of the litigation matters obtained from Management. We assessed the independence, objectivity and competence of the Company's external legal counsel;</li> <li>Verified recent orders and/or communication received and submissions/ responses made by the Holding Company in relation to the litigations to understand and evaluate the grounds of such matters;</li> <li>Verified the legal charges and payments made to external consultants, verified the minutes of the meetings of Board and Audit Committee, enquiries with the Holding Company's legal counsel to confirm completeness of the litigations;</li> <li>Evaluated the Holding Company's tax/legal team's assessment by reference to precedents set in similar cases, reliability of the past estimates and involved auditor's experts wherever considered necessary;</li> <li>Assessed the adequacy of the Holding Company's disclosures and evaluated the Holding Company's tax/legal team's assessment around those matters that are not disclosed as contingent liability.</li> </ul> <p>Based on the above work performed, the Holding Company's tax/legal team's assessment in respect of litigations and related disclosures under contingent liabilities in the consolidated financial statements are considered to be reasonable.</p>

Key audit matter	How our audit addressed the key audit matter
<p><b>Recoverability of retention money receivables</b></p> <p>(Refer Note 9 to the consolidated financial statements)</p> <p>The Holding Company's trade receivables include ₹ 29,417.47 lakhs as at 31<sup>st</sup> March 2023, pertaining to retention monies that are due, which are yet to be realized. The carrying value of these retentions are assessed by the management based on specific assessment for the respective project with reference to completion of performance obligations, contractual rights and legal tenability of claims.</p> <p>Given the relative significance of these retention receivables to the consolidated financial statements and the nature/ extent of audit procedures involved to assess the recoverability of such receivables, we determined this to be a key audit matter.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> <li>Understood and evaluated the design and tested the operating effectiveness of controls over the assessment of recoverability of retention money receivables;</li> <li>For a selected sample of contracts, we made enquiries with the management and gained an understanding the related contractual terms, collection history, basis of their assessment of collectability, realization plan, verified the carrying value of retention money receivable and</li> <li>For a selected sample of contracts, assessed estimates of loss provision for expected credit loss after considering the uncertainties in recovery/delays in recovery of the retention money balances.</li> <li>For a selected sample of contracts, we examined the correspondence between the Holding Company and their customers, past experience, subsequent realization, approved contract, sales invoice and legal advice obtained by the management, wherever considered relevant.</li> </ul> <p>Based upon the audit procedures performed, we did not notice any exceptions in the management's assessment of the recoverability of retention money receivables.</p>
<p><b>Estimation of construction contract revenue and related costs</b></p> <p>(Refer Note 35.13 to the consolidated financial statements)</p> <p>For all of its construction contracts, one of the subsidiary company (Artson Engineering Limited) enters into engineering, procurement and construction contracts, which generally extend over a period of 1-2 years. Contract prices are usually fixed, but they also include an element of variable consideration, including variations and claims net of assessed value of liquidated damages. Variable consideration is recognised when its recovery is assessed to be highly probable.</p> <p>Estimated costs are determined based on techno-commercial assessment of the work to be performed that includes certain cost contingencies and cost savings which take into account specific circumstances in each contract.</p> <p>Contract revenue is measured based on the proportion of contract costs incurred for work performed until the balance sheet date, relative to the estimated total contract costs.</p> <p>For recognition of revenue and profit/loss, therefore, the Company uses estimates in relation to total estimated costs and estimated contract price of each contract. Therefore, we considered these estimates of revenue and related costs recorded as a key audit matter given the complexities involved and the significance of the amounts to the financial statements.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> <li>Understood and evaluated the design and tested the operating effectiveness of controls around estimation of construction contract costs and contract price including the reviews and approvals thereof;</li> <li>Inspected minutes of project review meetings with appropriate participation by those charged with governance in relation to estimates and status of the project;</li> <li>For a sample of contracts, performed the following procedures; <ul style="list-style-type: none"> <li>a. Obtained and examined project related source documents such as contract agreements and variation orders;</li> <li>b. Evaluated the business team's probability assessment of recovery of variations/ claims that contributes towards estimation of construction contract revenue and levy of liquidated damages by reference to contractual terms;</li> <li>c. Obtained and examined the expert's assessment and legal advice while carrying out the aforesaid evaluation, wherever considered necessary;</li> <li>d. Assessed the basis for determining the total costs including changes made over a period of time by reference to supporting documentation and estimates made in relation to cost to complete the projects;</li> <li>e. Tested the calculation of percentage of completion under Input method including the testing of costs incurred and recorded against the contract;</li> </ul> </li> </ul>

Key audit matter	How our audit addressed the key audit matter
	<p>f. Evaluated the reasonableness of key assumptions included in the estimates in relation to revenue recognised and related costs; and</p> <p>g. Assessed the appropriateness of the revenue recognition accounting policies in line with Ind AS 115 "Revenue from Contracts with Customers."</p> <p>Based on the procedures performed above, no significant exceptions were noted in estimates of construction contract revenue, related costs and disclosures made.</p>

**Other Information**

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

Our opinion on the consolidated 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 consolidated 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 consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Board'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 Consolidated Financial Statements**

7. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows and consolidated changes in equity of the Group including its associate company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group

and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate company are responsible for assessing the ability of the Group and of its associate company 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 Group or to cease operations, or has no realistic alternative but to do so.

9. The respective Board of Directors of the companies included in the Group and of its associate company are responsible for overseeing the financial reporting process of the Group and of its associate company.

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

10. Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

11. 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 consolidated 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 Holding company has adequate internal financial controls with reference to consolidated 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 ability of the Group and its associate company 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 consolidated 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 Group and its associate company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group

and its associate company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

12. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

13. 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.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Other Matters**

15. We did not audit the financial statements of one jointly controlled operation located in India whose financial statements reflect total assets of ₹ 13,769.73 lakhs and net assets of ₹ 2,558.35 lakhs as at 31<sup>st</sup> March 2023, total revenue of ₹ 11,001.68 lakhs, total comprehensive income (comprising of profit and other comprehensive income) of ₹ 2,180.62 lakhs and net cash outflows amounting to ₹ (722.15) lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in

respect of this jointly controlled operation and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid jointly controlled operation is based solely on the reports of the other auditors. This report does not include the report on internal financial controls with reference to financial statements under Section 143(3)(i) and statement on the matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order"), as reporting on internal financial controls with reference to financial statements and reporting under section 143(11) is not applicable to this jointly controlled operation.

16. We did not audit the financial statements of two jointly controlled operations located in India whose financial statements reflect total assets of ₹ 90.69 lakhs and net assets of ₹ 89.71 lakhs as at 31<sup>st</sup> March 2023, total revenue of Nil, total comprehensive income (comprising of profit and other comprehensive income) of ₹ 4.79 lakhs and net cash inflows amounting to ₹ 84.54 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these jointly controlled operations and our reports in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid jointly controlled operations, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group. This report does not include the report on internal financial controls with reference to financial statements under Section 143(3)(i) and statement on the matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order"), as reporting on internal financial controls with reference to financial statements and reporting under section 143(11) is not applicable to these jointly controlled operations. Refer Note 35.10 to the consolidated financial statements.
17. The consolidated financial statements include financial statements of twenty-three jointly controlled operations whose financial statements reflect total assets of ₹ 133,197.94 lakhs and net assets of ₹ (18,654.42) lakhs as at 31<sup>st</sup> March 2023, total revenue of ₹ 208,216.93 lakhs, total comprehensive income (comprising of loss and other comprehensive income) of ₹ (6,323.89) lakhs and net cash outflows amounting to ₹ (4,296.32) lakhs for the year ended on that date, as considered in the consolidated financial statements, was audited by us, on which reporting under Section

143(3)(i) on internal financial controls with reference to financial statements and under section 143(11), on the Companies (Auditor's Report) Order, 2020 is not applicable. Refer Note 35.10 to the consolidated financial statements.

18. We did not audit the financial statements of one associate company located in India whose financial statements also include the Group's share of total comprehensive income (comprising of profit and other comprehensive income) of ₹ 64.73 lakhs for the year ended 31<sup>st</sup> March 2023 as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of this associate company and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid associate company, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.
19. The financial statements of two subsidiaries located outside India, included in the consolidated financial statements, which constitute total assets of ₹ 4,171.61 lakhs and net assets of ₹ 3,523.42 lakhs as at 31<sup>st</sup> March 2023, total revenue of ₹ 5,470.44 lakhs, total comprehensive income (comprising of profit and other comprehensive income) of ₹ 1,075.90 lakhs and net cash inflows amounting to ₹ 299.95 lakhs for the year then ended, have been prepared in accordance with accounting principles generally accepted in their respective countries and have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from the accounting principles generally accepted in their respective countries to the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India, including other information, is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.
20. We did not audit the financial statements/financial information of one subsidiary whose financial statements/financial information reflect total assets of ₹ 470.38 lakhs and net assets of ₹ 197.51 lakhs as at 31<sup>st</sup> March 2023, total revenue of ₹ 442.58 lakhs, total comprehensive income (comprising of profit and other comprehensive income) of ₹ 96.30 lakhs and net cash

outflows amounting to ₹ (30.91) lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information are unaudited and have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiary and joint controlled entity, is based solely on such unaudited financial statements/financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.

#### Report on Other Legal and Regulatory Requirements

21. As required by the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), 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 matter specified in paragraph 3(xxii) of CARO 2020.
22. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors. However, the reporting under Section 143(3)(b) with respect to maintenance of proper books of account of the unincorporated jointly controlled operations of the Holding Company (whose financial information has been consolidated in the standalone financial statements) is not applicable and hence, the question of our commenting does not arise.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows

dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

- (d) In our opinion, the aforesaid consolidated 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 of the Holding Company as on 31<sup>st</sup> March 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and its associate company incorporated in India, none of the directors of the Group companies and its associate company incorporated in India is disqualified as on 31<sup>st</sup> March 2023 from being appointed as a director in terms of Section 164(2) of the Act except as mentioned below:
- In case of one of the subsidiary company (TQ Cert Services Private Limited), in the absence of written representation from Mr. Tenny Koshy Cherian, a director of the Company, we are unable to comment if he is disqualified as on 31<sup>st</sup> March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A. Refer to the Other Matter paragraphs 15, 16 and 17.
- (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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group and its associate company – Refer Note 35.01 and 35.02 to the consolidated financial statements.
- ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at 31<sup>st</sup> March 2023 – Refer (a) Note 24 and 25 to the consolidated financial statements in respect of such items as it relates to the Group and its associate company and (b) the Group's share of net profit/loss in respect of its associate company.

- iii. During the year ended 31<sup>st</sup> March 2023, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and associate company incorporated in India.
- iv. (a) The respective Managements of the Company, its subsidiaries and associate company which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associate company respectively that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries and associate company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries and associate company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The respective Managements of the Company, its subsidiaries and associate company which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associate company respectively that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries and associate company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise,
- that the Company or any of such subsidiaries and associate company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiaries and associate company which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
- v. The Holding Company, its subsidiary companies and associate company, have not declared or paid any dividend during the year.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Group and associate company, is applicable to the Group and associate company only with effect from financial year beginning April 01, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.
23. The Group and its associate company have paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

**Dibyendu Majumder**  
Partner

Place: Bengaluru  
Date: April 26, 2023

Membership Number: 057687  
UDIN: 23057687BGVGAH7425

## Annexure A to Independent Auditor's Report

Referred to in paragraph 22(f) of the Independent Auditor's Report of even date to the members of Tata Projects Limited on the consolidated financial statements for the year ended 31<sup>st</sup> March 2023. Also refer Other Matter paragraphs 15, 16 and 17 of our main audit report of even date

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

- In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31<sup>st</sup> March 2023, we have audited the internal financial controls with reference to financial statements of Tata Projects Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

- The respective Board of Directors of the Holding Company, its subsidiary companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's Responsibility

- 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 issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls 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.

- 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 consolidated financial statements, whether due to fraud or error.
- We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to consolidated financial statements.

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

- A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated 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 consolidated financial statements.

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

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

**Opinion**

- In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, 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 31<sup>st</sup> March 2023, based on the internal

control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**Other Matters**

- Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to one associate company, which is a company incorporated in India, whose financial statements are unaudited and whose efficacy of internal financial controls over financial reporting is based solely on the Management's certification provided to us and our opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Group is not affected as the financial statements of such entity is not material to the Group. Our opinion is not modified in respect of this matter with respect to our reliance on the financial information certified by the Management.

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

**Dibyendu Majumder**  
Partner

Place: Bengaluru Membership Number: 057687  
Date: April 26, 2023 UDIN:23057687BGVGAH7425

**Annexure B to Independent Auditors' Report**

**Referred to in paragraph 21 of the Independent Auditors' Report of even date to the members of Tata Projects Limited on the Consolidated Financial Statements as of and for the year ended 31<sup>st</sup> March 2023. Also refer Other Matter paragraphs 15, 16 and 17 of our main audit report of even date.**

As required by paragraph 3(xxi) of the CARO 2020, we report that the auditors of the following companies have given qualification or adverse remarks in their CARO report on the standalone financial statements of the respective companies included in the Consolidated Financial Statements of the Holding Company:

S. No.	Name of the Company	CIN	Relationship with the Holding Company	Date of the respective auditors' report	Paragraph number and in the respective CARO report
1.	TCC Construction Private Limited	U45202MH2018PTC314429	Subsidiary	April 24, 2023	vii(a), xvii
2.	TQ Cert Services Private Limited	U74220TG2003PTC040523	Subsidiary	April 24, 2023	vii(a)
3.	Artson Engineering Limited	L27290MH1978PLC020644	Subsidiary	April 19, 2023	vii(a), vii(b), xvii
4.	Tata Projects Limited	U4520TG1979PLC057431	Holding Company	April 26, 2023	i(a)(A), i(a)(B), ii(b), iii(c), iii(f), vii(a), xi(a), xi(c), xvii

The statutory audit report on the financial statements for the year ended 31<sup>st</sup> March 2023 of Arth Designbuild India Private Limited, an associate of the Holding Company has not been issued until the date of this report. Accordingly, no comments for the said associate have been included for the purpose of reporting under this clause.

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

**Dibyendu Majumder**  
Partner

Membership Number: 057687  
UDIN:23057687BGVGAH7425

Place: Bengaluru  
Date: April 26, 2023

## Consolidated Balance Sheet

as at 31<sup>st</sup> March 2023

All amounts are in ₹ Lakhs unless otherwise stated

	Note No.	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
(A) Property, plant and equipment	4	77,980.50	61,655.94
(B) Right-of-use assets	6(b)	16,453.27	10,381.30
(C) Capital work-in-progress	4	733.40	1,416.01
(D) Goodwill on consolidation	5	389.74	389.74
(E) Intangible assets	6(a)	1,252.90	1,915.65
(F) Intangible assets under development	6(a)	90.78	-
(G) Financial assets			
(i) Investments	7	-	592.47
(ii) Trade receivables	9	564.40	3,115.08
(iii) Other financial assets	10	12,929.70	14,849.69
(H) Deferred tax assets	11	39,767.71	23,967.39
(I) Non-current tax assets (net)	12	27,869.59	30,596.90
(J) Other non-current assets	13	6,036.36	4,507.48
<b>Total non-current assets</b>		<b>1,84,068.35</b>	<b>1,53,387.65</b>
<b>Current assets</b>			
(A) Inventories	14	85,583.05	77,726.63
(B) Financial assets			
(i) Investments	8	5,000.00	20,002.46
(ii) Trade receivables	9	6,46,847.89	6,12,897.98
(iii) Cash and cash equivalents	15	1,21,789.40	1,42,508.79
(iv) Bank balances other than (iii) above	15	9,428.18	6,652.55
(v) Other financial assets	10	7,81,281.19	5,68,109.30
(C) Other current assets	13	2,21,264.11	2,34,736.90
(D) Assets classified as held for sale	4	-	988.98
<b>Total current assets</b>		<b>18,71,193.82</b>	<b>16,63,623.59</b>
<b>Total Assets</b>		<b>20,55,262.17</b>	<b>18,17,011.24</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(A) Equity share capital	16	8,296.63	8,296.63
(B) Other equity	17	2,71,665.69	1,93,529.41
<b>Equity attributable to owners of the Parent Company</b>		<b>2,79,962.32</b>	<b>2,01,826.04</b>
Non-controlling interests	18	506.61	892.43
<b>Total equity</b>		<b>2,80,468.93</b>	<b>2,02,718.47</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(A) Financial liabilities			
(i) Borrowings	19	1,11,530.69	1,16,909.16
(ii) Lease liabilities	23	4,755.05	2,648.93
(B) Provisions	20	4,150.46	4,174.79
(C) Deferred tax liabilities	11	1,939.62	-
<b>Total non-current liabilities</b>		<b>1,22,375.82</b>	<b>1,23,732.88</b>
<b>Current liabilities</b>			
(A) Financial liabilities			
(i) Borrowings	21	2,43,998.40	2,39,692.15
(ii) Trade payables	22		
(a) total outstanding dues of micro and small enterprises		2,60,287.14	1,22,163.43
(b) total outstanding dues other than (ii) (a) above		4,90,391.07	5,34,016.95
(iii) Lease liabilities	23	18,630.73	9,154.22
(iv) Other financial liabilities	24	19,149.62	13,963.69
(B) Provisions	20	7,802.68	4,950.34
(C) Current tax liabilities (net)	12	1,040.67	3,179.24
(D) Other current liabilities	25	6,11,117.11	5,63,439.87
<b>Total current liabilities</b>		<b>16,52,417.42</b>	<b>14,90,559.89</b>
<b>Total liabilities</b>		<b>17,74,793.24</b>	<b>16,14,292.77</b>
<b>Total Equity and Liabilities</b>		<b>20,55,262.17</b>	<b>18,17,011.24</b>

The above Consolidated balance sheet should be read in conjunction with the accompanying notes

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

**For Price Waterhouse & Co Chartered Accountants LLP** For and on behalf of the Board of Directors  
Firm Registration Number : 304026E/E-300009

**Dibyendu Majumder**  
Partner  
Membership Number : 057687  
Place: Bengaluru

**Praveer Sinha**  
Chairman  
DIN: 01785164  
Place: Mumbai

**Vinayak Pai**  
Managing Director  
DIN: 03637894  
Place: Mumbai

**Sanjay Sharma**  
Chief Financial Officer  
Place: Mumbai

**B S Bhaskar**  
Company Secretary  
Place: Mumbai

Date: 26<sup>th</sup> April 2023

Date: 26<sup>th</sup> April 2023

## Consolidated Statement of Profit and Loss

for the year ended 31<sup>st</sup> March 2023

All amounts are in ₹ Lakhs unless otherwise stated

	Note No.	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
<b>I</b> Revenue from operations	26	16,94,761.60	13,67,937.16
<b>II</b> Other income	27	9,431.48	7,949.98
<b>III Total Income (I + II)</b>		<b>17,04,193.08</b>	<b>13,75,887.14</b>
<b>IV Expenses</b>			
(a) Contract execution expenses	28	15,37,818.54	12,34,733.91
(b) Changes in inventories of finished goods and work-in-progress	29	(1,444.91)	374.25
(c) Employee benefit expense	30	1,03,117.16	89,482.43
(d) Finance costs	31	49,635.97	50,687.88
(e) Depreciation, amortisation and impairment expense	32	20,680.72	21,701.13
(f) Other expenses	33	92,529.28	53,989.06
<b>Total expenses (IV)</b>		<b>18,02,336.76</b>	<b>14,50,968.66</b>
<b>V</b> Share of net profit/(loss) of associates and joint ventures accounted for using the equity method		64.73	(147.76)
<b>VI Loss before tax (III-IV+V)</b>		<b>(98,078.95)</b>	<b>(75,229.28)</b>
<b>VII Tax expense:</b>			
(a) Current tax expense		7,510.03	4,517.55
(b) Tax - earlier years	34	(694.96)	(1,578.79)
(c) Deferred tax credit		(19,328.62)	(16,121.92)
<b>Total tax expense (VII)</b>		<b>(12,513.55)</b>	<b>(13,183.16)</b>
<b>VIII Loss for the year (VI-VII)</b>		<b>(85,565.40)</b>	<b>(62,046.12)</b>
<b>IX Other comprehensive income</b>			
A (i) Items that will not be reclassified subsequently to the statement of profit and loss			
(a) Re-measurements of the defined benefit plans		(1,000.69)	1,780.73
(b) Income tax relating to these items		262.22	(449.55)
		<b>(738.47)</b>	<b>1,331.18</b>
B (i) Items that may be reclassified subsequently to the statement of profit and loss			
(a) Exchange differences in translating the financial statements of foreign operations		151.74	132.25
<b>Other comprehensive income for the year, net of tax [(A(i) + B(i))] (IX)</b>		<b>(586.73)</b>	<b>1,463.43</b>
<b>X Total comprehensive income for the year (VIII + IX)</b>		<b>(86,152.13)</b>	<b>(60,582.69)</b>
Loss for the year attributable to:			
- Owners of the Parent Company		(85,218.91)	(61,992.76)
- Non-controlling interests		(346.49)	(53.36)
		<b>(85,565.40)</b>	<b>(62,046.12)</b>
Other Comprehensive income for the year attributable to:			
- Owners of the Parent Company		(627.44)	1,450.26
- Non-controlling interests		40.71	13.17
		<b>(586.73)</b>	<b>1,463.43</b>
Total Comprehensive income for the year attributable to:			
- Owners of the Parent Company		(85,846.35)	(60,542.50)
- Non-controlling interests		(305.78)	(40.19)
		<b>(86,152.13)</b>	<b>(60,582.69)</b>
<b>Earnings per equity share (of ₹ 5 each)</b>			
Basic (₹)	35.06	(51.36)	(50.92)
Diluted (₹)		(51.36)	(50.92)

The above Consolidated statement of profit and loss should be read in conjunction with the accompanying notes

This is the Consolidated Statement of Profit and Loss referred to in our report of even date

**For Price Waterhouse & Co Chartered Accountants LLP** For and on behalf of the Board of Directors  
Firm Registration Number : 304026E/E-300009

**Dibyendu Majumder**  
Partner  
Membership Number : 057687  
Place: Bengaluru

**Praveer Sinha**  
Chairman  
DIN: 01785164  
Place: Mumbai

**Vinayak Pai**  
Managing Director  
DIN: 03637894  
Place: Mumbai

**Sanjay Sharma**  
Chief Financial Officer  
Place: Mumbai

**B S Bhaskar**  
Company Secretary  
Place: Mumbai

Date: 26<sup>th</sup> April 2023

Date: 26<sup>th</sup> April 2023

## Consolidated Statement of Cash Flows

for the year ended 31<sup>st</sup> March 2023

All amounts are in ₹ Lakhs unless otherwise stated

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
<b>Cash flows from operating activities</b>		
<b>Loss before tax</b>	<b>(98,078.95)</b>	<b>(75,229.28)</b>
Adjustments for :		
Finance costs recognised in the statement of profit and loss	49,635.97	50,687.88
Interest income recognised in the statement of profit and loss	(4,077.13)	(3,815.88)
Income recognized due to change in repayment terms of compound financial instruments	(3,098.16)	-
Interest income from statutory authorities	(964.98)	(185.84)
Dividend from equity investments	(81.34)	-
Loss on disposal of property, plant and equipment	445.70	206.42
Gain recognised on modification of Leases	(147.66)	(122.70)
Depreciation, amortisation and impairment expense	20,680.72	21,701.13
Provision for future foreseeable losses on contracts	17,422.44	5,051.05
Advances written off	389.10	17.64
Share of (profits)/losses of associates and joint ventures	(64.73)	147.76
Provision for diminution in value of investments	657.19	80.84
Provision for litigations	2,222.20	-
Bad debts	341.83	-
Expected credit loss allowance (net of reversals)	16,969.15	5,428.15
Provision for doubtful advances (net of reversals)	5,467.16	-
Liabilities no longer required written back	(9,836.71)	(2,180.15)
Reversal of capital reserve on disposal of investment	-	(63.60)
Reversal of Goodwill on disposal of investment	-	1.90
Provision for corporate social responsibility	68.00	108.93
Effect of adjustments on discounting of financial assets	67.82	44.90
Net foreign exchange loss/(gain) - unrealised	35.70	(145.04)
	<b>(1,946.68)</b>	<b>1,734.11</b>
<b>Movements in working capital</b>		
(Increase)/decrease in trade receivables	(45,230.14)	33,163.50
Increase in inventories	(7,856.42)	(18,981.60)
Increase in other assets	(2,04,381.41)	(87,219.30)
Increase in trade payables	1,02,816.94	81,713.57
Increase in other liabilities	31,757.41	15,266.40
<b>Cash (used in)/generated from operations</b>	<b>(1,24,840.30)</b>	<b>25,676.68</b>
Income taxes paid	(5,310.83)	(15,895.57)
<b>Net cash (used in)/generated from operating activities</b>	<b>(1,30,151.13)</b>	<b>9,781.11</b>
<b>Cash flows from investing activities</b>		
Interest received	4,754.37	3,425.07
Loans repaid by jointly controlled operations	-	18.50
Payments for property, plant and equipment	(37,495.37)	(21,755.12)
Proceeds from disposal of property, plant and equipment	3,203.20	3,914.33
Proceeds from sale and lease back transaction	13,215.22	-
Increase in other bank balances	(3,607.82)	(768.25)
Redemption of investments	20,002.46	-
Purchase of investments	(5,000.00)	(20,002.46)
<b>Net cash used in from investing activities</b>	<b>(4,927.94)</b>	<b>(35,167.93)</b>

## Consolidated Statement of Cash Flows (Contd.)

for the year ended 31<sup>st</sup> March 2023

All amounts are in ₹ Lakhs unless otherwise stated

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
<b>Cash flows from financing activities</b>		
Proceeds from issue of equity shares	-	1,19,985.66
Proceeds from share application money pending for allotment	1,50,000.00	-
Proceeds from Current borrowings	8,13,891.49	8,29,426.74
Repayments of Current borrowings	(8,03,617.19)	(7,97,668.46)
Proceeds from Non Current borrowings	77,048.00	98,454.74
Repayments of Non Current borrowings	(65,927.55)	(65,000.00)
Payment of lease liabilities	(8,838.09)	(11,212.65)
Finance cost paid	(47,950.80)	(45,413.44)
<b>Net cash generated from financing activities</b>	<b>1,14,605.86</b>	<b>1,28,572.59</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(20,473.21)</b>	<b>1,03,185.77</b>
<b>Cash and cash equivalents at the beginning of the year (refer note 15)</b>	<b>1,40,329.50</b>	<b>37,200.92</b>
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	(249.33)	(57.19)
<b>Cash and cash equivalents at the end of the year (refer note 15)</b>	<b>1,19,606.96</b>	<b>1,40,329.50</b>

This is the Consolidated Statement of Cash flows referred to in our report of even date

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number : 304026E/E-300009

For and on behalf of the Board of Directors

**Dibyendu Majumder**

Partner

Membership Number : 057687

Place: Bengaluru

**Praveer Sinha**

Chairman

DIN: 01785164

Place: Mumbai

**Vinayak Pai**

Managing Director

DIN: 03637894

Place: Mumbai

**Sanjay Sharma**

Chief Financial Officer

Place: Mumbai

**B S Bhaskar**

Company Secretary

Place: Mumbai

Date: 26<sup>th</sup> April 2023

Date: 26<sup>th</sup> April 2023

## Consolidated Statement of Changes in Equity

for the year ended 31<sup>st</sup> March 2023

All amounts are in ₹ Lakhs unless otherwise stated

### A. Equity share capital

#### (1) Balance as at 31<sup>st</sup> March 2023

Balance as at 01 <sup>st</sup> April 2022	Changes in equity share capital during the current year	Balance as at 31 <sup>st</sup> March 2023
8,296.63	-	8,296.63

#### (2) Balance as at 31<sup>st</sup> March 2022

Balance as at 01 <sup>st</sup> April 2021	Changes in equity share capital during the previous year	Balance as at 31 <sup>st</sup> March 2022
2,025.00	6,271.63	8,296.63

### B. Other equity

#### 1) Balance as at 31<sup>st</sup> March 2023

Particulars	Reserves and Surplus				Debt redemption reserve	Share application money pending allotment	Equity component of compound financial instruments	Other reserves - Foreign exchange translation reserve	Non-Controlling Interest	Total
	Securities Premium	General reserve	Retained earnings	Legal reserve						
<b>Balance as at April 1, 2022</b>	1,18,701.53	29,042.70	22,172.16	78.19	-	21,000.00	2,285.96	248.87	892.43	1,94,421.84
Loss for the year	-	-	(85,218.91)	-	-	-	-	-	(346.49)	(85,565.40)
Equity portion of compound financial instruments issued during the year	-	-	-	-	-	-	22,767.56	-	-	22,767.56
Deferred tax liability on Equity component of compound financial instruments issued during the year	-	-	-	-	-	-	(5,730.14)	-	-	(5,730.14)
Dividend received	-	-	-	-	-	-	-	-	(80.04)	(80.04)
Other comprehensive income	-	-	(738.47)	-	-	-	-	111.03	40.71	(586.73)
Share application money received during the year	-	-	-	-	-	1,50,000.00	-	-	-	1,50,000.00
<b>Total comprehensive income for the year</b>	-	-	(85,957.38)	-	-	1,50,000.00	17,037.42	111.03	(385.82)	80,805.25
Amount transferred to legal reserve	-	-	(78.88)	78.88	-	-	-	-	-	-
Repayment of interest on subordinated non-convertible debentures	-	-	(3,054.79)	-	-	-	-	-	-	(3,054.79)
<b>Balance as at 31st March 2023</b>	1,18,701.53	29,042.70	66,918.89	157.07	-	21,000.00	19,323.38	359.90	506.61	2,72,172.30

## Consolidated Statement of Changes in Equity (Contd.)

for the year ended 31<sup>st</sup> March 2023

All amounts are in ₹ Lakhs unless otherwise stated

#### 1) Balance as at 31<sup>st</sup> March 2022

Particulars	Reserves and Surplus				Debt redemption reserve	Share application money pending allotment	Equity component of compound financial instruments	Other reserves - Foreign exchange translation reserve	Non-Controlling Interest	Total
	Securities Premium	General reserve	Retained earnings	Legal reserve						
<b>Balance as at April 1, 2021</b>	4,987.50	29,042.70	93,928.90	51.30	67.56	10,000.00	-	(28.18)	932.62	1,38,982.40
Loss for the year	-	-	(61,992.76)	-	-	-	-	-	(53.36)	(62,046.12)
Movement during the year	-	-	-	-	(3.96)	-	-	-	-	(3.96)
Utilised for bonus issue	(4,050.00)	-	-	-	-	-	-	-	-	(4,050.00)
Premium received on rights issue	1,17,764.03	-	-	-	-	-	-	-	-	1,17,764.03
Equity portion of compound financial instruments issued during the year	-	-	-	-	-	-	3,054.79	-	-	3,054.79
Deferred tax liability on Equity component of compound financial instruments	-	-	-	-	-	-	(768.83)	-	-	(768.83)
Other comprehensive income	-	-	1,330.78	-	(3.96)	-	-	119.48	13.17	1,463.43
<b>Total comprehensive income for the year</b>	1,13,714.03	-	(60,661.98)	-	(3.96)	-	2,285.96	119.48	(40.19)	55,413.34
Amount transferred to legal reserve	-	-	(26.89)	26.89	-	-	-	-	-	-
Transfer to debenture redemption reserve	-	-	(11,000.00)	-	-	11,000.00	-	-	-	-
Reversal of balances in reserves & FCTR on impairment of investments in subsidiaries	-	-	(67.87)	-	(63.60)	-	-	157.57	-	26.10
<b>Balance as at 31st March 2022</b>	1,18,701.53	29,042.70	22,172.16	78.19	-	21,000.00	2,285.96	248.87	892.43	1,94,421.84

(i) Retained earnings as at 31<sup>st</sup> March 2023 includes other comprehensive income - remeasurement of defined benefit plans, net of tax of ₹ (5,623.30) [31<sup>st</sup> March 2022: ₹ (4,884.83)].

This is the consolidated Statement of Changes in Equity referred to in our report of even date

#### For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number : 304026E/E-300009

#### Dibyendu Majumder

Partner  
Membership Number : 057687  
Place: Bengaluru

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

**Praveer Sinha**  
Chairman  
DIN: 01785164  
Place: Mumbai

**Vinayak Pai**  
Managing Director  
DIN: 03637894  
Place: Mumbai

**Sanjay Sharma**  
Chief Financial Officer  
Place: Mumbai  
Date: 26<sup>th</sup> April 2023

**B S Bhaskar**  
Company Secretary  
Place: Mumbai

## Notes forming part of consolidated financial statements

for the year ended March 31, 2023

### 1. General Information:

Tata Projects Limited (the 'Parent / Holding Company'), its subsidiaries and jointly controlled operations (together the 'Group'), associate and joint ventures/ jointly controlled entities operates in Energy & Industrial Infrastructure(E&I), Urban Infrastructure and Services groups and provides turnkey end to end project implementing services for complex infrastructure projects under these verticals.

### 2. New and amended standards adopted by the group

The Ministry of Corporate Affairs had vide notification dated 23<sup>rd</sup> March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective 1<sup>st</sup> April 2022. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

#### New and amended standards issued but not effective

The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective 1<sup>st</sup> April 2023.

The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the group's accounting policy already complies with the now mandatory treatment.

### 3. Significant Accounting Policies :

#### 3.1 Statement of compliance

The consolidated financial statements comply in all material aspects with Indian Accounting Standard (Ind AS) notified under the Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

#### 3.2 Basis of preparation and presentation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities (including derivatives), defined benefit plans - plan assets that are measured at fair values at the end of each

reporting period, as explained in the accounting policies below.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 The fair value of financial instruments traded in active markets and are based on quoted market prices at the end of the reporting period;
- Level 2 The fair value of financial instruments that are not traded in an active market and are determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2; and
- Level 3 If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

#### 3.3 Basis of consolidation

The consolidated financial statements relating to Tata Projects Limited, its subsidiary companies and jointly controlled operations ( the "Group"), associate and joint ventures/jointly controlled entities have been prepared on the following basis:

- The financial statements of the subsidiary companies and jointly controlled entities used in the consolidation are drawn up to the same reporting date as that of the

## Notes forming part of consolidated financial statements

for the year ended March 31, 2023

Parent Company i.e., 31<sup>st</sup> March 2023 except the entities mentioned in the Note E below.

- The consolidated financial statements of the Group have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after elimination of intra-group balances, intra group transactions and resulting unrealised profits or losses.
- Share of profit/loss, assets and liabilities in the joint ventures/jointly controlled entities and associates, which are not subsidiaries, have been consolidated on equity method by recognising profit proportionate to the extent of the Group's equity interest in such entity as per Ind AS 28 Investments in Associates and Joint Ventures (refer note 35.11(c)).

The excess of cost to the group of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on an annual basis. On the other hand, where the share of equity in the subsidiary companies

as on the date of investment is in excess of cost of investments of the group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and surplus', in the consolidated financial statements. The 'Goodwill' / 'Capital Reserve' is determined separately for each subsidiary company and such amounts are not set off between different entities.

Non-controlling interests in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiaries attributable to Non-controlling interest is identified and adjusted against the profit/loss after tax of the Group in order to arrive at the income attributable to shareholders of Tata Projects Limited ("the Parent Company").

Following subsidiary companies, associate and jointly controlled entities have been considered in the preparation of the consolidated financial statements:

The subsidiaries considered in the preparation of these consolidated financial statements are:

Name of the subsidiary	Country of incorporation	Percentage of ownership interest	
		As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Artson Engineering Limited	India	75	75
TQ Services (Mauritius) Pty Limited**	Mauritius	-	100
TPL-TQA Quality Services South Africa (Pty) Limited***	South Africa	-	60
TQ Services Europe GmbH	Germany	100	100
Ujjwal Pune Limited	India	100	100
TQ Cert Services Private Limited	India	100	100
Industrial Quality Services LLC	Oman	70	70
Ind Project Engineering (Shanghai) Co. Ltd	China	100	100
TPL-CIL Construction LLP*	India	65	65
TCC Construction Private Limited*	India	36.9	36.9
TP Luminaire Private Limited	India	100	100
TPL-Asara Engineering South Africa (Proprietary) Limited#	South Africa	70	70
TPL Infra Projects (Brazil) Limited#	Brazil	100	100

\* The Group is consolidating these subsidiaries based on control of the composition of members of the Board of Directors/Designated Partners.

\*\* TQ Services (Mauritius) Pty Limited - TQ Services Mauritius Pty Ltd had filed an application dated 01<sup>st</sup> October 2021 to The Director-General, Mauritius Revenue Authority (MRA) for removal of its name from the Register maintained by the Registrar of Companies under the Mauritius Companies Act 2001. The said application was approved on 15<sup>th</sup> April 2022. Hence, this entity has not been considered for consolidation.

\*\*\* TPL - TQA Quality Services South Africa (Pty) Limited - During the previous year, the board of directors approved the disinvestment from TPL - TQA Quality Services (South Africa) Pty Ltd . Accordingly, the company entered into a share transfer agreement for transfer of its shares to Asara Group Pty Ltd. Hence, this entity has not been considered for consolidation.

# There are no operations in these companies and hence not considered for consolidation

## Notes forming part of consolidated financial statements

for the year ended March 31, 2023

Interest in Joint ventures/Jointly controlled entities:

Name of the Joint venture	Country of Incorporation	Percentage holding	
		As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Al Tawleed For Energy & Power Company (refer note A below)	Kingdom of Saudi Arabia	30	30
NESMA Tata Projects Limited (refer note B below)	Kingdom of Saudi Arabia	0	50

- A. The financial statements of the jointly controlled entity are not available and hence not considered for consolidation. Also, the entity is currently under the process of liquidation.
- B. During the previous year, the board of directors approved the divestment from Nesma Tata Projects Limited. Accordingly, the company entered into a Share transfer agreement for transfer of its shares to other JV partner for a consideration of SAR 100. On receipt of the consideration, the company will file the relevant closure/transfer documents with the Reserve Bank of India. Hence, this entity has not been considered for consolidation.

The group's associate is:

Name of the Joint venture	Country of Incorporation	Percentage holding	
		As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Arth Designbuild India Private Limited	India	27.47	27.47

- C. The consolidation of the following subsidiaries has been done on the basis of audited financial statements
- Artson Engineering Limited
  - Ujjwal Pune Limited
  - TQ Cert Services Private Limited
  - Industrial Quality Services LLC, Oman
  - Ind Project Engineering (Shanghai) Co Ltd
  - TPL-CIL Construction LLP
  - TCC Construction Private Limited
  - TP Luminaire Private Limited
- D. The consolidation of the following subsidiary and associate has been done on the basis of unaudited financial statements certified by the management.
- Arth Designbuild India Private Limited
  - TQ Services Europe GmbH
- E. As explained above, the following entities have not been considered for consolidation for the current year:
- TQ Services (Mauritius) Pty Limited
  - TPL - TQA Quality Services South Africa (Pty) Limited
  - Al Tawleed For Energy & Power Company
  - NESMA Tata Projects Limited
  - TPL Infra Projects (Brazil) Limited
  - TPL-Asara Engineering South Africa (Proprietary) Limited

### 3.3.1 Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed off the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted

## Notes forming part of consolidated financial statements

for the year ended March 31, 2023

by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

### 3.3.2 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. Goodwill arising on consolidation is not amortised but tested annually for impairment.

### 3.3.3 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A jointly venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting.

An investment in an associate or a joint venture/jointly controlled entity is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture/jointly controlled entity, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the

cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

When a Group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

### 3.4 Estimates

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed.

#### Critical estimates and judgements

The areas involving critical estimates or judgements are:

- estimation of current tax expense and current tax payable – refer note 3.10
- estimations used for useful life & impairment of property, plant and equipments and intangible asset – refer note 3.11
- estimation of defined benefit obligation – refer note 3.7
- recognition of revenue and estimation of construction contract revenue and related costs – refer note 3.5
- recognition of deferred tax assets – refer note 3.10
- impairment of trade receivables – refer note 3.14 and 3.19
- determination of lease term and estimation of amount payable under residual value guarantees – refer note 3.9
- estimation of fair values of contingent liabilities – refer note 3.13

## Notes forming part of consolidated financial statements

for the year ended March 31, 2023

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

### 3.5 Revenue Recognition

The Group enters into engineering, procurement and construction contracts, which generally extend over a period of 1 to 5 years. Income from contracts is recognized over a period of time and the group uses the input method to measure progress of work.

#### Determination of transaction price and its subsequent assessment:

The contract prices are usually fixed and excludes indirect taxes collected on behalf of the government authorities, and the Group assesses the transaction price considering the contract price as agreed with the customer in the contract document, that includes Letter of Acceptance/Intent or any document evidencing the contractual arrangement. Though contract price is usually fixed they also include an element of variable consideration, including variations and claims net of assessed value of liquidated damages. Variable consideration is recognized when its recovery is assessed to be highly probable i.e., its highly probable that a significant reversal in the amount of variable consideration recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. To make this assessment management considers the following factors, wherever considered necessary - contractual tenability of the claims/variations, status of the discussions/negotiations with the customers, management expert's assessment and legal opinion.

Modification(s) to an existing contract, if any, are assessed to be either a separate performance obligation or an extension of existing scope and transaction price is determined accordingly. The Group considers the retention moneys held by customer to be protection money in the hands of the customers and hence are not subjected to discounting pursuant to para 61 and 62(c) of

Ind AS 115. The mobilisation advances received, free of interest, from customers, also are not subjected to discounting, as the Group considers the objective behind the advance to be that of ensuring and protecting timely execution of the project and not deriving financial benefit in the nature of interest.

#### Measuring Progress of a construction contract

The Group uses the input method to measure the progress of work. Considering the current nature of contracts, management has assessed the use of input method to be the most suited method to measure the progress towards complete satisfaction of a performance obligation satisfied over time. In the event the Group in the future considering the nature of new contracts chooses the output method to be the most suited method they would consider using the same for measuring the progress of the contract.

When the outcome of individual contracts can be estimated reliably, contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion as at the reporting date.

The contract costs are recognized as incurred and revenue is recognised based on the proportion of contract costs incurred for work performed till the balance sheet date, relative to the estimated total contract costs. The recognition of revenue and profit/loss, therefore, rely on estimates in relation to estimated total contract costs and the estimated contract price. Estimated total contract costs are determined based on assessment of the work to be performed that includes certain cost contingencies and cost savings which take into account specific circumstances of each contract.

The Group adjusts the impact of uninstalled material from the contract value, estimated total contract costs and contract costs incurred to measure the percentage of completion. The revenue on such items is recognised equal to the cost incurred on such items.

Provision is made for all known or expected losses on individual contracts once such losses are foreseen, subject to negotiation of related claims with customers within a cure period of three years.

#### Income from sale of goods

Income from sale of goods is recognized when control of the goods has transferred i.e., at a

## Notes forming part of consolidated financial statements

for the year ended March 31, 2023

point of time. The Group recognises revenue on satisfaction of performance obligation to its customer. Revenue is measured based on the consideration specified in a contract with the customer and excludes taxes collected on behalf of the government authorities.

#### Income from services

Income from services is recognised in the accounting period in which the services are rendered. The Group recognises revenue on satisfaction of performance obligation to its customer. Revenue is measured based on the consideration specified in a contract with the customer and excludes taxes collected on behalf of the government authorities.

#### Income from Service Concession Arrangements

Revenue from services (including operation and maintenance) rendered is recognised in the accounting period in which the services are rendered based on the arrangements/ agreements with the concerned parties.

#### Other operating revenue

Other operating revenues are recognized on satisfaction of the performance obligation.

#### Revenue from other sources

- (i) Interest income is accrued on a time basis using the effective interest method by reference to the principal outstanding and the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.
- (ii) Dividend income is recognised when the equity holder's right to receive payment is established.

### 3.6 Foreign Currencies

#### Functional and presentation currency:

Items included in the Consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates. The functional currency of the Group is Indian Rupee which is also the presentation currency.

Transactions in foreign currency are recorded at the exchange rates prevailing on the date of transaction. Foreign currency monetary items

outstanding at the balance sheet date are restated at the prevailing year end rates. The resultant gain / loss upon such restatement along with gain / loss on account of foreign currency transactions are accounted in the Statement of Profit and Loss.

Forward exchange contracts are only used for economic hedging purposes and not as speculative investments. These do not meet the hedge accounting criteria and hence are classified as 'held for trading' for accounting purposes and are accounted for at Fair Value through Profit and Loss Account. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period. They are initially recognised at fair value on the date the contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

In respect of Consolidated financial statements of foreign operations of foreign branches and foreign jointly controlled operations, assets and liabilities are translated using the exchange rates on the date of balance sheet, income and expenses are translated at the average rates of exchange. The resultant exchange gains / losses are recognized in the Statement of Profit and Loss.

### 3.7 Employee Benefits

Employee benefits include provident fund, superannuation fund, gratuity fund, compensated absences and post retirement medical benefits.

#### Defined contribution plans

The Group pays pension fund contributions to publicly administered pension funds as per local regulations and also contributes to superannuation fund, in respect of certain eligible employees to Life Insurance Corporation ('LIC'), both of them are considered as defined contribution plans. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense in the Statement of Profit and Loss when they are due.

In case of Indian subsidiaries and one jointly controlled operation - Gulermak TPL Pune Metro JV remittances of provident fund contributions are made to government administered provident fund as per local regulations.

## Notes forming part of consolidated financial statements

for the year ended March 31, 2023

### Defined benefit plans

The Group's (except Artson Engineering Limited and one jointly controlled operation - Gulermak TPL Pune Metro JV) makes its provident fund contribution (both employee and employer) to 'Tata Projects Provident Fund Trust' (administered by the employees of the Company) and also provides Gratuity benefit to its employees through a plan administered by the Life Insurance Corporation of India ('LIC'). Both these post employment obligations are considered as defined benefit plans. The contributions towards provident fund also includes contributions made on behalf of certain contract employees engaged by the company.

The liability or asset recognised in the balance sheet in respect of these plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost. (refer note 35.08).

### Short term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries and

annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

### Other long term employee benefits

Other Long term employee benefit comprise of Leave encashment which is provided for based on the actuarial valuation carried out as at the end of the year.

Provision for pension and medical benefits payable to retired Managing Directors is made on the basis of an actuarial valuation as at the end of the year. The terms of the pension payment and the medical benefits payable to the retired Managing Directors are approved by the Board of Directors. This policy does not apply to retiring managing directors post 01<sup>st</sup> April 2022.

These obligations are therefore measured as the present value of expected future payments to be made using the projected unit credit method. The benefits are discounted using the appropriate market yields on government bonds at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

### 3.8 Earnings Per Share

The Group presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding (including additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares). (refer note 35.06)

### 3.9 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Contracts may contain both lease and

## Notes forming part of consolidated financial statements

for the year ended March 31, 2023

non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option."

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

### 3.10 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

#### 3.10.1 Current tax

Current tax expense comprises taxes (including the tax expense on jointly controlled operations) on income from operations in India and foreign tax jurisdictions. Tax expense related to India is determined on the basis of the Income Tax Act, 1961 and quantified at the amount expected to be paid to the taxation

## Notes forming part of consolidated financial statements

for the year ended March 31, 2023

authorities using the applicable tax rates. Tax expense relating to overseas operations is determined in accordance with the tax laws applicable in countries where such operations are domiciled.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group and its subsidiaries and associate operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

### 3.10.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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 liabilities and assets are measured at the tax rates that are expected

to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

### Current and deferred tax for the year:

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### 3.11. Property, plant and equipment & Intangible Assets

Property, plant and equipment are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price and other attributable expenditure incurred in making the asset ready for its intended use and interest on borrowings attributable to acquisition of qualifying property, plant and equipment up to the date the asset is ready for its intended use.

Property, plant and equipment retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

### Intangible Assets

Intangible assets comprises of :

- Technical Know-How: Technical Know-How is shown at historical cost. It has a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

## Notes forming part of consolidated financial statements

for the year ended March 31, 2023

- Software: Software comprises of licenses held for accounting, engineering and other technical softwares. The intangible assets are capitalised on implementation of such software and comprises of the cost paid for procuring the licence and implementation cost of such software."

### Depreciation and amortisation, impairment

Depreciation is calculated using the straight line method, net of their residual value, considering the useful life prescribed in Schedule II of the Companies Act, 2013 except in respect of following assets, in which case, life of the assets has been assessed as under, based on technical advice, taking into account the nature of asset, the estimated usage of the asset, the operating conditions of the asset etc.

Scaffolding materials	5 years
Wire ropes and slings	2 years
Motor cars under car policy for executives	4 years
Tunnel Formwork equipment	2 years 2 months
Working support structure relating to Artson Engineering Limited (subsidiary)	15 years

Leasehold improvements are amortized over the duration of the lease.

Assets costing less than ₹ 10,000 are fully depreciated in the year of capitalization.

For the assets owned by jointly controlled operations (JCOs), depreciation is calculated using the straight line method, net of their residual value, considering the useful life as prescribed in Schedule II of the Companies Act, 2013 except for:

- TPL-SUCG Consortium, TPL-JBTPL Joint Venture, GYT-TPL Joint Venture, GULERMAK - TPL Joint Venture, TPL-HGIEPL Joint Venture, TPL-SSGIPL JV, TPL-KIPL Joint Venture, JV of TATA Projects Ltd, Chint Electric Co. Ltd and Angelique -TPL JV where, duration of project is considered as the useful life for all the assets.
- CEC-ITD Cem-TPL Joint Venture where, the useful life of the these assets have been considered as lower of economic life of the asset or expected period of

its usage/project period. Further, in respect of assets where the economic life is more than the project period, the residual values are estimated depending on the balance economic life of the asset beyond the useful life. These estimates of useful lives of asset and the residual values are determined by the management and are supported by internal technical assessments. These are reviewed and adjusted, if appropriate, at the end of each financial year end.

Asset category	Economic life	Expected period of usage
Plant and machinery- Other*	12 years	Until 31 <sup>st</sup> December 2023
Furniture and fixtures*	10 years	Until 31 <sup>st</sup> December 2023
Office equipment*	5 years	Until 31 <sup>st</sup> December 2023
Computers*	3 years	Until 31 <sup>st</sup> December 2023
Intangible assets (Computer Software)*	3 years	Until 31 <sup>st</sup> December 2023

\* The expected period of usage was extended from 30<sup>th</sup> June 2022 to 31<sup>st</sup> December 2023 by the Joint Venture during the year ended 31<sup>st</sup> March 2023. refer note 35.14.

- DAEWOO-TPL JV where, depreciation in respect of following assets, in which case, life of the assets has been assessed as under, based on technical advice, taking into account the nature of asset, the estimated usage of the asset, the operating conditions of the asset etc.

General Plant and Machinery	12 years
Lab Equipment (Cube Mould)	10 years
Concrete Equipment	9 years

Assets costing less than ₹ 100,000 are fully depreciated in the year of capitalization.

Temporary structures, formwork & shuttering material, casting cell, heavy tools & tackles and launching girder are charged off in the year of purchase.

All property, plant and equipment are tested for impairment are tested for

## Notes forming part of consolidated financial statements

for the year ended March 31, 2023

impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The impairment loss being the excess of carrying value over the recoverable value of the assets, if any, is charged to the statement of Profit and Loss in the respective financial year. The impairment loss recognized in prior years is reversed in cases where the recoverable value exceeds the carrying value, upon reassessment in the subsequent years.

### Asset Classified as held of sale:

Non-current assets or disposal group are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset or disposal group and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. As at each balance sheet date, the management reviews the appropriateness of such classification.

Non-current assets or disposal group classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Property, plant and equipments and intangible assets once classified as held for sale are not depreciated or amortised.

### 3.12 Inventories

Raw materials and Stores and spares are valued at lower of cost and net realisable value. Cost comprises cost of materials.

Work-in-progress and Finished goods are valued at lower of cost and net realisable values. Cost comprises cost of materials and applicable manufacturing overheads, the latter being allocated on the basis of normal operating capacity.

Cost is ascertained on the basis of "weighted average" method. Net realisable value is the

estimated selling price in the ordinary course of business less the estimated costs of completion.

### 3.13 Provisions, contingent liabilities and contingent assets

Provisions are recognised only when there is a present obligation as a result of past events and when a reasonable estimate of the amount of obligation can be made. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liabilities are disclosed for (i) possible obligation which will be confirmed only by future events not wholly within the control of the Group or (ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognised in the consolidated financial statements.

Contingent liabilities are not disclosed if the possibility of an outflow of resources embodying economic benefits is remote.

When it is probable at any stage of the contract, that the total cost will exceed the total contract revenue, the expected loss is recognised immediately.

### 3.14 Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial 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 of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit

## Notes forming part of consolidated financial statements

for the year ended March 31, 2023

or loss are recognised immediately in profit or loss.

### (i) Financial assets carried at amortised cost

**:-** A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset 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.

### (ii) Financial assets at fair value through other comprehensive income :-

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

### (iii) Financial assets at fair value through profit or loss :-

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

### (iv) Financial liabilities :-

#### a. Borrowings:

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of

a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the Group does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the consolidated financial statements for issue, not to demand payment as a consequence of the breach.

### b. Compound financial instrument:-

The fair value of the liability portion of an compound financial instruments is determined using a market interest rate for an equivalent compound financial instruments. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or redemption of the instrument. The remainder of the proceeds is attributable to the equity portion of the compound instrument. This is recognised and included in shareholders' equity, net of income tax effects, and not subsequently remeasured.

### (v) Investment in Joint Ventures and Associates:-

On initial recognition, these investments are recognized at fair value plus any directly attributable transaction cost. Subsequently, they are measured at cost.

### Impairment of Financial Assets

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost i.e., trade receivables, other contractual

## Notes forming part of consolidated financial statements

for the year ended March 31, 2023

rights to receive cash or other financial asset.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for financial assets, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

### Derecognition of Financial Assets

A financial asset is derecognized only when

1. The Group has transferred the rights to receive cash flows from the financial asset or
2. retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Group has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

### Offsetting financial instruments:

Financial Assets and Liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

### 3.15 Jointly controlled operations

The accounts of the Parent Company reflect its share of the Assets, Liabilities, Income and Expenditure of the jointly controlled operations which are accounted on the basis of the annual accounts of the jointly controlled operations, on line-by-line basis with similar items in the Parent Company's accounts in proportion to its interest in such Joint Venture Agreements (refer note 35.10).

### 3.16 Segment reporting

The Group, based on the "Management Approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Group's performance and allocates resources based on the analysis of various performance indicators by business segments and geographic segments. Accordingly, information has been presented both along business segments along with secondary information such as geographical information etc.,.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market/fair value factors.

Revenue, expenses, assets and liabilities which relate to the Group as a whole and not allocable to segments on reasonable basis have been included under "unallocated revenue/expenses/assets/liabilities".

## Notes forming part of consolidated financial statements

for the year ended March 31, 2023

### 3.17 Operating cycle

The Group's activities (primarily construction activities) have an operating cycle that exceeds a year of twelve months. The Group has selected the duration of the individual contracts as its operating cycle, wherever appropriate, for classification of its assets and liabilities as current and non-current.

### 3.18 Cash and cash equivalents

For the purpose of presentation in the Statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

### 3.19 Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

### 3.20 Trade and Other Payables

Trade payables and other payables: These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within operating cycle of the Group. They are subsequently measured at amortized cost using the effective interest method.

### 3.21 Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

### 3.22 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

## 4. Property, plant and equipment and capital work-in progress

Particulars	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>Carrying amounts :</b>		
Freehold Land	112.60	112.60
Buildings	1,992.71	2,106.34
Roads	130.48	-
Leasehold Improvements	226.06	342.95
Plant and equipments	66,413.50	51,756.19
Furniture & fixtures	752.97	767.55
Vehicles	702.38	354.54
Office equipments	5,383.30	3,809.76
Computers	2,264.50	2,404.01
Capital mobile desalination plant	2.00	2.00
<b>Sub-total</b>	<b>77,980.50</b>	<b>61,655.94</b>
Capital work-in-progress	733.40	1,416.01
	<b>78,713.90</b>	<b>63,071.95</b>

## Notes forming part of consolidated financial statements

for the year ended March 31, 2023

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Freehold Land	Buildings	Roads	Leasehold improvements	Plant and equipment	Furniture & fixtures	Vehicles	Office equipments	Computers	Capital mobile desalinination Plant	Total
<b>Cost</b>											
Balance as at 31 <sup>st</sup> March 2021	112.60	3,374.90	-	2,402.05	1,02,387.51	3,215.58	1,579.36	10,350.96	5,802.32	40.24	1,29,265.52
Additions	-	256.03	-	54.13	18,971.47	252.13	17.53	2,023.56	2,025.06	-	23,599.91
Assets classified as held for sale (refer note 4.10)	-	-	-	-	(5,067.39)	-	-	-	-	-	(5,067.39)
Reclassification/Transfers	-	665.90	-	(613.46)	19.62	(52.44)	-	(19.62)	-	-	-
Disposals	-	(8.29)	-	-	(9,711.90)	(276.93)	(230.28)	(703.22)	(57.70)	-	(10,988.32)
Balance as at 31 <sup>st</sup> March 2022	112.60	4,288.54	-	1,842.72	1,06,599.31	3,138.34	1,366.61	11,651.68	7,769.68	40.24	1,56,809.72
Additions	-	33.70	130.62	20.00	34,502.77	202.18	496.74	3,263.98	810.42	-	39,460.41
Disposals	-	(25.87)	-	-	(20,327.70)	(276.69)	(153.34)	(515.64)	(125.80)	-	(21,425.04)
Balance as at 31 <sup>st</sup> March 2023	112.60	4,296.37	130.62	1,862.72	1,20,774.38	3,063.83	1,710.01	14,400.02	8,454.30	40.24	1,54,845.09
<b>Accumulated depreciation</b>											
Balance as at 31 <sup>st</sup> March 2021	-	(1,794.51)	-	(1,294.67)	(56,674.92)	(2,413.72)	(1,074.79)	(7,510.36)	(4,646.07)	(38.24)	(75,447.28)
Disposals	-	-	-	-	5,747.70	216.96	164.38	678.49	52.64	-	6,868.04
Assets classified as held for sale (refer note 4.10)	-	7.87	-	-	4,078.41	-	-	-	-	-	4,078.41
Reclassification/Transfers	-	(57.90)	-	49.20	(5.15)	8.70	-	5.15	-	-	-
Depreciation charge for the year	-	(337.66)	-	(254.30)	(7,989.16)	(182.73)	(101.66)	(1,015.20)	(772.24)	-	(10,652.95)
Balance as at 31 <sup>st</sup> March 2022	-	(2,182.20)	-	(1,499.77)	(54,843.12)	(2,370.79)	(1,012.07)	(7,841.92)	(5,365.67)	(38.24)	(75,153.78)
Disposals	-	24.57	-	-	9,411.59	218.01	89.59	382.94	119.24	-	10,245.94
Depreciation charge for the year	-	(146.03)	(0.14)	(136.89)	(8,929.35)	(158.08)	(85.15)	(1,557.74)	(943.37)	-	(11,956.75)
Balance as at 31 <sup>st</sup> March 2023	-	(2,303.66)	(0.14)	(1,636.66)	(54,360.88)	(2,310.86)	(1,007.63)	(9,016.72)	(6,189.80)	(38.24)	(76,864.59)
<b>Freehold Land</b>											
Freehold Land	112.60	2,106.34	-	342.95	767.55	354.54	3,809.76	2,404.01	2.00	61,655.94	1,416.01
Buildings	-	-	-	51,756.19	752.97	702.38	5,383.30	2,264.50	2.00	77,980.50	733.40
Roads	-	-	-	226.06	66,413.50	752.97	702.38	5,383.30	2,264.50	2.00	77,980.50
Leasehold improvements	-	-	-	66,413.50	752.97	702.38	5,383.30	2,264.50	2.00	77,980.50	733.40
Plant and equipment	-	-	-	51,756.19	767.55	354.54	3,809.76	2,404.01	2.00	61,655.94	1,416.01
Furniture & fixtures	-	-	-	354.54	767.55	354.54	3,809.76	2,404.01	2.00	61,655.94	1,416.01
Vehicles	-	-	-	354.54	767.55	354.54	3,809.76	2,404.01	2.00	61,655.94	1,416.01
Office equipments	-	-	-	51,756.19	767.55	354.54	3,809.76	2,404.01	2.00	61,655.94	1,416.01
Computers	-	-	-	51,756.19	767.55	354.54	3,809.76	2,404.01	2.00	61,655.94	1,416.01
Capital mobile desalinination Plant	-	-	-	51,756.19	767.55	354.54	3,809.76	2,404.01	2.00	61,655.94	1,416.01
<b>Net Carrying amount as at 31<sup>st</sup> March 2022</b>	112.60	1,992.71	130.48	226.06	66,413.50	752.97	702.38	5,383.30	2,264.50	2.00	733.40
<b>Net Carrying amount as at 31<sup>st</sup> March 2023</b>	112.60	1,992.71	130.48	226.06	66,413.50	752.97	702.38	5,383.30	2,264.50	2.00	733.40

## Notes forming part of consolidated financial statements

for the year ended March 31, 2023

All amounts are in ₹ Lakhs unless otherwise stated

- 4.1 No impairment Losses recognised during the year (31<sup>st</sup> March 2022 : Nil).
- 4.2 The Group carries out physical verification of its property, plant and equipment, in a phased manner over a period of three years. Assets whose working life has expired, would be retired from the books after due approvals, as per the Schedule of Powers. Assets which are not in working condition are assessed and are retired on annual basis as per Schedule of Powers ("SOP"). Assets in working condition are deployed at project sites and are leveraged among multiple projects during its useful life.
- 4.3 None of the property, plant and equipments are pledged as security during the year ended 31<sup>st</sup> March 2023 except (i) Property, plant and equipment relating to Artson Engineering Limited (subsidiary of the Parent Company), TPL-CIL Construction LLP (subsidiary of the Parent Company) and TP Luminaire Private Limited (subsidiary of the Parent Company) (refer to note - 19).
- 4.4 Refer note no 35.01(ii) for disclosure of contractual commitments for the acquisition of property plant and equipment.
- 4.5 Buildings asset class includes buildings on leasehold land whose lease rights are in the name of the Parent company. The net carrying amount as at 31<sup>st</sup> March 2023 of these assets is ₹ 1,755 (31<sup>st</sup> March 2022: ₹ 1,785.54). Land relating to buildings in Nagpur has been leased by Maharashtra Industrial Development Corporation ('MIDC') for a period of 95 years in favour of Parent Company. A portion of the leasehold land has been sub-let by the Parent company in favour of Artson Engineering Limited ('subsidiary'/AEL).

Buildings asset class also includes buildings on leasehold land whose lease rights are in the name of Artson Engineering Limited ('subsidiary'/AEL). The net carrying amount as at 31<sup>st</sup> March 2023 of these assets is ₹ 125.4 (31<sup>st</sup> March 2022: ₹ 130.55). Land relating to buildings in Nashik has been leased by Maharashtra Industrial Development Corporation ('MIDC') favour of Artson Engineering Limited ('subsidiary'/AEL).

Additions to Buildings of Artson Engineering Limited (subsidiary of the Parent Company) includes an amount of ₹ Nil (31<sup>st</sup> March, 2022 - ₹ 22.27) representing steel and consumables used for Factory Shed and Central Stores warehouse at Nashik and Nagpur factories respectively and which is capitalised from the inventory of raw materials."

- 4.6 Additions to Roads of Artson Engineering Limited (subsidiary of the Parent Company) includes an amount of ₹ 13.36 Lakhs (31<sup>st</sup> March, 2022 - ₹ Nil Lakhs) representing labour and consumables used for construction of roads at Nashik factory which is capitalised from the inventory of raw materials and project execution expenses.

### 4.7 Capital Work in Progress (CWIP) ageing schedule for the year ended 31<sup>st</sup> March 2023

Capital Work in Progress (CWIP)	Amount in Capital Work in Progress for a period of				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
Projects in progress	631.69	62.39	9.44	29.88	733.40

### Capital Work in Progress (CWIP) ageing schedule for the year ended 31<sup>st</sup> March 2022

Capital Work in Progress (CWIP)	Amount in Capital Work in Progress for a period of				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,376.69	9.44	29.88	-	1,416.01

- 4.8 Capital Work in Progress (CWIP) consists of plant & machinery items, prefab offices which are pending installation and buildings under construction during the current and previous years.
- 4.9 During the current year and previous year, the Group does not have projects in Capital work in progress whose completion is overdue or projects whose cost has exceeded its costs as per its original plan.
- 4.10 During the previous year, CEC-ITD Cem-TPL Joint Venture entered into an agreement for sale of three Tunnel Boring Machine ('TBM') to ITD Cementation India Limited (Joint venture partner) for a consideration of ₹ 2,995 and the sale was completed in the current financial year. Accordingly, during the previous year an amount ₹ 2,472.45 (the company's share of the net asset of ₹ 988.98) was disclosed as 'Assets classified as held for sale'.

## Notes forming part of consolidated financial statements

### for the year ended March 31, 2023

All amounts are in ₹ Lakhs unless otherwise stated

4.11 As on 31<sup>st</sup> March 2023 freehold land includes agricultural land at Medchal, Hyderabad in the state of Telangana. During the current year, Parent Company filed an application to Government of Telangana (Tahsildar & Jt. Sub Registrar Office, Medchal) for conversion of this agricultural land for commercial use.

4.12 During the current year ended 31<sup>st</sup> March 2023, the Parent Company has sold and leased back assets with written down value aggregating ₹ 7,467.11 for a sale consideration of ₹ 13,215.22. The assets were leased back for a period ranging from 1 to 5 years and all the payments in the lease agreements have been included in the measurement of lease liabilities. As per the requirements of Ind AS 116, the right of use assets was recognised to the extent of the written down value of the assets and no profit or loss has been recognised on the said transaction.

### 5. Goodwill on consolidation

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>Cost</b>		
Goodwill	389.74	389.74
	<b>389.74</b>	<b>389.74</b>
	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
<b>Cost</b>		
Balance at the beginning of the year	389.74	391.68
Impairment of investments in subsidiary (refer note below)	-	(1.90)
Effect of foreign currency exchange differences	-	(0.04)
<b>Balance at the end of the year</b>	<b>389.74</b>	<b>389.74</b>

The carrying value predominantly relates to the goodwill that arose on the acquisition of subsidiaries (Artson Engineering Limited and TQ Cert Services Private Limited) and same is tested annually for impairment.

During the previous year, the goodwill on consolidation pertaining to one of the foreign subsidiary, TQ Services (Mauritius) Pty Limited, which was incurring continuous operating losses, was impaired in the Consolidated financial statements.

Additionally during the previous year TQ Services (Mauritius) Pty Limited had filed an application dated 01<sup>st</sup> October 2021 to The Director-General, Mauritius Revenue Authority (MRA) for removal of its name from the Register maintained by the Registrar of Companies under the Mauritius Companies Act 2001. The said application was approved on 15<sup>th</sup> April 2022.

### 6(a). Intangible assets, Intangible assets under development

Particulars	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>Carrying amounts of :</b>		
Computer Software (refer note 6.1 below)	1,252.90	1,468.49
Technical Know-How (refer note 6.2 below)	-	447.16
<b>Sub-total</b>	<b>1,252.90</b>	<b>1,915.65</b>
Intangible assets under development (refer note 6.3 below)	90.78	-
	90.78	-
<b>Total</b>	<b>1,343.68</b>	<b>1,915.65</b>

## Notes forming part of consolidated financial statements

### for the year ended March 31, 2023

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Technical Know-How	Computer Software	Total
<b>Cost</b>			
<b>Balance as at 31<sup>st</sup> March 2021</b>	<b>596.97</b>	<b>7,742.40</b>	<b>8,339.37</b>
Additions	-	1,159.23	1,159.23
Disposals/Transfers	-	(9.48)	(9.48)
<b>Balance as at 31<sup>st</sup> March 2022</b>	<b>596.97</b>	<b>8,892.15</b>	<b>9,489.12</b>
Additions	-	642.61	642.61
Disposals/Transfers	-	(24.42)	(24.42)
<b>Balance as at 31<sup>st</sup> March 2023</b>	<b>596.97</b>	<b>9,510.34</b>	<b>10,107.31</b>

Particulars	Technical Know-How	Computer Software	Total
<b>Accumulated amortisation</b>			
<b>Balance as at 31<sup>st</sup> March 2021</b>	<b>(30.42)</b>	<b>(6,424.52)</b>	<b>(6,454.94)</b>
Amortisation	(119.39)	(1,008.15)	(1,127.54)
Disposals	-	9.01	9.01
<b>Balance as at 31<sup>st</sup> March 2022</b>	<b>(149.81)</b>	<b>(7,423.66)</b>	<b>(7,573.47)</b>
Amortisation	(119.07)	(858.20)	(977.27)
Impairment charge (refer note 5.2 below)	(328.09)	-	(328.09)
Disposals	-	24.42	24.42
<b>Balance as at 31<sup>st</sup> March 2023</b>	<b>(596.97)</b>	<b>(8,257.44)</b>	<b>(8,854.41)</b>

Particulars	Technical Know-How	Computer Software	Total	Intangible Assets under development
<b>Net Carrying amount as at 31<sup>st</sup> March 2022</b>	<b>447.16</b>	<b>1,468.49</b>	<b>1,915.65</b>	<b>-</b>
<b>Net Carrying amount as at 31<sup>st</sup> March 2023</b>	<b>-</b>	<b>1,252.90</b>	<b>1,252.90</b>	<b>90.78</b>

### Significant Intangible assets

#### 6.1 Computer Software

Computer Software comprises of licenses held for accounting, engineering and other technical softwares. The carrying amount of Computer Software as at 31<sup>st</sup> March 2023 is ₹ 1,252.90 (31<sup>st</sup> March 2022: ₹ 1,468.49).

#### 6.2 Technical Know-How

During the current year, the Parent Company assessed the technical know-how for impairment and accordingly the carrying amount of technical know-how has been reduced to its recoverable amount by recognition of an impairment loss. The impairment loss recognised during the year is ₹ 328.09 (31<sup>st</sup> March 2022 - ₹ Nil).

6.3 Intangible assets under development as at 31<sup>st</sup> March 2023 comprises of ERP development cost. The carrying amount of intangible assets under development as at 31<sup>st</sup> March 2023 is ₹ 90.78 (31<sup>st</sup> March 2022 : ₹ Nil).

#### Intangible assets under development ageing schedule for the year ended 31<sup>st</sup> March 2023

Intangible assets under development	Amount in Intangible assets under development for a period of				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
Projects in progress	90.78	-	-	-	90.78

The Group did not have any intangible assets under development as at 31<sup>st</sup> March 2022.

6.4 During the current year, the Group does not have projects in Intangible assets under development whose completion is overdue or projects whose cost has exceeded its costs as per its original plan.

## Notes forming part of consolidated financial statements

for the year ended March 31, 2023

All amounts are in ₹ Lakhs unless otherwise stated

### 6(b). Right-of-use assets

Particulars	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>Carrying amounts of :</b>		
Plant and Machinery	10,060.27	6,486.49
Land	-	14.82
Buildings	6,393.00	3,879.99
<b>Total</b>	<b>16,453.27</b>	<b>10,381.30</b>

Particulars	Plant and Machinery	Land	Buildings	Total
<b>Cost</b>				
<b>Balance as at 31<sup>st</sup> March 2021</b>	<b>25,628.10</b>	<b>72.09</b>	<b>10,319.23</b>	<b>36,019.42</b>
Additions	561.05	-	806.97	1,368.02
Disposals	(405.66)	-	(734.24)	(1,139.90)
<b>Balance as at 31<sup>st</sup> March 2022</b>	<b>25,783.49</b>	<b>72.09</b>	<b>10,391.96</b>	<b>36,247.54</b>
Additions	9,491.88	-	4,786.64	14,278.52
Modifications	(2,702.10)	-	-	(2,702.10)
Disposals	-	-	-	-
<b>Balance as at 31<sup>st</sup> March 2023</b>	<b>32,573.27</b>	<b>72.09</b>	<b>15,178.60</b>	<b>47,823.96</b>

Particulars	Plant and Machinery	Land	Buildings	Total
<b>Accumulated depreciation</b>				
<b>Balance as at 31<sup>st</sup> March 2021</b>	<b>(11,953.77)</b>	<b>(37.74)</b>	<b>(4,421.63)</b>	<b>(16,413.14)</b>
Depreciation	(7,574.03)	(19.53)	(2,327.08)	(9,920.64)
Disposals	230.80	-	236.74	467.54
<b>Balance as at 31<sup>st</sup> March 2022</b>	<b>(19,297.00)</b>	<b>(57.27)</b>	<b>(6,511.97)</b>	<b>(25,866.24)</b>
Depreciation	(5,130.16)	(14.82)	(2,273.63)	(7,418.61)
Modifications	1,914.16	-	-	1,914.16
Disposals	-	-	-	-
<b>Balance as at 31<sup>st</sup> March 2023</b>	<b>(22,513.00)</b>	<b>(72.09)</b>	<b>(8,785.60)</b>	<b>(31,370.69)</b>

Particulars	Plant and Machinery	Land	Buildings	Total
<b>Net Carrying amount as at 31<sup>st</sup> March 2022</b>	<b>6,486.49</b>	<b>14.82</b>	<b>3,879.99</b>	<b>10,381.30</b>
<b>Net Carrying amount as at 31<sup>st</sup> March 2023</b>	<b>10,060.27</b>	<b>-</b>	<b>6,393.00</b>	<b>16,453.27</b>

6(b)(i) Refer to note no 23 for disclosure related to lease liabilities.

6(b)(ii) Refer to note no 31 for disclosure related to finance cost on lease liabilities.

6(b)(iii) Refer to note no 32 for disclosures related to depreciation charge on right of use assets.

6(b)(iv) The total cash outflow for leases for the year was ₹ 8,838.09 (31<sup>st</sup> March 2022: ₹ 11,212.65) (excluding low value assets and short term leases).

## Notes forming part of consolidated financial statements

for the year ended March 31, 2023

All amounts are in ₹ Lakhs unless otherwise stated

6(b)(v) The payments not included in the measurement of lease liability and recognised as expense in the Statement of Profit and Loss during the year are as follows:

- (i) Low value assets - ₹ 4,723.39 (31<sup>st</sup> March 2022: ₹ 1,163.22)
- (ii) Short-term leases - ₹ 2,334.66 (31<sup>st</sup> March 2022: ₹ 830.48)

6(b)(vi) Refer note no. 4.12 for the details of sale and lease back transaction entered during the current year.

### 7. Investments

	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Qty.	Amount	Qty.	Amount
<b>Non-current</b>				
<b>Investments at amortised cost</b>				
<b>a) Investments in Equity Instruments</b>				
<b>Joint Ventures/ Jointly controlled entities - unquoted</b>				
<b>Unquoted Investments (all fully paid)</b>				
i) Al-Tawleed for Energy & Power Company (under liquidation) SAR 2,000 per share equivalent to SAR 600,000 fully paid	300	75.60	300	75.60
ii) Nesma Tata Projects Limited (Equity Contribution) (refer note 7.1(a) below)	-	269.71	-	269.71
<b>Total Aggregate Unquoted Investments</b>		<b>345.31</b>		<b>345.31</b>
Less: Aggregate amount of impairment in value of investments in joint ventures/jointly controlled entities		(345.31)		(345.31)
<b>Net carrying value of unquoted investments (A)</b>		<b>-</b>		<b>-</b>
<b>Associate - Unquoted</b>				
Arth Designbuild India Private Limited - equity shares of ₹ 10 each fully paid-up with premium of ₹ 18,626 per share (Equity Contribution) (refer note 7.1(b) below)	5,807	657.20	5,807	592.47
<b>Aggregate value of unquoted investments</b>		<b>657.20</b>		<b>592.47</b>
Aggregate amount of impairment in value of Investments in Associates		(657.20)		-
<b>Net carrying value of unquoted investments (B)</b>		<b>-</b>		<b>592.47</b>
<b>Aggregate value of investments</b>		<b>1,002.51</b>		<b>937.78</b>
Less: Aggregate amount of impairment in value of investments		(1,002.51)		(345.31)
<b>Carrying Value of total non current investments (A)+(B)</b>		<b>-</b>		<b>592.47</b>

## Notes forming part of consolidated financial statements

for the year ended March 31, 2023

All amounts are in ₹ Lakhs unless otherwise stated

### 7.1 Investments accounted under equity method

#### (a) Investments in joint ventures:

During the previous year, the Board of Directors approved the disinvestment from Nesma Tata Projects Limited. Accordingly, the Parent Company entered into a Share Transfer Agreement for transfer of its shares to other JV partner for a consideration of SAR 100. On receipt of the consideration, the Parent Company will file the relevant closure/transfer documents with the Reserve Bank of India.

Cumulative share of unrecognised losses in respect of equity accounted joint ventures as at 31<sup>st</sup> March 2023 amounted to ₹ 1,006.05 (31<sup>st</sup> March 2022 : ₹ 958.84).

#### (b) Investments in Associates

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Carrying value of the Group's interest in Arth Designbuild India Private Limited	-	592.47

Arth DesignBuild Private Limited ('Arth'), an associate of the Parent Company has accumulated losses of ₹ 2,600.04 as at 31<sup>st</sup> March 2023 (31<sup>st</sup> March 2022 : ₹ 2,705.06). As the associate has been continuously incurring losses during the past 2-3 previous years, Parent Company has considered a provision for impairment on the entire investment in Arth during the current year.

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Group's share in profit/(loss) for the year (net of tax)	64.73	(147.76)
<b>Group's share in total comprehensive income for the year</b>	<b>64.73</b>	<b>(147.76)</b>

### 8. Investments

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>Current</b>		
<b>Investments at fair value through profit or loss (FVTPL)</b>		
<b>(i) Investments in Mutual funds</b>		
<b>Quoted</b>		
Tata Liquid Fund Direct Plan-Growth - Nil units (31 <sup>st</sup> March 2022: 2,97,639.237 units)	-	10,002.02
Tata Overnight Fund-Direct Plan-Growth- 4,22,856.431 units (31 <sup>st</sup> March 2022: 8,91,749.012 units)	5,000.00	10,000.44
<b>Total Aggregate Quoted Investments</b>	<b>5,000.00</b>	<b>20,002.46</b>
<b>Aggregate market value of quoted investments</b>	<b>5,000.00</b>	<b>20,002.46</b>
<b>Aggregate amount of impairment in value of investments</b>	<b>-</b>	<b>-</b>

## Notes forming part of consolidated financial statements

for the year ended March 31, 2023

All amounts are in ₹ Lakhs unless otherwise stated

### 9 Trade receivables

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>Non-current</b>		
Trade receivables		
(a) Unsecured, considered good	564.40	3,094.89
Less: Allowance for doubtful debts (expected credit loss allowance) (refer notes 9.1 to 9.3 below)	-	-
	<b>564.40</b>	<b>3,094.89</b>
(b) Significant increase in credit risk	1.24	113.33
Less: Allowance for doubtful debts (expected credit loss allowance) (refer notes 9.1 to 9.3 below)	(1.24)	(93.14)
<b>Total</b>	<b>-</b>	<b>20.19</b>
<b>Current</b>		
Trade receivables		
(a) Unsecured, considered good	6,34,073.12	5,95,931.75
Less: Allowance for doubtful debts (expected credit loss allowance) (refer notes 9.1 to 9.3 below)	(2,820.78)	(2,588.81)
	<b>6,31,252.34</b>	<b>5,93,342.94</b>
(b) Significant increase in credit risk	45,457.49	36,445.44
Less: Allowance for doubtful debts (expected credit loss allowance) (refer notes 9.1 to 9.3 below)	(29,861.94)	(16,890.40)
	<b>15,595.55</b>	<b>19,555.04</b>
(c) Credit impaired	1,677.86	-
Less: Allowance for doubtful debts (expected credit loss allowance) (refer notes 9.1 to 9.3 below)	(1,677.86)	-
	<b>-</b>	<b>-</b>
<b>Total</b>	<b>6,46,847.89</b>	<b>6,12,897.98</b>

#### 9.1 Trade Receivables

The average credit period allowed to customers is between 30 days to 90 days. The credit period is considered from the date of Invoice. Further, a specified amount of bill is held back by the customer as retention money, which is payable as per the credit period, from the date such retention becomes due. The retention monies held by customers become payable on completion of a specified milestone or after the Defect Liability Period of the project, which is normally 1 year after the completion of the project, as per the terms of respective contracts. No interest is payable by the customers for the delay in payments of the amounts overdue.

The group evaluates, the financial health, market reputation and credit rating of the customer, before entering into the contract. The group's customers comprise of public sector undertakings as well as private entities.

#### 9.2 Expected credit loss allowance on receivables

The group computes the Expected Credit Loss Allowance ("ECLA") by applying the percentages determined on historical basis over the past 4 years, for each Business Unit and determined the percentage of such allowance over the turnover of each Business Unit and moderated for current and envisaged future businesses including time based provisions. Expected Credit Loss Allowance is determined on the closing balances of all applicable financial assets as at each reporting date, at the average rates ranging from 0.25% to 1.50%.

## Notes forming part of consolidated financial statements

for the year ended March 31, 2023

All amounts are in ₹ Lakhs unless otherwise stated

### 9.3 Movement in the expected credit loss allowance

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Balance at the beginning of the year	19,572.35	14,441.94
Movement in expected credit loss allowance	16,969.15	5,428.15
	<b>36,541.50</b>	<b>19,870.09</b>
Less: Movement in expected credit loss related to Construction revenue receivable, Unbilled revenue and Contractual reimbursable expenses, insurance and other claims receivable (refer note 10)	(2,179.68)	(297.74)
<b>Balance at the end of the year</b>	<b>34,361.82</b>	<b>19,572.35</b>

The concentration of credit risk is low due to the fact that the customer base is large and unrelated.

9.4 Trade receivables consists of retention receivables of ₹ 2,72,756.68 (31<sup>st</sup> March 2022 : ₹ 2,59,376.43) of which ₹ 29,417.47 (31<sup>st</sup> March 2022 : ₹ 29,206.51) are due and yet to be realised.

### 9.5 Trade receivables Ageing Schedule

#### a. Non-current Trade receivables ageing schedule for the year ended 31<sup>st</sup> March 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 Year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	83.76	126.67	166.28	177.04	10.65	564.40
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	1.24	1.24
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(vii) Allowance for doubtful debts (expected credit loss allowance)	-	-	-	-	-	-	(1.24)
<b>Total</b>	<b>-</b>	<b>83.76</b>	<b>126.67</b>	<b>166.28</b>	<b>177.04</b>	<b>11.89</b>	<b>564.40</b>

## Notes forming part of consolidated financial statements

for the year ended March 31, 2023

All amounts are in ₹ Lakhs unless otherwise stated

### b. Current trade receivables ageing schedule for the year ended 31<sup>st</sup> March 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 Year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	4,19,568.82	1,12,763.38	41,955.90	20,963.47	6,832.37	8,596.17	6,10,680.11
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	2.03	1.75	1.80	698.35	17,505.52	11,050.59	29,260.04
(iii) Undisputed Trade Receivables – credit impaired	318.90	257.38	-	131.75	861.59	108.24	1,677.86
(iv) Disputed Trade Receivables – considered good	78.52	43.55	199.74	14,123.31	4,683.05	4,264.84	23,393.01
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	2,447.36	13,750.09	16,197.45
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(vii) Allowance for doubtful debts (expected credit loss allowance)	-	-	-	-	-	-	(34,360.58)
<b>Total</b>	<b>4,19,968.27</b>	<b>1,13,066.06</b>	<b>42,157.44</b>	<b>35,916.88</b>	<b>32,329.89</b>	<b>37,769.93</b>	<b>6,46,847.89</b>

### c. Non current Trade receivables ageing schedule for the year ended 31<sup>st</sup> March 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 Year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	2,743.45	114.53	72.45	164.46	-	-	3,094.89
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	33.91	79.42	113.33
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-

## Notes forming part of consolidated financial statements

for the year ended March 31, 2023

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 Year	1-2 years	2-3 years	More than 3 years	
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(vii) Allowance for doubtful debts (expected credit loss allowance)	-	-	-	-	-	-	(93.14)
<b>Total</b>	<b>2,743.45</b>	<b>114.53</b>	<b>72.45</b>	<b>164.46</b>	<b>33.91</b>	<b>79.42</b>	<b>3,115.08</b>

### d. Current trade receivables ageing schedule for the year ended 31<sup>st</sup> March 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 Year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	4,18,900.58	83,102.75	31,779.02	29,701.70	6,110.76	1,706.74	5,71,301.55
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	39.98	1,515.28	16,231.23	4,730.37	22,516.86
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	19,834.98	60.00	417.07	1,698.23	484.49	2,135.43	24,630.20
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	14.65	9,548.37	4,365.56	13,928.58
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(vii) Allowance for doubtful debts (expected credit loss allowance)	-	-	-	-	-	-	(19,479.21)
<b>Total</b>	<b>4,38,735.56</b>	<b>83,162.75</b>	<b>32,236.07</b>	<b>32,929.86</b>	<b>32,374.85</b>	<b>12,938.10</b>	<b>6,12,897.98</b>

## Notes forming part of consolidated financial statements

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All amounts are in ₹ Lakhs unless otherwise stated

### 10. Other financial assets

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>Non-current</b>		
Security deposits		
Unsecured, considered good	1,587.53	1,645.20
Doubtful	-	199.00
Less: Provision for doubtful deposits	-	(199.00)
	<b>1,587.53</b>	<b>1,645.20</b>
Loans and advances to employees	9.01	10.94
In deposit accounts with banks remaining maturity for more than 12 months	857.19	25.00
Construction revenue receivable (refer notes 10.3 & 10.4 below)	10,528.61	13,234.72
Less: Expected credit loss allowance	(52.64)	(66.17)
<b>Total</b>	<b>12,929.70</b>	<b>14,849.69</b>
<b>Current</b>		
Security deposits		
Unsecured, considered good	6,357.11	10,887.04
Doubtful	5,437.79	-
Less: Provision for doubtful deposits	(5,437.79)	-
	<b>6,357.11</b>	<b>10,887.04</b>
Unbilled revenue (refer notes 10.1, 10.2, 10.3 & 10.4 below)		
Unsecured, considered good	7,75,391.12	5,52,465.24
Less: Expected credit loss allowance	(4,669.71)	(2,701.94)
	<b>7,70,721.41</b>	<b>5,49,763.30</b>
Contractual reimbursable expenses		
Unsecured, considered good	3,587.60	3,794.92
Less: Expected credit loss allowance	(282.10)	(42.81)
	<b>3,305.50</b>	<b>3,752.11</b>
Construction revenue receivable (refer notes 10.3 & 10.4 below)		
Unsecured, considered good	375.31	3,334.44
Less: Expected credit loss allowance	(1.88)	(15.75)
	<b>373.43</b>	<b>3,318.69</b>
Insurance and other claims receivable		
Unsecured, considered good	37.23	34.39
Less: Expected credit loss allowance	(0.25)	(0.23)
	<b>36.98</b>	<b>34.16</b>
Interest accruals		
(i) Interest accrued on deposits/investments	485.12	345.67
(ii) Interest accrued on mobilisation advance given	1.64	8.33
	<b>486.76</b>	<b>354.00</b>
<b>Total</b>	<b>7,81,281.19</b>	<b>5,68,109.30</b>

#### Note:

10.1 Unbilled revenue include ₹ 2,73,465.36 as at 31<sup>st</sup> March 2023 (31<sup>st</sup> March 2022: ₹ 2,22,588), representing customer related claims raised by the management of the Parent Company in respect of various projects substantially completed/in progress. These are based on terms and conditions implicit in the contract in respect of additional cost incurred on such projects on account of prolongation, scope variation and price variation, which the management based on external/internal evaluation, assesses to be claimable from customers. Currently, these are at various stages of negotiation/discussion with customers or under arbitration/litigation. Management is confident of recovery of these receivables at this stage.

## Notes forming part of consolidated financial statements

for the year ended March 31, 2023

All amounts are in ₹ Lakhs unless otherwise stated

### 10.2 Disputed and undisputed Unbilled Revenue as at 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2022

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Disputed unbilled revenue- considered good	2,73,465.36	2,22,588.00
Undisputed unbilled revenue- considered good	5,01,925.76	3,29,877.24
Less: Expected credit loss allowance	(4,669.71)	(2,701.94)
<b>Total</b>	<b>7,70,721.41</b>	<b>5,49,763.30</b>

### 10.3 Contract Assets and Contract Liabilities

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Contract assets - Unbilled revenue	7,70,721.41	5,49,763.30
Contract assets - Construction revenue receivable	10,849.40	16,487.24
<b>Total Contract assets</b>	<b>7,81,570.81</b>	<b>5,66,250.54</b>
Contract liabilities - Advance billing to customers (refer note 25)	1,39,889.40	1,51,024.97
Contract liabilities - Advances from customers including mobilisation advances (refer note 25)	4,20,323.45	3,85,225.34
<b>Total Contract Liabilities</b>	<b>5,60,212.85</b>	<b>5,36,250.31</b>

### 10.4 Movement in Contract Assets and Contract Liabilities

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>Contract Assets</b>		
Opening balance	5,66,250.54	5,11,442.10
Add: Revenue accrued during the year	3,10,977.76	1,75,530.62
Less: Amount billed during the year	(93,717.12)	(1,20,444.44)
Less: Movement in expected credit loss allowance	(1,940.37)	(277.74)
<b>Closing balance</b>	<b>7,81,570.81</b>	<b>5,66,250.54</b>
<b>Contract Liabilities</b>		
Opening balance	5,36,250.31	5,15,816.71
Add: Amount billed during the year	62,196.19	58,978.85
Add: Advance received during the year	1,78,597.37	1,87,320.48
Less: Advance adjusted during the year	(1,44,617.55)	(1,52,181.72)
Less: Released to revenue during the year	(72,213.47)	(73,684.01)
<b>Closing balance</b>	<b>5,60,212.85</b>	<b>5,36,250.31</b>

## Notes forming part of consolidated financial statements

for the year ended March 31, 2023

All amounts are in ₹ Lakhs unless otherwise stated

### 11. Deferred tax assets/ Deferred tax liabilities

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Deferred tax assets	39,767.71	23,967.39
<b>Total</b>	<b>39,767.71</b>	<b>23,967.39</b>
Deferred tax liabilities	1,939.62	-
<b>Total</b>	<b>1,939.62</b>	<b>-</b>

2022-23	Opening balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	Equity component in Compound financial instruments	Closing balance
<b>Deferred tax (liabilities) / assets in relation to</b>					
Property, plant and equipment	2,449.59	(1,906.89)	-	-	542.70
Provisions for retirement benefits	2,297.34	(215.22)	262.22	-	2,344.34
Allowance for doubtful debts	3,683.63	5,005.30	-	-	8,688.93
Provision for litigations	-	559.28	-	-	559.28
Foreign-exchange forward contracts	-	(162.48)	-	-	(162.48)
Disallowance under section 43B	146.40	(119.75)	-	-	26.65
Carry forward losses and unabsorbed depreciation	20,267.22	15,949.00	-	-	36,216.22
Fair valuation of financial assets	(4,357.24)	444.59	-	-	(3,912.65)
On Undistributed profits of subsidiaries	(269.52)	(163.46)	-	-	(432.98)
Equity component of compound financial instruments	(768.83)	-	-	(5,730.14)	(6,498.97)
Right-of-use assets	518.80	(61.75)	-	-	457.05
<b>Total</b>	<b>23,967.39</b>	<b>19,328.62</b>	<b>262.22</b>	<b>(5,730.14)</b>	<b>37,828.09</b>

2021-22	Opening balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	Equity component in Compound financial instruments	Closing balance
<b>Deferred tax (liabilities) / assets in relation to</b>					
Property, plant and equipment	3,096.89	(647.30)	-	-	2,449.59
Provisions for retirement benefits	2,982.25	(88.85)	(596.06)	-	2,297.34
Allowance for doubtful debts	2,759.51	924.12	-	-	3,683.63
Disallowance under section 43B	395.51	(249.11)	-	-	146.40
Carry forward losses and unabsorbed depreciation	4,706.41	15,560.81	-	-	20,267.22
Fair valuation of financial assets	(5,054.56)	697.32	-	-	(4,357.24)
On Undistributed profits of subsidiaries	(221.01)	(48.51)	-	-	(269.52)
Equity component of compound financial instruments	-	-	-	(768.83)	(768.83)
Right-of-use assets	545.36	(26.56)	-	-	518.80
<b>Total</b>	<b>9,210.36</b>	<b>16,121.92</b>	<b>(596.06)</b>	<b>(768.83)</b>	<b>23,967.39</b>

#### Notes:

- Deferred tax assets includes Group's share in jointly controlled operations and subsidiaries amounting to ₹ 1,144.72 (31<sup>st</sup> March 2022: ₹ 536.85)
  - Deferred tax liabilities includes Group's share in subsidiaries amounting to ₹ 1,939.62 (31<sup>st</sup> March 2022: ₹ Nil).
- The Parent Company has recognised deferred tax assets on brought forward tax losses. Based on the approved business plans and budgets, the Parent Company has assessed the deferred tax assets to be recoverable against the estimated future taxable income. The Parent Company is expecting to generate taxable income from the financial year ended 31<sup>st</sup> March 2024 onwards and is confident of recovering these losses within the period of 8 years allowed as per the Income Tax Act, 1961.

## Notes forming part of consolidated financial statements

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### 12. Non-current tax assets (net) and current tax liabilities (net)

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Non-current tax assets (net) (refer notes 1 and 3 below)	27,869.59	30,596.90
<b>Total</b>	<b>27,869.59</b>	<b>30,596.90</b>
Current tax liabilities (net) (refer note 2 below)	1,040.67	3,179.24
<b>Total</b>	<b>1,040.67</b>	<b>3,179.24</b>

#### Notes:

- Represents Group's net current tax position from standalone activities and also includes net current tax position of certain subsidiaries and jointly controlled operations.
- Represents Group's share of net current tax liability position of certain subsidiaries and jointly controlled operations.
- Includes an amount paid under protest towards Income tax of ₹ 1,607.53 (31<sup>st</sup> March 2022: ₹ 1,607.53), of which an amount of ₹ 114.52 (31<sup>st</sup> March 2022: ₹ 114.52) pertains to jointly controlled operations.

### 13. Other assets

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>Non-current</b>		
Capital advances	424.23	133.46
Others		
- Deposits with government authorities (refer note 13.1)	5,125.35	4,269.44
- Prepaid expenses	486.78	104.58
<b>Total</b>	<b>6,036.36</b>	<b>4,507.48</b>
<b>Current</b>		
Mobilisation advances	30,913.52	65,745.40
Others		
- Balances with government authorities		
CENVAT credit receivable	53.71	53.71
VAT credit receivable	5,682.89	3,964.14
Sales tax deducted at source	6,892.22	8,879.60
GST credit receivable	1,05,660.11	82,743.83
GST refund receivable	23.51	857.40
Export incentive	154.38	154.38
- Loans and advances to employees	1,109.36	290.47
- Prepaid expenses	4,113.26	1,765.90
- Project related advances		
Unsecured, considered good	66,661.15	70,282.07
Doubtful	53.45	24.08
	66,714.60	70,306.15
Less: Provision for doubtful advances	(53.45)	(24.08)
	66,661.15	70,282.07
<b>Total</b>	<b>2,21,264.11</b>	<b>2,34,736.90</b>

#### Notes:

- 13.1 Includes amount paid under protest towards Service tax and Sales Tax of ₹ 2,574.61 (31<sup>st</sup> March 2022: ₹ 2,442.11)

## Notes forming part of consolidated financial statements

for the year ended March 31, 2023

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### 14. Inventories

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Inventories (lower of cost or realisable value)		
Raw materials	83,787.29	77,237.28
Work-in-progress	1,570.34	122.89
Finished goods	-	2.54
Stores and spares	225.42	363.92
<b>Total</b>	<b>85,583.05</b>	<b>77,726.63</b>

### 15. Cash and cash equivalents

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Balances with Banks		
- In current accounts	87,400.60	97,712.49
- In EEFC accounts	11,393.95	8,703.98
Cash on hand	56.87	92.56
Deposits with maturity of less than three months	22,937.98	35,999.76
<b>Total of Cash and cash equivalents (a)</b>	<b>1,21,789.40</b>	<b>1,42,508.79</b>
<b>Other bank balances</b>		
Deposits with maturity of more than 3 months and less than 12 months (refer note 15.1)	9,428.18	6,652.55
<b>Total of other bank balances (b)</b>	<b>9,428.18</b>	<b>6,652.55</b>
Bank Overdrafts (refer note 15.2) (c)	(2,182.44)	(2,179.29)
<b>Cash and cash equivalents as per consolidated statement of cash flows (a)+(c)</b>	<b>1,19,606.96</b>	<b>1,40,329.50</b>

#### Note :

15.1 Deposits with maturity of more than 3 months and less than 12 months includes

- deposits with banks to the extent held as margin money against bank guarantee of ₹ 1,121.14 (31<sup>st</sup> March 2022: ₹ 1,006.70)
- deposits with banks to the extent held as security with third party ₹ 46.73 (31<sup>st</sup> March 2022: ₹ 38.75).

15.2 Bank overdrafts presented separately under current borrowings (refer note no. 21) have been netted off from "cash and cash equivalents" to match with the reconciliation of "cash and cash equivalents as per the consolidated statement of cash flows". Bank overdrafts represents secured amount of ₹ 2,182.44 (31<sup>st</sup> March 2022: secured overdraft of ₹ 2,179.29).

## Notes forming part of consolidated financial statements

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### 16. Equity share capital

	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Number of shares	Amount	Number of shares	Amount
<b>Authorised share capital</b>				
Equity shares of ₹ 5 each (31 <sup>st</sup> March 2022 : ₹ 5 each) with voting rights	30,00,00,000	15,000.00	20,00,00,000	10,000.00
<b>Issued, subscribed and paid-up</b>				
Equity shares of ₹ 5 each (31 <sup>st</sup> March 2022 : ₹ 5 each) with voting rights	16,59,32,550	8,296.63	16,59,32,550	8,296.63
<b>Total</b>	<b>16,59,32,550</b>	<b>8,296.63</b>	<b>16,59,32,550</b>	<b>8,296.63</b>

#### Notes:

#### (i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

##### Equity shares with voting rights

	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	16,59,32,550	8,296.63	20,25,000	2,025.00
Change in par value of share from ₹ 100 per share to ₹ 5 per share (refer note (vi) below)	-	-	3,84,75,000	-
Bonus issue during the year (refer note (vii) below)	-	-	8,10,00,000	4,050.00
Rights issue during the year (refer note (viii) below)	-	-	4,44,32,550	2,221.63
<b>Balance at the end of the year</b>	<b>16,59,32,550</b>	<b>8,296.63</b>	<b>16,59,32,550</b>	<b>8,296.63</b>

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

The Parent Company has only one class of equity shares having a par value of ₹ 5 each per share (31<sup>st</sup> March 2022: ₹ 5 each per share). Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Parent Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. Every holder of equity shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll each share is entitled to one vote.

#### (iii) Shareholders holding more than 5% of the equity shares

	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Number of shares	%	Number of shares	%
<b>Equity shares of ₹ 5 each (as at 31<sup>st</sup> March 2022: ₹ 5) each with voting rights</b>				
The Tata Power Company Limited	7,92,78,886	47.78	7,92,78,886	47.78
Omega TC Holdings Pte Limited	2,93,06,400	17.66	2,93,06,400	17.66
Tata Sons Private Limited	2,31,12,496	13.93	2,31,12,496	13.93
Tata Chemicals Limited	1,58,55,777	9.56	1,58,55,777	9.56
Volta Limited	1,10,62,170	6.67	1,10,62,170	6.67

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### (iv) Aggregate number of shares issued for consideration other than cash

	As at	As at
	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
	Number of shares	Number of shares
Change in number of shares due to change in par value of share from ₹ 100 per share to ₹ 5 per share	-	3,84,75,000
Bonus Issue during the year (refer note (vii) below)	-	8,10,00,000
	-	<b>11,94,75,000</b>

(v) There are no shares reserved for issue under options.

(vi) During the previous year ended 31<sup>st</sup> March 2022 the Parent Company had split the equity shares from ₹ 100 per share to ₹ 5 per share i.e., 20:1 equity shares.

(vii) During the previous year ended 31<sup>st</sup> March 2022 the Parent Company had issued 8,10,00,000 Bonus Shares, having a par value of ₹ 5 each per share, to the then existing shareholders in the ratio of 2:1 by utilising Securities Premium aggregating to ₹ 4,050.

(viii) During the previous year ended 31<sup>st</sup> March 2022 the Parent Company had issued 4,44,32,550 shares amounting ₹ 2,221.63 under Rights issue to then existing shareholders of the company at an issue price of ₹ 270.04 each per share (₹ 265.04 each per share towards securities premium and ₹ 5 each per share towards paid up capital). All the then existing shareholders were offered 3,657 equity shares for every 10,000 shares held by them as a part of the Rights issue.

(ix) None of the Shareholders of Parent Company during the current year and previous year are considered as Promoters of the Parent Company.

### 17. Other equity

	As at	As at
	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Share application money pending allotment	1,50,000.00	-
Equity component of compound financial instruments	19,323.38	2,285.96
Reserves & Surplus		
a) General reserve	29,042.70	29,042.70
b) Securities Premium	1,18,701.53	1,18,701.53
c) Debenture redemption reserve	21,000.00	21,000.00
d) Retained earnings	(66,918.89)	22,172.16
e) Legal reserve	157.07	78.19
Other comprehensive income		
a) Foreign currency translation reserve	359.90	248.87
<b>Total</b>	<b>2,71,665.69</b>	<b>1,93,529.41</b>

#### 17.1 Share application money pending allotment

	Year ended	Year ended
	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
<b>Balance at the beginning of the year</b>	-	-
Add: Share application money received during the year	1,50,000.00	-
<b>Balance at the end of the year</b>	<b>1,50,000.00</b>	-

During the month of March 2023, the Parent Company has offered equity shares under rights issue to the existing shareholders of the Parent Company at an issue price of ₹ 164.16 each per share (₹ 159.16 each per share towards securities premium and ₹ 5 each per share towards paid up capital). The existing shareholders were offered 55,607 equity shares for every 1,00,000 shares held by them as a part of the rights issue. Against this offer, the parent company received ₹ 1,50,000 as share application money from Tata Sons Private Limited.

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### 17.2 Equity component of compound financial instruments

	Year ended 31 <sup>st</sup> March 2023	Year ended 31 <sup>st</sup> March 2022
Balance at the beginning of the year	3,054.79	-
Less: Opening Deferred tax liability on Equity component of compound financial instruments	(768.83)	-
Add: Equity portion of compound financial instruments issued during the year (refer notes below)	22,767.56	3,054.79
Less: Deferred tax liability on Equity component of compound financial instruments issued during the year (refer notes below)	(5,730.14)	(768.83)
<b>Balance at the end of the year</b>	<b>19,323.38</b>	<b>2,285.96</b>

During the previous year ended 31<sup>st</sup> March 2022, the Parent Company issued non convertible debentures aggregating to ₹ 50,000 with a transaction cost of ₹ 700. These debentures were in the nature of a subordinated debt. As per Ind AS, the Parent company determined the liability portion of these debentures i.e, at amortised cost to be ₹ 46,245.21. The difference between the liability portion determined using effective interest method and the issued amount i.e, ₹ 3,054.79 was recognised and included in shareholders' equity, net of income tax effects.

During the current year, the Parent Company issued non convertible debentures aggregating to ₹ 50,000 with a transaction cost of ₹ 302.99. These debentures are in the nature of a subordinated debt. As per Ind AS, the Parent Company determined the liability portion of these debentures i.e, at amortised cost to be ₹ 26,929.45 the difference between the liability portion determined using effective interest method and the issued amount i.e, ₹ 22,767.56 has been recognised and included in shareholders' equity, net of income tax effects.

### 17.3 General reserve

	Year ended 31 <sup>st</sup> March 2023	Year ended 31 <sup>st</sup> March 2022
Balance at the beginning of the year	29,042.70	29,042.70
Movements during the year	-	-
<b>Balance at the end of the year</b>	<b>29,042.70</b>	<b>29,042.70</b>

General reserve represents transfers from retained earnings and is proposed to be used for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

### 17.4 Securities premium

	Year ended 31 <sup>st</sup> March 2023	Year ended 31 <sup>st</sup> March 2022
Balance at the beginning of the year	1,18,701.53	4,987.50
Less:- Utilised for bonus issue (refer note 16(vii))	-	(4,050.00)
Add:- Premium received on rights issue (refer note 16(viii))	-	1,17,764.03
<b>Balance at the end of the year</b>	<b>1,18,701.53</b>	<b>1,18,701.53</b>

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

### 17.5 Debenture redemption reserve

	Year ended 31 <sup>st</sup> March 2023	Year ended 31 <sup>st</sup> March 2022
Balance at the beginning of the year	21,000.00	10,000.00
Appropriations during the year*	-	11,000.00
<b>Balance at the end of the year</b>	<b>21,000.00</b>	<b>21,000.00</b>

\* During the current year, Parent Company has not made any appropriations to Debenture Redemption Reserve account as the same needs to be created out of the profits of the Parent Company which are available for payment of dividend.

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Additionally the Parent company is required to create a Debenture Redemption Reserve on or before 30<sup>th</sup> April 2023 by investing or depositing an amount of ₹ 7,500 which is equivalent to 15% of the amount of the debentures due for redemption during the next year ended 31<sup>st</sup> March 2024. The said amount credited to the Debenture Redemption Reserve shall not be utilised by the Parent company except for the purpose of redemption of debentures. The Parent company intends to invest/deposit the same on or before 30<sup>th</sup> April 2023.

### 17.6 Retained earnings

	Year ended 31 <sup>st</sup> March 2023	Year ended 31 <sup>st</sup> March 2022
Balance at the beginning of the year	22,172.16	93,928.90
Loss attributable to owners of the Parent Company	(85,218.91)	(61,992.76)
<b>Items of other comprehensive income recognised directly in retained earnings</b>		
- Remeasurement of defined benefit plans net of income tax	(738.47)	1,330.78
Repayment of Interest on subordinated non convertible debentures*	(3,054.79)	-
Reversal of balances in reserves on impairment of investments in subsidiaries	-	(67.87)
Transfer to debenture redemption reserve	-	(11,000.00)
Transfer to legal reserve	(78.88)	(26.89)
<b>Balance at the end of the year</b>	<b>(66,918.89)</b>	<b>22,172.16</b>

\*\* This amount represents the interest payment made by the Parent Company relating to subordinated non-convertible debentures wherein the company did not avail the coupon deferral option available to them.

### 17.7 Capital Reserve on consolidation

	Year ended 31 <sup>st</sup> March 2023	Year ended 31 <sup>st</sup> March 2022
Balance at the beginning of the year	-	67.56
Movements during the year	-	(3.96)
Reversal of balances in reserves on impairment of investments in subsidiary	-	(63.60)
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>

### 17.8 Legal Reserve

	Year ended 31 <sup>st</sup> March 2023	Year ended 31 <sup>st</sup> March 2022
Balance at the beginning of the year	78.19	51.30
Movements during the year	78.88	26.89
<b>Balance at the end of the year</b>	<b>157.07</b>	<b>78.19</b>

Legal reserve is created by Industrial Quality Services LLC (Subsidiary) at the rate of 10% of the net profit for the year as required by Article 132 of the Promulgating the Commercial companies law of Oman, 2019. The subsidiary has an option to discontinue such annual transfers when the reserve totals 33.33% of the paid up share capital. The reserve is not available for distribution.

### 17.9 Other reserves -Foreign currency translation reserve

	Year ended 31 <sup>st</sup> March 2023	Year ended 31 <sup>st</sup> March 2022
Balance at the beginning of the year	248.87	(28.18)
Exchange differences arising on translating the foreign operations	111.03	119.48
Reversal of balances in foreign currency translation reserve on impairment of investments in subsidiaries	-	157.57
<b>Balance at the end of the year</b>	<b>359.90</b>	<b>248.87</b>

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Exchange differences relating to the translation of the results and net assets of the group's foreign operations from their functional currencies to the group's presentation currency are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve (in respect of translating both the net assets of foreign operations and hedges of foreign operations) are reclassified to the statement of profit and loss on the disposal of the foreign operation.

### 18. Non-Controlling Interests

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Balance at the beginning of the year	892.43	932.62
Share of loss for the year	(346.49)	(52.96)
Dividend received during the year	(80.04)	-
Effect of exchange fluctuation in opening Non-controlling interest	32.32	11.23
Effect of exchange fluctuation income for the year	8.39	1.54
<b>Balance at the end of the year</b>	<b>506.61</b>	<b>892.43</b>

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership rights and voting rights held by non-controlling interests		Profit / (Loss) allocated to non-controlling interests	
		As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Artson Engineering Limited	India	25%	25%	(587.74)	(125.32)
TPL-TQA Quality Services South Africa (Pty) Limited	South Africa	40%	40%	-	0.05
Industrial Quality Services LLC	Oman	30%	30%	236.68	80.61
TPL-CIL Construction LLP	India	35%	35%	(0.66)	(4.44)
TCC Construction Private Limited	India	63%	63%	5.23	(3.86)
<b>Total</b>				<b>(346.49)</b>	<b>(52.96)</b>

Name of subsidiary	Dividend received		Effect of exchange fluctuation income		Accumulated non-controlling interests	
	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Artson Engineering Limited	-	-	-	-	(129.05)	458.69
TPL-TQA Quality Services South Africa (Pty) Limited	-	-	-	-	-	-
Industrial Quality Services LLC	(80.04)	-	40.71	12.77	587.89	390.54
TPL-CIL Construction LLP	-	-	-	-	19.17	19.83
TCC Construction Private Limited	-	-	-	-	28.60	23.37
<b>Total</b>	<b>(80.04)</b>	<b>-</b>	<b>40.71</b>	<b>12.77</b>	<b>506.61</b>	<b>892.43</b>

## Notes forming part of consolidated financial statements

for the year ended March 31, 2023

All amounts are in ₹ Lakhs unless otherwise stated

### 19. Non-current borrowings

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Debentures (refer note 19(i))	1,24,654.29	1,59,559.49
Less: Current maturities of borrowings disclosed under note 21 (A) (c) - Current borrowings	(49,902.07)	(59,903.53)
	<b>74,752.22</b>	<b>99,655.96</b>
Debentures - Liability component of compound financial instruments (refer note 19(ii))	74,922.89	47,539.81
Less: Current maturities of borrowings disclosed under note 21 (A) (c) - Current borrowings	(47,979.83)	(47,539.81)
	<b>26,943.06</b>	<b>-</b>
	<b>1,01,695.28</b>	<b>99,655.96</b>
<b>Term loan (secured) at amortised cost</b>		
From banks (refer notes 19(v), 19(vi), 19(vii), 19(viii) & 19(ix))	14,897.25	18,776.77
Less: Current maturities of borrowings disclosed under note 21 (B) (b) - Current borrowings	(6,571.59)	(4,318.27)
	<b>8,325.66</b>	<b>14,458.50</b>
Interest accrued but not due on borrowings	1,509.75	2,794.70
<b>Total</b>	<b>1,11,530.69</b>	<b>1,16,909.16</b>

#### Notes:

19.(i) Unsecured, redeemable, non-convertible, fixed rate debentures:

Sl. No.	Series	Face Value per debenture (in ₹)	No. of Debentures	Date of Allotment	As at 31 <sup>st</sup> March 2023 (₹ in Lakhs)	Interest rate for the year 2022-23	Terms of repayment for debentures outstanding as at 31 <sup>st</sup> March 2023
1	I	10,00,000	2,500	06 <sup>th</sup> October 2022	24,832.76	7.99% payable annually	Redeemable at face value on 06 <sup>th</sup> October 2025
2	H	10,00,000	2,500	31 <sup>st</sup> January 2022	24,919.64	6.65% payable annually	Redeemable at face value on 24 <sup>th</sup> January 2025
3	G	10,00,000	2,500	31 <sup>st</sup> January 2022	24,999.82	6.65% payable annually	Redeemable at face value on 18 <sup>th</sup> December 2024
4	E	10,00,000	2,500	14 <sup>th</sup> January 2021	24,909.61	6.25% payable annually	Redeemable at face value on 12 <sup>th</sup> January 2024
5	D	10,00,000	2,500	12 <sup>th</sup> March 2020	24,992.46	8.30% payable annually	Redeemable at face value on 30 <sup>th</sup> August 2023

## Notes forming part of consolidated financial statements

for the year ended March 31, 2023

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### 19.(ii) Terms of Debentures - Liability component of Compound Financial Instruments :

Sl. No.	Series	Face Value per debenture (in ₹)	No. of Debentures	Date of Allotment	Maturities as at 31 <sup>st</sup> March 2023 (refer note under 17.2 & 19(iii))	Interest rate for the year 2022-23	Terms of repayment for debentures outstanding as at 31 <sup>st</sup> March 2023
1	F	10,00,000	5,000	24 <sup>th</sup> November 2021	47,979.83	6.50% payable annually	Redeemable at face value on 24 <sup>th</sup> May 2028
2	J	10,00,000	5,000	22 <sup>nd</sup> December 2022	26,943.06	8.65% payable annually	Redeemable at face value on 22 <sup>nd</sup> December 2028

19.(iii) The Parent Company intends to repay series F debentures before 31<sup>st</sup> March 2024. Hence the same are disclosed under Current borrowings.

19.(iv) Non convertible debentures and the term loans received by the group during the current year and previous year were utilised for the purposes for which they were received. There are no defaults in repayment of borrowings and payment of interest during the current year and previous year.

19.(v) The term loan of Artson Engineering Limited (subsidiary) of ₹1,500 Lakhs availed from DCB Bank by first pari passu charge on movable fixed and current assets of the subsidiary company, both present and future. The loan is repayable in 8 equal quarterly installments commencing from 15<sup>th</sup> month from the date of first disbursement of the facility i.e. 05<sup>th</sup> April 2022 and carries an interest rate of 12 months MCLR. Additionally, the term loan from bank is guaranteed unconditionally with irrevocable corporate guarantee from the Parent Company.

The principal repayment of ₹750 lakhs is due for repayment from 30<sup>th</sup> June 2023 onwards. Hence, ₹750 is disclosed as current maturities of long term borrowing under note 21 B (b).

19.(vi) Ujjwal Pune Limited (subsidiary) has outstanding balance of term loan of ₹ 4,300.00 (31<sup>st</sup> March 2022 : ₹ 5,200.00) taken from the bank for execution of the project, with sanction limit of ₹ 7,750.00. The loan is secured by first and exclusive hypothecation on all existing and future receivables of the subsidiary including the payment reserve account which has been opened with the bank. The loan is repayable by way of quarterly instalments beginning from the 90<sup>th</sup> day from the end of moratorium period of 2 years. The term loan carries an interest rate of prevailing 6 month MCLR+ 25 basis points per annum. Additionally, the loan from bank is guaranteed by the Parent Company. The guarantee against term loan has been returned to the subsidiary after satisfactory completion of the construction period and has been replaced by a revolving corporate guarantee covering the principal and the interest due for the next 6 months.

Out of the total loan, ₹ 1,075.00 (31<sup>st</sup> March 2022: ₹ 900.00) is repayable within the next 12 months. Hence the same has been regrouped to current borrowings as current maturities of long term debt under note 21 B (b).

**Repayment schedule of total loan sanction amount (Ujjwal Pune Limited)-** Quarterly Repayment shall begin from 90<sup>th</sup> day from end of moratorium period of 2 years

Year	Repayment amount
FY 23-24	1,075.00
FY 24-25	1,075.00
FY 25-26	1,075.00
FY 26-27	1,075.00

19.(vii) Ujjwal Pune Limited (subsidiary) has availed additional term loan of ₹ 2,892.00 for working capital purposes. The loan is secured by first and exclusive hypothecation on all existing and future receivables of the company including the payment reserve account which has been opened with the bank.

The loan is repayable by way of quarterly instalments beginning from financial year 2023-24. The term loan carries an interest rate of 7.75% per annum. Additionally, the term loan from bank is guaranteed by the holding company and the guarantee against working capital loan covers principal amount of the entire loan.

Out of the total loan, ₹ 2,169.00 (31<sup>st</sup> March 2022: ₹ Nil) is repayable within the next 12 months. Hence the same has been regrouped to current borrowings as current maturities of long term debt under note 21 B (b).

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### Repayment schedule

Financial Year	Kotak Mahindra Bank
FY 23-24	2,169.00
FY 24-25	723.00

19.(viii) TP Luminaire Private Limited (subsidiary) has availed an additional term loan of ₹ 11,135.47 from Kotak Mahindra bank which has an outstanding balance of ₹ 5,766.49 as at 31<sup>st</sup> March 2023 (31<sup>st</sup> March 2022: ₹ 9,927.34) . The loan is repayable by way of quarterly installments. The loan carries an interest rate of 8.65% and it is secured by (a) First and exclusive hypothecation charge on all existing and future project assets (including current and future project receivables, current assets and other moveable assets / moveable fixed assets) of the subsidiary (b) First and exclusive hypothecation charge over project escrow account and escrow receivables and (c) Corporate guarantee from the Parent Company which covers the principal and the interest due for the next 6 months and is on auto reinstatement basis.

(ii) Out of the total loan, ₹ 2,381.32 (31<sup>st</sup> March 2022: ₹ 2,660.84) is repayable within the next 12 months. Hence the same has been regrouped to Current Borrowings as current maturities of long term debt under note 21 B (b).

### Repayment schedule

Financial Year	Kotak Mahindra Bank
FY 23-24	2,381.32
FY 24-25	2,192.45
FY 25-26	1,085.15
FY 26-27	107.57

19.(ix) TPL-CIL Construction LLP has availed Term Loan Facility under "Commercial Vehicle / Construction Equipment" Scheme from Axis Bank Limited of ₹ 548.00. The loan carries interest rate of 11.00% p.a.

- **Nature of Security:-** Term Loan from Axis Bank Limited has been secured by first charge by way of hypothecation of Equipment financed. In addition, this loan has been guaranteed by the Parent Company and CAPACIT'E Infraprojects Limited, the partners of the entity.

- **Terms of repayment:-** Repayable in 36 equal quarterly instalments.

Out of the total loan, ₹ 182.96 (31<sup>st</sup> March 2022: ₹ NIL) is repayable within the next 12 months. Hence the same has been regrouped to Current Borrowings as current maturities of long term debt under note 21 B (b).

19.(x) With Respect to Series D, Series E, Series G and Series H Non -convertible debenture issued by the Parent company, the Parent company has obtained waiver for testing of the financial covenants i.e. "Net Debts to EBDITA" & "Net Debt to Tangible Network" for the financial year ended 31<sup>st</sup> March 2023. The Debenture Trustee issued waiver letters dated 31<sup>st</sup> March 2023 and 14<sup>th</sup> April 2023.

The Parent Company has complied with the financial covenants for Series I Non -convertible debenture for the current year. Additionally there are no financial covenants for Series F & Series J Non -convertible debentures.

## 20. Provisions

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>Non-current</b>		
Compensated absences	3,664.74	3,667.15
Gratuity	17.74	0.69
Post retirement medical benefits	49.41	55.25
Pension	418.57	451.70
<b>Sub-Total</b>	<b>4,150.46</b>	<b>4,174.79</b>
<b>Current</b>		
Compensated absences	1,181.44	1,128.58
Gratuity	384.53	2,060.87
Post retirement medical benefits	5.00	5.00
Pension	53.89	51.23
Provident Fund	3,955.62	1,704.66
Provision for litigations	2,222.20	-
<b>Sub-Total</b>	<b>7,802.68</b>	<b>4,950.34</b>
<b>Total</b>	<b>11,953.14</b>	<b>9,125.13</b>

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### 21. Current borrowings

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>A. Unsecured - at amortised cost</b>		
a) <b>From banks</b>		
- Working capital demand loans (refer note V(i) below)	50,000.00	50,000.00
b) <b>From others</b>		
- Commercial paper (refer note IV below)	54,331.98	64,307.68
c) Current maturities of long-term debt	97,881.90	1,07,443.34
d) Interest accrued but not due on current borrowings	1,518.24	343.57
<b>B. Secured - at amortised cost</b>		
a) <b>From banks</b>		
- Overdraft facilities (refer note I, II & III below)	2,182.44	2,179.29
- Working capital demand loans (refer note I,II & IV(ii) below)	31,350.00	11,100.00
b) Current maturities of long-term debt	6,571.59	4,318.27
c) Interest accrued but not due on borrowings	162.25	-
<b>Total</b>	<b>2,43,998.40</b>	<b>2,39,692.15</b>

#### Notes :

- (I) Overdraft facilities and Working capital demand loans of the Parent Company are secured by:
- a first charge on the book debts, inventories and other current assets ranking pari-passu.
  - The above first charge does not include an exclusive charge on certain projects specific current assets as referred in point I(a) above which do not rank pari passu, as may be permitted by the Lenders from time to time.
- (II) Overdraft facilities and Working capital demand loans of Artson Engineering Limited (subsidiary) of ₹ 3,532.44 (31<sup>st</sup> March 2022 - ₹ 3,779.29) are secured by pari passu charge on the inventories, trade receivables and other current assets of the subsidiary. The current interest rates charged by banks range from 10% to 10.5% per annum. Additionally, the overdraft facilities and working capital loans aggregating to ₹ 2,543.14 (31<sup>st</sup> March 2022 - ₹ 2,791.63) from banks is guaranteed unconditionally with irrevocable corporate guarantee from the Parent Company.
- Artson Engineering Limited has borrowings from banks which are secured by a charge on the current assets of the subsidiary company.
- (III) Overdraft (OD) in Parent Company with interest rates linked to Base rate/MCLR were availed. The current weighted average effective interest rate on overdrafts is 7.91% p.a. (31<sup>st</sup> March 2022: 7.12% p.a.).
- (IV) Parent Company issued Commercial Paper with variable interest rate. These are repayable with in 12 days to 364 days. The current weighted average effective interest rate on Commercial Paper is 6.31% p.a. (31<sup>st</sup> March 2022: 4.70% p.a.).
- (V) Fixed rate loans in the form of Working Capital Demand Loans (WC DL) were raised for the Parent Company for a tenor of not exceeding 365 days.
- The current weighted average effective interest rate on unsecured working capital demand loans is 6.42% p.a. (31<sup>st</sup> March 2022: 4.84% p.a.).
  - The current weighted average effective interest rate on secured working capital demand loans is 7.61% p.a. (31<sup>st</sup> March 2022: 6.45 % p.a.).
- (VI) Borrowings received by the Group during the current year and previous year were utilised for the purposes for which they were received.
- (VII) There are no defaults in repayment of borrowings and payment of interest by the Group during the current and previous year.

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### Net Debt Reconciliation

This section sets out the changes in liabilities arising from financing activities in the statement of cash flows:

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Opening balance (Current, Non-Current borrowings and lease liabilities):	3,67,038.91	3,11,393.62
Add: Cash inflows	8,90,939.49	9,27,881.48
Less: Cash outflows	(8,78,382.83)	(8,73,881.11)
Add: Movement in lease liabilities (Net)	19,029.43	519.59
Add: Interest expense	36,008.84	35,295.41
Less: Interest paid	(34,565.58)	(34,170.08)
<b>Closing balance</b>	<b>4,00,068.26</b>	<b>3,67,038.91</b>

#### Note:

Bank overdraft balances are not included above as it is considered as cash and cash equivalents.

### 22. Trade payables

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Trade payables		
(a) total outstanding dues of micro and small enterprises*	2,60,287.14	1,22,163.43
(b) total outstanding dues other than (a) above	4,90,391.07	5,34,016.95
<b>Total</b>	<b>7,50,678.21</b>	<b>6,56,180.38</b>

The average credit period ranges from 30 days to 90 days, depending on the nature of the item or work. The work orders include element of retention, which would be payable on completion of a milestone, completion of the contract or after a specified period from completion of the work. The terms also would include back to back arrangement wherein certain amounts are payable on realisation of corresponding amounts by the Group from the customer. No interest is payable for delay in payments, unless otherwise specifically agreed in the order or as required by a legislation, like Micro, Small and Medium Enterprises Development Act ("MSMED Act"). The Group has a well defined process for ensuring regular payments to the vendors.

\* As at 31<sup>st</sup> March 2023, trade payables to micro and small enterprises includes an amount of ₹ 94,514.66 payable to such vendors through A-Treds and RXIL.

#### Trade Payables ageing schedule for the year ended 31<sup>st</sup> March 2023

Particulars	Outstanding for following periods from accounting date						Total
	Unbilled dues	Less than 6 months	6 months - 1 Year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed</b>							
Micro and Small enterprises	10,159.69	1,91,358.59	22,574.37	16,689.27	9,889.85	8,571.25	2,59,243.02
Others	28,319.02	3,01,061.03	47,321.06	39,221.64	23,948.85	48,601.46	4,88,473.06
<b>Disputed</b>							
Micro and Small enterprises	-	223.72	90.91	232.78	152.37	344.34	1,044.12
Others	50.00	-	-	1.82	-	1,866.19	1,918.01
<b>Total</b>	<b>38,528.71</b>	<b>4,92,643.34</b>	<b>69,986.34</b>	<b>56,145.51</b>	<b>33,991.07</b>	<b>59,383.24</b>	<b>7,50,678.21</b>

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### Trade Payables ageing schedule for the year ended 31<sup>st</sup> March 2022

Particulars	Outstanding for following periods from accounting date						Total
	Unbilled dues	Less than 6 months	6 months - 1 Year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed</b>							
Micro and Small enterprises	4,598.99	77,165.52	10,933.37	11,808.34	6,052.13	8,196.18	1,18,754.53
Others	37,158.21	3,54,177.91	30,952.35	27,686.90	25,739.90	56,097.93	5,31,813.20
<b>Disputed</b>							
Micro and Small enterprises	-	2,996.94	68.27	38.16	54.85	250.68	3,408.90
Others	50.00	330.00	9.18	2.16	20.01	1,792.40	2,203.75
<b>Total</b>	<b>41,807.20</b>	<b>4,34,670.37</b>	<b>41,963.17</b>	<b>39,535.56</b>	<b>31,866.89</b>	<b>66,337.19</b>	<b>6,56,180.38</b>

### 23. Lease liabilities

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>Non-Current</b>		
Lease Liabilities	4,755.05	2,648.93
<b>Total</b>	<b>4,755.05</b>	<b>2,648.93</b>
<b>Current</b>		
Lease Liabilities	18,630.73	9,154.22
<b>Total</b>	<b>18,630.73</b>	<b>9,154.22</b>

### 24. Other financial liabilities

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>Current</b>		
a) Interest accrued on mobilisation advance received	7,512.18	7,565.20
b) Payables towards purchase of property, plant and equipment	8,671.93	6,366.82
c) Foreign-exchange forward contracts	1,444.63	-
d) Payables to joint venture partners	1,520.88	-
e) Others	-	31.67
<b>Total</b>	<b>19,149.62</b>	<b>13,963.69</b>

### 25. Other current liabilities

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
(a) Advance billing to customers (refer note 10.3 and 10.4)	1,39,889.40	1,51,024.97
(b) Advances from customers including mobilisation advances (refer note 10.3 and 10.4)	4,20,323.45	3,85,225.34
(c) Employee benefits payable	14,687.38	10,592.42
(d) Others		
i) Other payables		
- Statutory remittances	6,851.52	4,800.10
- Liability towards corporate social responsibility	68.00	108.93
- Security deposits received	59.46	73.05
- Others	230.75	30.35
ii) Provision for future foreseeable losses on contracts	29,007.15	11,584.71
<b>Total</b>	<b>6,11,117.11</b>	<b>5,63,439.87</b>

## Notes forming part of consolidated financial statements

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### 26. Revenue from operations

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
(a) Income from contracts (refer note (i) below)	16,32,451.58	13,19,878.27
(b) Income from services (refer note (ii) below)	51,299.83	41,847.89
(c) Income from sale of goods (refer note (iii) below)	9,215.73	3,475.07
(d) Other operating revenues (refer note (iv) below)	1,794.46	2,735.93
<b>Total</b>	<b>16,94,761.60</b>	<b>13,67,937.16</b>

#### Notes:

**Disaggregate revenue information:** The Company has disaggregated the revenue basis on the nature of work performed.

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
(i) Income from contracts comprises :		
- Supply of contract equipment and materials	3,49,954.87	3,84,048.32
- Civil and erection works	12,78,566.90	9,32,308.90
- Operation and maintenance works	3,929.81	3,521.05
<b>Total</b>	<b>16,32,451.58</b>	<b>13,19,878.27</b>
(ii) Income from services comprises :		
- Quality inspection services	47,934.65	40,501.70
- Fabrication activities	3,365.18	1,346.19
<b>Total</b>	<b>51,299.83</b>	<b>41,847.89</b>
(iii) Income from sale of goods comprises :		
- Sale of BWRO units	233.60	1,933.84
- Sale of fabricated units	8,982.13	1,541.23
<b>Total</b>	<b>9,215.73</b>	<b>3,475.07</b>
(iv) Other operating revenues comprises :		
- Sale of scrap	1,542.26	2,453.46
- Duty drawback	252.20	282.47
<b>Total</b>	<b>1,794.46</b>	<b>2,735.93</b>

**Unsatisfied performance obligation:** Management expects that the transaction price allocated to partially or fully unsatisfied performance obligation of ₹ 52,37,413.53 (31<sup>st</sup> March 2022: ₹ 57,12,173.73) will be recognized as revenue over the project life cycle of those contracts.

Refer note no. 10.4 for Revenue recognized during the year that was included in the contract liabilities.

#### Reconciliation of revenue recognised with contract price:

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Contracted price as at opening of the year	1,28,59,732.27	1,13,37,987.76
Add: New contracts entered during the year	8,94,195.64	15,16,265.65
Add/(Less): Increase due to additional consideration recognised as per contractual terms/(decrease) due to scope reduction (net)	1,22,408.85	5,478.86
<b>Contracted price as at end of the year</b>	<b>1,38,76,336.76</b>	<b>1,28,59,732.27</b>

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	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Revenue recognised during the year	16,94,761.60	13,67,937.16
Revenue recognised upto previous year (from the contracts pending for completion at the end of the year)	69,44,161.63	57,79,621.38
Balance revenue to be recognised in future i.e, unsatisfied performance obligation	52,37,413.53	57,12,173.73
<b>Contracted price as at end of the year</b>	<b>1,38,76,336.76</b>	<b>1,28,59,732.27</b>

### Critical estimates while determining the Income from contracts

- Estimated Total Costs – Management determines the estimated total costs for the project, which is used to determine the stage of completion of the contract. These estimates may depend on the outcome of future events and may need to be reassessed at the end of each reporting period.
- Contract Price - The contract prices are usually fixed, but they also include an element of variable consideration, including variations and claims net of assessed value of liquidated damages. Variable consideration is recognized when its recovery is assessed to be highly probable.
- Others - Additional estimates are involved with respect to service concession agreements in two subsidiaries of the Parent Company - Ujjwal Pune Limited and TP Luminaire Private Limited, for the estimation of interest income considering the discount rate on the financial asset which is based on the projected cash flows of the individual projects over the concession period.

Refer note 3.5 for the accounting policy on Revenue from Construction activities.

### 27. Other income

#### (a) Interest income from financial assets carried at amortised cost

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Bank deposits	1,089.01	344.73
Other financial assets (refer note (i) and (ii) below)	5,865.46	2,970.76
	<b>6,954.47</b>	<b>3,315.49</b>

#### Notes:

- Includes interest income recognized due to change in repayment terms of compound financial instruments amounting to ₹ 3,098.16 (31<sup>st</sup> March 2022: Nil). During the previous year ended 31<sup>st</sup> March 2022 the Parent Company had intended to repay the Series F sub-ordinated non convertible debentures before 31<sup>st</sup> March 2023 and accordingly disclosed the equity portion of these debentures under Other equity - Equity component of compound financial instruments. However, during the current year the Parent Company has reassessed the expected repayment date and it is currently intending to make the payment before 31<sup>st</sup> March 2024. Hence as per the requirements of Ind AS 109 the difference between the carrying amount of the Non convertible debenture - ₹ 50,000.00 and the liability portion of these debentures i.e, at amortised cost - ₹ 46,945.20 was taken to other income.
- Includes interest income pertaining to service concession agreements in subsidiaries amounting to ₹ 2,494.65 (31<sup>st</sup> March 2022: 2,586.17).

#### (b) Dividend income

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Dividends from equity instruments	81.34	-
	<b>81.34</b>	<b>-</b>

## Notes forming part of consolidated financial statements

for the year ended March 31, 2023

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### (c) Other non-operating income (net of expenses directly attributable to such income)

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Interest on mobilisation advances given	220.82	500.39
Interest income from statutory authorities	964.98	225.06
Hire charges	55.14	140.41
Liabilities/provisions no longer required written back	549.28	2,180.15
Miscellaneous Income	605.45	1,588.48
	<b>2,395.67</b>	<b>4,634.49</b>
<b>Total</b>	<b>9,431.48</b>	<b>7,949.98</b>

### 28. Contract execution expenses

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
(a) Cost of supplies/erection and civil works*	14,80,819.24	11,97,696.89
(b) Engineering fees	37,182.62	21,015.36
(c) Insurance premium	9,690.88	6,902.06
(d) Bank guarantee and letter of credit charges	10,125.80	9,119.60
<b>Total</b>	<b>15,37,818.54</b>	<b>12,34,733.91</b>

\* Raw materials consumption is being considered under cost of supplies/erection and civil works.

### 29. Changes in inventories of finished goods and work-in-progress

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
<b>Inventories at the end of the year</b>		
Finished goods	-	2.54
Work-in-progress	1,570.34	122.89
	<b>1,570.34</b>	<b>125.43</b>
<b>Inventories at the beginning of the year</b>		
Finished goods	2.54	2.54
Work-in-progress	122.89	497.14
	<b>125.43</b>	<b>499.68</b>
<b>Net (increase)/decrease</b>	<b>(1,444.91)</b>	<b>374.25</b>

### 30. Employee benefits expense

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
(a) Salaries and wages	91,468.75	79,166.90
(b) Contribution to provident fund (refer note 35.08)	4,572.89	4,165.89
(c) Post-employment pension benefits (refer note 35.08)	31.98	32.41
(d) Gratuity (refer note 35.08)	1,610.96	1,274.84
(e) Superannuation (refer note 35.08)	567.74	595.71
(f) Leave compensation (refer note 35.08)	1,635.48	1,506.99
(g) Post-employment medical benefits (refer note 35.08)	3.87	3.92
(h) Staff welfare expenses	3,225.49	2,735.77
<b>Total</b>	<b>1,03,117.16</b>	<b>89,482.43</b>

## Notes forming part of consolidated financial statements

for the year ended March 31, 2023

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### 31. Finance costs

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Interest expense on		
(i) Working capital demand loans and commercial papers	12,550.18	9,625.00
(ii) Bank overdrafts and loans	1,975.70	2,332.92
(iii) Debentures	14,658.52	16,392.70
(iv) Mobilisation advance received	13,049.86	14,359.78
(v) Delayed payment of income tax	49.48	86.72
(vi) Lease Liabilities	1,391.48	1,313.27
Other borrowing costs (refer note below)	5,960.75	6,577.49
<b>Total</b>	<b>49,635.97</b>	<b>50,687.88</b>

#### Notes

Other borrowing costs includes Interest on MSME payables, Interest on LCs and Interest on Vendor payables.

### 32. Depreciation, amortisation and impairment expense

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
(i) Depreciation of property, plant and equipment (refer note 4)	11,956.75	10,652.95
(ii) Amortisation of intangible assets (refer note 6(a))	977.27	1,127.54
(iii) Impairment charge (refer note 6(a))	328.09	-
(iv) Depreciation of Right-of-use assets (refer note 6(b))	7,418.61	9,920.64
<b>Total</b>	<b>20,680.72</b>	<b>21,701.13</b>

### 33. Other expenses

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Rent	10,957.18	8,113.34
Repairs and maintenance		
- Building	43.30	90.79
- Machinery	1,534.14	1,692.78
- Others	5,199.33	3,670.09
Power, fuel and utility expenses	9,834.70	6,745.45
Rates and taxes	1,255.40	1,344.00
Insurance	220.98	440.40
Motor vehicle expenses	9,294.38	6,282.44
Travelling and conveyance	5,616.93	2,916.70
Legal and professional	9,170.67	9,696.41
Payment to auditors	163.35	183.03
Communication expenses	1,324.91	1,230.75
Printing and stationery	668.97	576.79
Staff recruitment and training expenses	1,156.30	565.64
Business development expenditure	253.37	280.18
Bank charges	1,443.60	776.66
Freight and handling charges	516.96	321.73
Provision for diminution in the value of investments	657.19	80.84
Bad debts	341.83	-
Expected credit loss allowance	16,969.15	5,428.15

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for the year ended March 31, 2023

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	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Provision for Onerous contracts	64.04	-
Advances written off	389.10	17.64
Provision for doubtful deposits and advances	5,467.16	-
Provision for litigations	2,222.20	-
Loss on disposal of property, plant and equipment	445.70	206.42
Net foreign exchange loss	2,763.18	515.37
Contribution towards Corporate social responsibility	604.00	524.32
Miscellaneous expenses	3,951.26	2,289.14
<b>Total</b>	<b>92,529.28</b>	<b>53,989.06</b>

### 34. Tax expense

#### 34.1 Income taxes recognised in statement of profit and loss

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
<b>Current tax</b>		
Current tax	7,510.03	4,517.55
Adjustments for current tax of prior periods	(694.96)	(1,578.79)
	<b>6,815.07</b>	<b>2,938.76</b>
<b>Deferred tax</b>		
Decrease/(increase) in deferred tax assets	(19,328.62)	(16,121.92)
	<b>(19,328.62)</b>	<b>(16,121.92)</b>
<b>Total income tax expense</b>	<b>(12,513.55)</b>	<b>(13,183.16)</b>

#### 34.2 The income tax expense for the year can be reconciled to the accounting profit as follows:

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
<b>Loss before tax</b>	<b>(98,078.95)</b>	<b>(75,229.28)</b>
Income tax expense calculated*	(24,684.51)	(18,933.70)
Effect of expenses that are not deductible in determining taxable profit	1,885.34	487.31
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	7,547.48	4,206.36
Effect of differential tax rates on income relating to jointly controlled operations and subsidiaries	2,450.34	2,100.92
Effect of different tax rates of subsidiaries operating in other jurisdictions	(288.94)	(75.58)
Effect of deferred tax on undistributed profits in subsidiaries	163.46	48.51
Effect of expenses for which no deferred income tax was recognised	1,093.12	652.71
Effect of reversal of earlier years tax provisions	(694.96)	(1,578.79)
Others	15.12	(90.90)
<b>Income tax expense recognised in condensed consolidated statement of profit and loss (relating to continuing operations)</b>	<b>(12,513.55)</b>	<b>(13,183.16)</b>

\* The tax rate used for the years 2022-2023 and 2021-2022 reconciliations above is the corporate tax rate of 25.168 % (including surcharge and education cess) payable by corporate entities in India on taxable profits under the Indian tax law.

## Notes forming part of consolidated financial statements

for the year ended March 31, 2023

All amounts are in ₹ Lakhs unless otherwise stated

### 34.3 Income tax recognised in other comprehensive income

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
<b>Current tax</b>		
Remeasurements of defined benefit plans	-	146.51
<b>Deferred tax</b>		
Remeasurements of defined benefit plans	262.22	(596.06)
<b>Total income tax recognised in other comprehensive income</b>	<b>262.22</b>	<b>(449.55)</b>

### 35. Additional information to the consolidated financial statements

#### 35.01 Contingent liabilities and commitments (to the extent not provided for)

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>(i) Contingent liabilities:</b>		
Claims against the Group not acknowledged as debts		
Matters under dispute:		
Sales tax / VAT	4,319.32	6,192.39
Service tax	814.23	814.23
Goods and Service Tax	185.99	-
Income tax	14,959.62	9,378.34
Property tax	3,007.88	1,988.66
Third party claims from disputes relating to contracts	23,478.34	31,341.47

Future cash outflows in respect of the matters in (a) above are determinable only on receipt of judgements/decisions pending at various forums/authorities.

Performance and Advance bank guarantees (net) issued by banks on behalf of the Group not considered as contingent liabilities - ₹ 10,02,164.43 (31<sup>st</sup> March 2022 - ₹ 10,27,019.64).

#### (ii) Commitments

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for [net of advance ₹ 424.33 (31 <sup>st</sup> March 2022 : ₹ 133.46)]	3,904.27	34,443.43

35.02 Based on favourable orders received by the Group in similar cases for other years, external/internal legal counsel's assessment of the merits in the disputes or claims raised by third parties, as applicable, the group assessed the probability of the demands/claims to be remote in the following matters and accordingly provision in the books of accounts/disclosure as contingent liabilities is not considered required:

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Service tax	63,162.73	63,162.73
Third party claims from disputes relating to contracts	4,36,806.29	7,23,997.86

35.03 Estimates relating to total budgeted cost in relation to construction contracts are continuously evaluated based on expectations of future events and based on historical experience. There has been cost revisions in the current year on account of change in raw material prices and design changes. The Statement of Profit and Loss for the year includes charge (net) aggregating ₹ 1,23,657.08 [31<sup>st</sup> March 2022 : ₹ 95,264.84 - charge (net)] on account of changes in estimates.

## Notes forming part of consolidated financial statements

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### 35.04 Segment Information

The Group broadly has two segments of operations - EPC and Services. The EPC business is further subdivided into Energy & Industrial System and Urban Infrastructure and provides end to end project implementation services in these Strategic Business Groups. The projects are executed both in India and abroad. Based on the "Management Approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Group's performance and allocates resources based on the analysis of various performance indicators by business segments and geographic segments. Accordingly, information has been presented both along business segments and geographic segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant accounting policies.

Accordingly the business segments of the group are:

- (i) EPC
- (ii) Services

and geographic segments of the group are:

- (i) Domestic
- (ii) Overseas

Reporting for business segment is on the following basis:

Revenue relating to individual segment is recorded in accordance with accounting policies followed by the Group. All expenditure, which is directly attributable to a project, is charged to the project and included in the respective segment to which the project is related. The costs which cannot be reasonably attributable to any project and are in the nature of general administrative overheads are shown as unallocable expenses.

The accounting policies of the reportable segments are the same as the group's accounting policies described in note 3.16. Segment profit represents the profit before tax earned by each segment without allocation of central administration costs and directors' salaries, share of profit of joint ventures, other income, as well as finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

For the purpose of monitoring segment performance and allocating resources between segments:

Property, plant and equipment employed in the specific project are allocated to the segment to which the project relates. The depreciation on the corresponding assets is charged to respective segments.

All other assets are allocated to reportable segments other than investments in associates, investments in joint ventures, other investments, loans, and current and deferred tax assets.

All liabilities are allocated to reportable segments other than borrowings, current and deferred tax liabilities.

#### (i) Segment revenues and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment

	Segment Revenue		Segment profit	
	Year ended 31 <sup>st</sup> March 2023	Year ended 31 <sup>st</sup> March 2022	Year ended 31 <sup>st</sup> March 2023	Year ended 31 <sup>st</sup> March 2022
Engineering, Procurement and Construction (EPC)	16,46,593.35	13,25,501.66	(34,129.84)	(11,996.89)
Services	50,207.40	44,874.88	(3,575.08)	(743.86)
Less : Inter segment revenue-Services	(2,039.15)	(2,439.38)	-	-
<b>Total</b>	<b>16,94,761.60</b>	<b>13,67,937.16</b>	<b>(37,704.92)</b>	<b>(12,740.75)</b>
Other income			9,431.48	7,949.98
Unallocable expenses (net)			(20,169.54)	(19,750.63)
Finance costs			(49,635.97)	(50,687.88)
<b>Total</b>			<b>(98,078.95)</b>	<b>(75,229.28)</b>

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(ii) Segment assets and liabilities

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>Segment Assets</b>		
Engineering, Procurement and Construction	18,67,842.99	16,11,951.79
Services	26,036.90	29,802.17
<b>Total segment assets</b>	<b>18,93,879.89</b>	<b>16,41,753.96</b>
Unallocated	1,61,382.28	1,75,257.28
<b>Total</b>	<b>20,55,262.17</b>	<b>18,17,011.24</b>
<b>Segment Liabilities</b>		
Engineering, Procurement and Construction	13,95,816.87	12,51,512.22
Services	8,266.56	3,490.02
<b>Total segment liabilities</b>	<b>14,04,083.43</b>	<b>12,55,002.24</b>
Unallocated	3,70,709.81	3,59,290.53
<b>Total</b>	<b>17,74,793.24</b>	<b>16,14,292.77</b>

(iii) Other segment information

	Depreciation and amortisation		Additions to non-current assets*	
	Year ended 31 <sup>st</sup> March 2023	Year ended 31 <sup>st</sup> March 2022	Year ended 31 <sup>st</sup> March 2023	Year ended 31 <sup>st</sup> March 2022
Engineering, Procurement and Construction	16,532.75	17,603.86	40,224.98	23,692.45
Services	140.72	173.11	2.04	15.81
<b>Total</b>	<b>16,673.47</b>	<b>17,776.97</b>	<b>40,227.02</b>	<b>23,708.26</b>
Unallocated	4,007.25	3,924.16	15,772.71	5,030.40
<b>Total</b>	<b>20,680.72</b>	<b>21,701.13</b>	<b>55,999.73</b>	<b>28,738.66</b>

\* Additions to non-current assets include property, plant and equipment, capital work in progress, intangible assets and intangible assets under development and ROU assets and capital advance and other assets.

(iv) Geographical information

The Group is executing projects across multiple geographies with India being country of domicile. The details of revenue and non-current assets are as follows:

	Revenue from external customers		Non-current assets*	
	Year ended 31 <sup>st</sup> March 2023	Year ended 31 <sup>st</sup> March 2022	Year ended 31 <sup>st</sup> March 2023	Year ended 31 <sup>st</sup> March 2022
India	15,62,371.64	13,23,250.04	1,28,752.21	1,10,397.00
Asia other than India	41,822.87	8,598.64	529.99	47.24
Middle East	7,594.46	10,426.26	58.50	75.54
Africa	82,456.72	24,842.17	1,465.84	343.24
Other regions	515.91	820.05	-	-
<b>Total</b>	<b>16,94,761.60</b>	<b>13,67,937.16</b>	<b>1,30,806.54</b>	<b>1,10,863.02</b>

\* Non-current assets other than financial assets and deferred tax assets.

(v) Revenue from major customers (generally more than 10% of turnover)

	Year ended 31 <sup>st</sup> March 2023	Year ended 31 <sup>st</sup> March 2022
HPCL Rajasthan Refinery Limited (during the current year turnover was less than 10%)	1,26,637.74	1,74,240.96

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35.05 Financial Instruments

(i) Capital Management

The Group's business model is working capital centric. The Group manages its working capital needs and long term capital expenditure, through a balanced mix of capital (including retained earnings), short term debt and long term debt.

The capital structure of the Group comprises of net debt (borrowings reduced by cash and bank balances) and equity.

The Group is not subject to any externally imposed capital requirements.

The Group reviews its capital requirements on an annual basis, in the form of Annual Operating Plan (AOP). The AOP of the Group aggregates the capital required for execution of projects identified and the financing mechanism of such requirements is determined as part of AOP. The Group budgeted the gearing ratio for the year 2022-23 at about 123%. The gearing ratio as at 31<sup>st</sup> March 2023 was 86% (31<sup>st</sup> March 2022 : 104%).

(ii) Gearing Ratio

The gearing ratio at the end of the reporting period was as follows:

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Total Borrowings (Current and Non-Current)	3,55,529.09	3,56,601.31
Less: Cash and bank balances (Cash and cash equivalents and other bank balances)	1,31,217.58	1,49,161.34
<b>Adjusted net debt</b>	<b>2,24,311.51</b>	<b>2,07,439.97</b>
<b>Total Equity (Equity share capital + Other equity - Equity component of compound financial instruments)</b>	<b>2,60,638.94</b>	<b>1,99,540.08</b>
<b>Adjusted net debt to adjusted equity ratio</b>	<b>86%</b>	<b>104%</b>

(iii) Categories of Financial instruments

a) Financial Assets

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>Non-current</b>		
Other investments	-	592.47
Trade receivables	564.40	3,115.08
Other financial assets	12,929.70	14,849.69
<b>Current</b>		
Investments	5,000.00	20,002.46
Trade receivables	6,46,847.89	6,12,897.98
Cash and cash equivalents	1,21,789.40	1,42,508.79
Bank balances other than those mentioned above	9,428.18	6,652.55
Other financial assets	7,81,281.19	5,68,109.30
<b>Total</b>	<b>15,77,840.76</b>	<b>13,68,728.32</b>

b) Financial Liabilities

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>Financial liabilities</b>		
<b>Non-current</b>		
Borrowings	1,11,530.69	1,16,909.16
Lease liabilities	4,755.05	2,648.93
<b>Current</b>		
Borrowings	2,43,998.40	2,39,692.15
Trade payables	7,50,678.21	6,56,180.38
Lease liabilities	18,630.73	9,154.22
Other financial liabilities	19,149.62	13,963.69
<b>Total</b>	<b>11,48,742.70</b>	<b>10,38,548.53</b>

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### (iv) Financial Risk Management Objectives

The Group's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate and other price risk), credit risk and liquidity risk.

The Group seeks to minimise the effects of these risks by using forward foreign exchange contracts to manage its foreign currency risk exposures. The use of forward foreign exchange contracts is governed by the Group's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial instruments and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a periodic basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Corporate treasury function reports monthly to the CFO/Head - Finance & Accounts and quarterly to the Board of Directors, who monitor risks and policies implemented to mitigate risk exposures.

### (v) Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group enters into forward foreign exchange contracts to manage its exposure to foreign currency risk and using a mix of various borrowing facilities available to the company to manage its interest rate risk. Forward foreign exchange contracts are entered into to manage the exchange rate risk arising on the import of goods and services overseas.

### (vi) Foreign Currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	Currency	Liabilities		Assets	
		As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
United Arab Emirates	AED	2,921.78	3,287.57	9,852.34	11,748.75
Kenyan Shilling	KES	22.18	23.56	27.43	29.21
South Korean Won	KRW	-	-	41.49	50.58
Euro	EUR	5,387.51	3,652.67	1,940.98	1,488.92
South African Rand	ZAR	-	0.41	-	0.31
Saudi Riyal	SAR	1.29	1.20	-	-
US Dollar	USD	25,354.28	21,437.95	83,420.24	37,469.21
Ethiopian Birr	ETB	633.71	262.77	2,831.49	1,616.04
Chinese Yuan Renminbi	CNY	28.40	42.64	1,564.52	1,341.88
Thai Baht	THB	58.26	143.26	1,920.94	1,819.48
Nepalese Rupee	NPR	1,911.41	1,533.41	3,506.44	3,409.74
Japanese Yen	JPY	812.81	685.70	3,124.50	2,174.87
Great Britain Pound	GBP	187.19	273.36	-	-
Canadian Dollar	CAD	14.36	440.83	-	-
SEK	SGD	0.57	0.52	-	-
Sierra Leonean Leone	SLL	23.86	41.67	8.37	16.77
West African CFA franc	XOF	1,524.35	117.64	1,266.05	5,906.39
Bangladeshi Taka	BDT	1,102.08	156.11	611.58	15.65
Tanzanian Shilling	TZS	1,313.02	-	2,692.17	35.91
Omani Rial	OMR	26.35	19.83	2,430.40	1,701.56
Kuwait Dinar	KWD	-	-	0.09	0.21

## Notes forming part of consolidated financial statements

for the year ended March 31, 2023

All amounts are in ₹ Lakhs unless otherwise stated

### (vii) Foreign currency sensitivity analysis

The above exposures when subjected to a sensitivity of 5% have the following impact:

Particulars	Currency	Impact on loss before tax with increase in rate by 5%*		Impact on loss before tax with decrease in rate by 5%*	
		As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
United Arab Emirates	AED	346.53	423.06	(346.53)	(423.06)
Kenyan Shilling	KES	0.26	0.28	(0.26)	(0.28)
South Korean Won	KRW	2.07	2.53	(2.07)	(2.53)
Euro	EUR	(172.33)	(108.19)	172.33	108.19
South African Rand	ZAR	-	(0.01)	-	0.01
Saudi Riyal	SAR	(0.06)	(0.06)	0.06	0.06
US Dollar	USD	2,903.30	801.56	(2,903.30)	(801.56)
Ethiopian Birr	ETB	109.89	67.66	(109.89)	(67.66)
Chinese Yuan Renminbi	CNY	76.81	64.96	(76.81)	(64.96)
Thai Baht	THB	93.13	83.81	(93.13)	(83.81)
Nepalese Rupee	NPR	79.75	93.82	(79.75)	(93.82)
Japanese Yen	JPY	115.58	74.46	(115.58)	(74.46)
Great Britain Pound	GBP	(9.36)	(13.67)	9.36	13.67
Canadian Dollar	CAD	(0.72)	(22.04)	0.72	22.04
Singapore Dollar	SGD	(0.03)	(0.03)	0.03	0.03
Sierra Leonean Leone	SLL	(0.77)	(1.25)	0.77	1.25
West African CFA franc	XOF	(12.92)	289.44	12.92	(289.44)
Bangladeshi Taka	BDT	(24.53)	(7.02)	24.53	7.02
Tanzanian Shilling	TZS	68.96	1.80	(68.96)	(1.80)
Omani Rial	OMR	120.20	84.09	(120.20)	(84.09)
Kuwait Dinar	KWD	-	0.01	-	(0.01)

\*Holding all other variables constant. Negative amounts represents increase in loss after tax.

### (viii) Forward Foreign Exchange contracts

The following table details the Group's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted contractual net outflows on derivative instruments that settle on a net basis.

Particulars	Less than 1 month	1-3 months	3 months to 1 year	More than 1 year
<b>31<sup>st</sup> March 2023</b>				
Foreign exchange forward contracts (Payable)	1,980.88	484.84	7,389.17	-
Foreign exchange forward contracts (Receivable)	-	8,737.13	46,951.68	22,120.32
<b>31<sup>st</sup> March 2022</b>				
Foreign exchange forward contracts (Payable)	-	8,022.00	13,954.00	-
Foreign exchange forward contracts (Receivable)	-	40,510.00	24,948.00	43,214.00

### (ix) Interest rate risk management

The Group is exposed to interest rate risk because of its borrowing at both fixed and floating interest rates. The risk is managed by the Group by maintaining appropriate mix between fixed and floating rate borrowings. Group regularly manages between conventional working capital borrowings and Commercial Paper, thus managing the interest cost. The borrowing facilities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective borrowing strategies are applied.

## Notes forming part of consolidated financial statements

for the year ended March 31, 2023

All amounts are in ₹ Lakhs unless otherwise stated

(x) Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates with respect to the borrowings at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. The Group does not use any derivative instruments to manage its interest rate risk.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's:

- a) Loss for the year ended 31<sup>st</sup> March 2023 would increase/decrease by ₹ 1,473.76 (Loss for the year ended 31<sup>st</sup> March 2022: increase/decrease by ₹ 1,417.53). This is mainly attributable to Company's exposure to interest rates on its variable rate borrowings; and
- b) There being no debt instrument passing through FVTOCI, there would not be any impact of such change in interest rate, on OCI."

The Group's sensitivity to interest rates has increased during the current year mainly due to the structure financial products negotiated by the Group with the lenders and also due to the increase in the prime lending rates of the lenders in general.

(xi) Other price risks

Parent Company's investments in equity instruments are restricted to its investment in its subsidiaries and associates which are held for strategic purposes rather than for trading. The Parent Company, as on the reporting date of 31<sup>st</sup> March 2023 has nine subsidiaries and one associate, which include companies incorporated in India and abroad. All the subsidiaries are closely held companies and unlisted, except Artson Engineering Limited, which is listed on BSE in which Company holds 75% of the stake. However the purpose of all such investments being strategic rather than for trading, as mentioned above, the Parent Company does not recognise any impact of sensitivity in the equity prices.

(xii) Other risks - Borrowings

The Parent Company's terms for borrowing facilities includes various covenants including financial covenants. Under the terms of the major borrowing facilities, the Parent Company is required to comply with the financial covenants around Net Debt to EBITDA and Net Debt to Tangible Net worth. The Parent Company periodically reviews the status of compliance with the various covenants and if required, obtains the waivers for compliance with these covenants for a particular period from the lenders.

Refer to note no 18(v) for the status of compliance with various covenants by the Parent Company during the current year.

(xiii) Credit Risk Management

The credit risk to the group arises from the following sources:

- a) Customers, who default on their contractual obligations, thus resulting in financial loss to the Group - Trade receivables, Unbilled revenue & Contractual reimbursable expenses disclosed under Other financial assets.
- b) Non certification by the customers, either in part or in full, the works billed as per the contract, being non claimable cost as per the terms of the contract with the customer - Trade receivables, Unbilled revenue & Contractual reimbursable expenses disclosed under Other financial assets.
- c) Investments in Subsidiaries, Associates or Jointly controlled operations and on whose behalf, the Parent Company has provided guarantees, both bank and corporate, in the event of invocation of such guarantees by the beneficiaries
- d) Credit risk relating to Cash and cash equivalents, Other Bank balances and Other financial assets (other than those included above).

## Notes forming part of consolidated financial statements

for the year ended March 31, 2023

All amounts are in ₹ Lakhs unless otherwise stated

a) **Customers:**

Group evaluates the credentials of a customer at a very early stage of the bid. Group has adopted a policy of verification before participating for any bid. The verification process includes verification of customer credentials. The Group, as part of verification of the customer credentials, ensures the compliance with the following criterion,

- (i) Customer's financial health by examining the audited financial statements
- (ii) Whether the Customer has achieved the financial closure for the work for which the company is bidding
- (iii) Where the customer is a private entity, the rating of the customer by a reputed agency.
- (iv) Brand and market reputation of the customer
- (v) Details of other contractors working with the customer
- (vi) Where the customer is Public Sector Undertaking, sanction and availability of adequate financial resources for the proposed work.

Group makes provision on it's financial assets, on every reporting period, as per Expected Credit Loss Method. The provision is made separately for each financial assets of each business line. The percentage at which the provision is made, is determined on the basis of historical experience of such provisions, modified to the current and prospective business and customer profile.

Trade receivables consist of large number of customers, spread across diverse industries and geographical areas. Majority of the customers of the Group comprise of Public Sector Undertakings, with whom the Group does not perceive any credit risk. As regards the customers from private sector, Group carries out financial evaluation on regular basis and provides for any amount perceived as non realisable, in the books of accounts.

b) **Non certification of works billed:**

The Group has contract claims from customers including costs on account of delays / changes in scope / design by them etc. which are at various stages of discussions / negotiations or under arbitrations. The realisability of these claims are estimated based on contractual terms, historical experience with similar claims as well as opinions/views obtained from internal and external experts, wherever necessary. Changes in facts of the case or the legal framework may impact realisability of these claims.

c) **Investments and Guarantees:**

In addition to investments in subsidiaries and jointly controlled operations, Parent Company provides guarantees, both from its line of credit and as a corporate, on behalf of it's subsidiaries and jointly controlled operations. These guarantees are provided to customers of the said entities. Parent Company does not perceive any credit risk in respect of any of such guarantees issued. The purpose of all investments and guarantees are strategic rather than for trading. Hence the Parent company periodically reviews the financial performance of the subsidiaries and jointly controlled operations, other indicators and considers the inputs such as future business plans etc., to assess if there is a need to create an impairment provision for these investments.

d) **Cash and cash equivalents, other bank balances and other financial assets:**

For balances with banks and financial institutions, the Group maintains balances with only highly rated and reputed entities. Hence they do not perceive any credit risks for these balances.

For all other asset balances, the Group periodically assess the credit risk for these balances by assessing for any indicators and assessing the credit quality of the parties from whom the balances are due.

## Notes forming part of consolidated financial statements

for the year ended March 31, 2023

All amounts are in ₹ Lakhs unless otherwise stated

Expected credit loss allowance on financial assets

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>Non-Current</b>		
Trade Receivables	1.24	93.14
Construction revenue receivable	52.64	66.17
<b>Current</b>		
Trade Receivables	34,360.58	19,479.21
Construction revenue receivable	1.88	15.75
Unbilled revenue	4,669.71	2,701.94
Contractual reimbursable expenses	282.10	42.81
Insurance and other claims receivables	0.25	0.23

Expected credit loss allowance of trade receivables for year ended 31<sup>st</sup> March 2023

Ageing	Gross carrying amount	Expected credit loss allowance	Carrying amount of trade receivables net of expected credit loss
Not due	4,19,968.27	2,046.74	4,17,921.53
Less than 6 months	1,13,149.82	830.72	1,12,319.10
6 months - 1 year	42,284.11	200.01	42,084.10
1 - 2 years	36,083.16	441.13	35,642.03
2 - 3 years	32,506.93	6,041.31	26,465.62
More than 3 years	37,781.82	24,801.91	12,979.91
<b>Total</b>	<b>6,81,774.11</b>	<b>34,361.82</b>	<b>6,47,412.29</b>

Expected credit loss allowance of trade receivables for year ended 31<sup>st</sup> March 2022

Ageing	Gross carrying amount	Expected credit loss allowance	Carrying amount of trade receivables (net of expected credit loss allowance)
Not due	4,41,479.01	1,663.82	4,39,815.19
Less than 6 months	83,277.28	469.35	82,807.93
6 months - 1 year	32,308.52	225.50	32,083.02
1 - 2 years	33,094.32	190.77	32,903.55
2 - 3 years	32,408.76	7,810.99	24,597.77
More than 3 years	13,017.52	9,211.93	3,805.59
<b>Total</b>	<b>6,35,585.41</b>	<b>19,572.36</b>	<b>6,16,013.05</b>

#### (xiv) Liquidity Risk Management

Company being an EPC contractor, has a constant liquidity pressures to meet the project requirements. These requirements are met by a balanced mix of borrowings and project cash flows. Cash flow forecast is made for all projects on monthly basis and the same are tracked for actual performance on daily basis. Shortfall in cash flows are matched through short term borrowings and other strategic financing means. The daily project requirements are met by allocating the daily aggregated cash flows among the projects. Company has established practice of prioritising the site level payments and regulatory payments above other requirements

#### Liquidity Risk:

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding to meet obligations when due. Company's treasury maintains flexibility in funding by maintaining availability under deposits in banks, adequate limits in the current accounts etc.

## Notes forming part of consolidated financial statements

for the year ended March 31, 2023

All amounts are in ₹ Lakhs unless otherwise stated

(i) Contractual maturities of financial liabilities:

	As at 31 <sup>st</sup> March 2023			
	Less than 6 months	6 - 12 months	More than 12 months	Total
<b>Non-Current</b>				
Borrowings	-	1,509.75	1,10,020.94	1,11,530.69
Lease Liabilities	-	-	4,755.05	4,755.05
<b>Current</b>				
Borrowings	1,54,999.70	88,998.70	-	2,43,998.40
Trade payables	4,87,544.91	1,26,038.00	1,37,095.30	7,50,678.21
Lease Liabilities	5,229.57	4,194.47	9,206.69	18,630.73
Other Financial liabilities	4,973.13	13,907.43	269.06	19,149.62

	As at 31 <sup>st</sup> March 2022			
	Less than 6 months	6 - 12 months	More than 12 months	Total
<b>Non-Current</b>				
Borrowings	-	2,670.14	1,14,239.02	1,16,909.16
Lease Liabilities	-	-	2,648.93	2,648.93
<b>Current</b>				
Borrowings	1,04,720.36	1,34,971.79	-	2,39,692.15
Trade payables	4,34,711.08	1,13,477.54	1,07,991.76	6,56,180.38
Lease Liabilities	2,371.94	3,029.12	3,753.16	9,154.22
Other Financial liabilities	4,774.75	9,188.94	-	13,963.69

#### (xv) Financing facilities

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Unsecured fund based facilities, reviewed annually and payable at call		
amount used	50,000.00	50,000.00
amount unused	35,000.00	15,000.00
	<b>85,000.00</b>	<b>65,000.00</b>
Unsecured non- fund based facilities, reviewed annually		
amount used	85,934.46	1,48,039.28
amount unused	16,065.54	1,14,960.72
	<b>1,02,000.00</b>	<b>2,63,000.00</b>
Secured fund based facilities, reviewed annually and payable at call		
amount used	48,429.69	32,048.34
amount unused	1,42,018.31	1,69,901.66
	<b>1,90,448.00</b>	<b>2,01,950.00</b>
Secured non- fund based facilities, reviewed annually		
amount used	14,06,261.60	12,75,914.67
amount unused	3,97,063.40	2,07,885.33
	<b>18,03,325.00</b>	<b>14,83,800.00</b>

## Notes forming part of consolidated financial statements

for the year ended March 31, 2023

All amounts are in ₹ Lakhs unless otherwise stated

(xvi) Fair value measurements

Fair value of financial assets and liabilities measured at amortised cost.

Trade receivables, cash and cash equivalents, other bank balances, loans and other financial assets are at carrying values that approximate fair value. Borrowings, trade payables and other financial liabilities are at carrying values that approximate fair value. If measured at fair value in the financial statements, these financial instruments would be classified as Level 3 in the fair value hierarchy.

Fair value of financial assets measured at fair value through profit or loss (FVTPL).

Investments in mutual funds are carried at fair value through profit or loss in financial assets. If measured at fair value in the financial statements, these financial instruments would be classified as Level 1 in the fair value hierarchy.

Fair value hierarchy of financial assets and liabilities as at 31<sup>st</sup> March 2023

Particulars	Level 1	Level 2	Level 3
<b>Non-current financial assets</b>			
(i) Trade receivables	-	-	564.40
(ii) Other financial assets	-	-	12,929.70
<b>Total</b>	-	-	<b>13,494.10</b>
<b>Current financial assets</b>			
(i) Investments	5,000.00	-	-
(ii) Trade receivables	-	-	6,46,847.89
(iii) Cash and cash equivalents	-	-	1,21,789.40
(iv) Other bank balances	-	-	9,428.18
(v) Other financial assets	-	-	7,81,281.19
<b>Total</b>	<b>5,000.00</b>	-	<b>15,59,346.66</b>
<b>Non-current financial liabilities</b>			
(i) Borrowings	-	-	1,11,530.69
(ii) Lease Liabilities	-	-	4,755.05
<b>Total</b>	-	-	<b>1,16,285.74</b>
<b>Current financial liabilities</b>			
(i) Borrowings	-	-	2,43,998.40
(ii) Trade Payables	-	-	7,50,678.21
(iii) Lease Liabilities	-	-	18,630.73
(iv) Other financial liabilities	-	-	19,149.62
<b>Total</b>	-	-	<b>10,32,456.96</b>

Fair value hierarchy of financial assets and liabilities as at 31<sup>st</sup> March 2022

Particulars	Level 1	Level 2	Level 3
<b>Non-current financial assets</b>			
(i) Investments	-	-	592.47
(ii) Trade receivables	-	-	3,115.08
(iii) Other financial assets	-	-	14,849.69
<b>Total</b>	-	-	<b>18,557.24</b>
<b>Current financial assets</b>			
(i) Investments	20,002.46	-	-
(ii) Trade receivables	-	-	6,12,897.98
(iii) Cash and cash equivalents	-	-	1,42,508.79
(iv) Other bank balances	-	-	6,652.55
(v) Other financial assets	-	-	5,68,109.30
<b>Total</b>	<b>20,002.46</b>	-	<b>13,30,168.62</b>

## Notes forming part of consolidated financial statements

for the year ended March 31, 2023

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Level 1	Level 2	Level 3
<b>Non-current financial liabilities</b>			
(i) Borrowings	-	-	1,16,909.16
(ii) Lease Liabilities	-	-	2,648.93
<b>Total</b>	-	-	<b>1,19,558.09</b>
<b>Current financial liabilities</b>			
(i) Borrowings	-	-	2,39,692.15
(ii) Trade Payables	-	-	6,56,180.38
(iii) Lease Liabilities	-	-	9,154.22
(iv) Other financial liabilities	-	-	13,963.69
<b>Total</b>	-	-	<b>9,18,990.44</b>

(xvii) The Group does not have any offsetting financial instruments as at 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2022

### 35.06. Earnings per Share

		Year ended 31 <sup>st</sup> March 2023	Year ended 31 <sup>st</sup> March 2022
Loss for the year attributable to the owners of the Parent Company	A	(85,218.91)	(61,992.76)
<b>Basic and Diluted</b>			
Weighted average number of equity shares of ₹ 5/- each outstanding during the year	B	1,659.33	1,217.43
<b>Earnings per share (face value of ₹ 5/- each)</b>			
<b>Earnings per share - Basic and Diluted</b>	A/B	<b>(51.36)</b>	<b>(50.92)</b>

	31 <sup>st</sup> March 2023 Number of shares	31 <sup>st</sup> March 2022 Number of shares
<b>Weighted average number of equity shares used as the denominator in calculating earnings per share</b>		
Shares	16,59,32,550	20,25,000
Change in par value of share from ₹ 100 per share to ₹ 5 per share	-	3,84,75,000
Bonus issue during the year (refer note 1 below)	-	8,10,00,000
Rights issue during the year (refer note 2 below)	-	2,43,466
<b>Weighted average number of equity shares used as the denominator in calculating Basic and Diluted earnings per share</b>	<b>16,59,32,550</b>	<b>12,17,43,466</b>

#### Notes: -

1. During the previous year ended 31<sup>st</sup> March 2022, the Parent company had split the equity shares from ₹ 100 per share to ₹ 5 per share i.e., 20:1 equity shares.

Also the Parent Company had issued Bonus Shares to its then existing shareholders in the ratio of 2:1 by utilising Securities Premium. Hence, for the purpose of disclosure of EPS, the Parent Company has restated the previous period EPS to give effect for these transactions.

2. Additionally, during the previous year ended 31<sup>st</sup> March 2022, the Parent Company had issued 44,432,550 shares amounting ₹ 2,221.63 under Rights issue to then existing shareholders of the Parent Company at a issue price of ₹ 270.04 each per share (₹ 265.04 each per share towards securities premium and ₹ 5 each per share towards paid up capital). All the then existing shareholders were offered 3,657 equity shares for every 10,000 shares held by them as a part of the Rights issue.

## Notes forming part of consolidated financial statements

for the year ended March 31, 2023

All amounts are in ₹ Lakhs unless otherwise stated

### 35.07 Related party transactions

#### Details of related parties:

Description of relationship	Names of related parties
(i) Entity holding more than 20%	The Tata Power Company Limited Omega TC Holdings PTE Limited (up to 30 <sup>th</sup> March 2022)
(ii) Subsidiary of Entity holding more than 20%	Coastal Gujarat Power Ltd Industrial Energy Ltd Maithon Power Limited Tata Power Delhi Distribution Limited Tata Power Solar Systems Ltd. TP Central Odisha Distribution Limited TP Northern Odisha Distribution Limited TP Western Odisha Distribution Limited TP Solar Limited NDP Infra Limited
(iii) Jointly controlled operations (JCO)	Refer note 35.10 for list of Jointly controlled operations
(iv) Jointly controlled entities/Joint Ventures (JCE)	AI Tawleed for Energy & Power Company NESMA Tata Projects Limited
(v) Associate	Arth Designbuild India Private Limited
(vii) Name of post-employment benefit plans with whom transactions were carried out during the year	Tata Projects Provident Fund Trust Tata Projects Limited - Employee Gratuity Fund Tata Projects Limited - Superannuation Fund
(vi) Key Management Personnel (KMP)	Mr. Dr. Praveer Sinha, Chairman (w.e.f 29 <sup>th</sup> March 2023) Mr. Vinayak Ratnakar Pai, Additional Director (from 12 <sup>th</sup> May 2022 till 05 <sup>th</sup> August 2022), Managing Director (w.e.f 05 <sup>th</sup> August 2022) Mr. Sanjay Vijay Bhandarkar, Independent Director Ms. Nishi Vasudeva, Independent Director ( w.e.f 01 <sup>st</sup> December 2022) Mr. T.R.Rangarajan, Independent Director (w.e.f 29 <sup>th</sup> March 2023) Mr. Ritesh Mandot, Additional Director (from 22 <sup>nd</sup> October 2021 till 05 <sup>th</sup> August 2022), Director (w.e.f 05 <sup>th</sup> August 2022) Mr. Bhaskar Subramanya Bandru, Company Secretary Mr. Sanjay Sharma, Chief Financial Officer Mr. Banmali Agrawala, Chairman (up to 29 <sup>th</sup> March 2023) Ms. Neera Saggi, Independent Director (up to 04 <sup>th</sup> December 2022) Mr. Sanjay Kumar Banga, Director (up to 29 <sup>th</sup> March 2023) Mr. Nipun Aggarwal, Director (up to 18 <sup>th</sup> April 2022) Mr. Ramesh N Subramanyam, Director (up to 01 <sup>st</sup> June 2022) Mr. Bobby Pauly, Additonal Director (up to 19 <sup>th</sup> October 2021) Mr. Sanjeev Churiwala, Additional Director (from 09 <sup>th</sup> June 2022 till 05 <sup>th</sup> August 2022), Director (w.e.f 05 <sup>th</sup> August 2022 up to 29 <sup>th</sup> March 2023) Mr. Vinayak K Deshpande, Managing Director (upto 21 <sup>st</sup> July 2022) Mr. Amarjyoti Barua, Chief Financial Officer (17 <sup>th</sup> May 2021 to 20 <sup>th</sup> August 2021)

## Notes forming part of consolidated financial statements

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All amounts are in ₹ Lakhs unless otherwise stated

### 35.07 Related party transactions (Continued)

Nature of relation with the entity	Name of the counterparty	Transactions during the year		Balances outstanding at the end of the year	
		31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Entity holding more than 20%	<b>The Tata Power Company limited</b>				
	Revenue from operations (net of reversals)	71,976.46	6,967.49	-	-
	Contract execution expenses	516.02	694.29	-	-
	Trade receivables	-	-	27,511.21	4,564.93
	Advances received	-	-	9,634.33	3,436.30
	Trade payables	-	-	87.58	432.70
	Contractual reimbursable expenses	-	-	1.14	1.14
Subsidiary of Entity holding more than 20%	<b>Coastal Gujarat Power Ltd</b>				
	Revenue from operations	0.41	16,444.17	-	-
	Contract execution expenses	3.30	-	-	-
	Trade receivables	-	-	-	10,151.67
	Advances received	-	-	-	12,932.58
Subsidiary of Entity holding more than 20%	<b>Industrial Energy Ltd</b>				
	Revenue from operations	3,762.67	411.46	-	-
	Trade receivables	-	-	2,876.02	889.08
	Advances received	-	-	462.19	832.73
Subsidiary of Entity holding more than 20%	Maithon Power Limited				
	Revenue from operations	-	3.37	-	-
	Trade receivables	-	-	0.45	0.45
Subsidiary of Entity holding more than 20%	<b>Tata Power Delhi Distribution Limited</b>				
	Contract execution expenses	128.42	149.27	-	-
	Advances given	-	-	0.20	-
Subsidiary of Entity holding more than 20%	<b>Tata Power Solar Systems Ltd.</b>				
	Revenue from operations	184.58	355.05	-	-
	Contract execution expenses	3.63	-	-	-
	Trade receivables	-	-	91.32	172.29
	Advances received	-	-	0.44	0.44
	Trade payables	-	-	94.60	139.92
Subsidiary of Entity holding more than 20%	<b>TP Central Odisha Distribution Limited</b>				
	Contract execution expenses	19.57	5.01	-	-
	Trade payables	-	-	0.34	0.05
Subsidiary of Entity holding more than 20%	<b>TP Northern Odisha Distribution Limited</b>				
	Contract execution expenses	31.16	9.84	-	-
	Trade payables	-	-	0.14	0.11
Subsidiary of Entity holding more than 20%	<b>TP Western Odisha Distribution limited(TPWODL)</b>				
	Contract execution expenses	15.99	19.07	-	-
Subsidiary of Entity holding more than 20%	<b>TP SOLAR LIMITED</b>				
	Revenue from operations	4,026.79	-	-	-
	Trade receivables	-	-	2,308.84	-
	Advances received	-	-	4,900.19	-
Associate	<b>Arth Design build India Private Limited</b>				
	Contract execution expenses	32.56	11.63	-	-
	Advances given	-	-	15.34	15.34
	Trade payables	-	-	45.40	41.18

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Nature of relation with the entity	Name of the counterparty	Transactions during the year		Balances outstanding at the end of the year	
		31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Jointly controlled operations (JCO)	<b>Tata Projects Brookfield Multiplex Joint Venture</b>				
	Withdrawal of share of profit	-	80.00	-	-
Jointly controlled operations (JCO)	<b>CEC-ITD Cem-TPL Joint Venture</b>				
	Revenue from operations	2,767.76	2,489.37	-	-
	Withdrawal of share of profit	1,010.41	896.91	-	-
	Purchase of Property, Plant and Equipment	161.63	-	-	-
	Contract execution expenses	9.26	-	-	-
	Contractual reimbursable expenses	-	-	96.79	37.33
	Trade receivables	-	-	914.25	1,384.25
	Advances received	-	-	85.52	680.69
	Bank guarantee given	-	-	4,528.16	10,188.36
Jointly controlled operations (JCO)	<b>ANGELIQUE -TPL JV</b>				
	Revenue from operations	127.48	72.20	-	-
	Other Income	-	59.49	-	-
	Contractual reimbursable expenses	-	-	105.42	92.45
	Trade Receivables	-	-	342.04	270.33
	Advances received	-	-	279.18	235.68
	Bank guarantee given	-	-	1,285.74	1,185.95
Jointly controlled operations (JCO)	<b>Daewoo-TPL JV</b>				
	Purchase of Property, Plant and Equipment	116.43	-	-	-
	Other Income	-	8.40	-	-
	Contractual reimbursable expenses	-	-	2,358.04	1,953.50
	Trade payables	-	-	1,526.44	-
	Bank guarantee given	-	-	16,703.20	24,682.43
Jointly controlled operations (JCO)	<b>Gulermak - TPL Pune Metro Joint Venture</b>				
	Revenue from operations	1,307.44	3,839.89	-	-
	Withdrawal of share of profit	1,114.42	-	-	-
	Purchase of Inventory	-	40.18	-	-
	Purchase of Property, Plant and Equipment	468.98	-	-	-
	Contract execution expenses	-	689.77	-	-
	Other income	-	1.83	-	-
	Contractual reimbursable expenses	-	-	5.93	39.24
	Trade receivables	-	-	2,067.22	2,535.34
	Trade payables	-	-	513.34	215.77
	Advances received	-	-	174.50	183.40
	Bank guarantee given	-	-	3,715.80	6,659.84
Post-employment benefit plans	<b>Tata Projects Provident Fund Trust</b>				
	Contributions during the year	12,648.20	11,458.95	-	-
	Contribution towards deficit	584.76	-	-	-
KMP	<b>Key Management Personnel of Parent Company</b>				
	Short term employee benefits	1,922.55	630.70	-	-
	Post employment benefits	824.85	36.70	-	-
	Directors sitting fees	42.38	39.80	-	-
	Commission to Non-Executive Directors	99.00	100.00	-	-

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for the year ended March 31, 2023

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### Note:

- Contractual reimbursable expenses represent expenditure incurred on behalf of the entities and are recoverable in nature.
- As part of the 'Brand Equity and Business Promotion' scheme to promote a unified common 'TATA' brand and for use of the Business Name, Marks and Marketing Indicia, the Parent Company is liable to pay Tata Sons Private Limited a subscription of 0.50% on the Annual Net Income generated during the year which is limited to the extent of 5% of the Parent Company's Annual Profit before Tax. Under the scheme, the amount is not payable if the Parent Company's business becomes unprofitable. As the Parent Company has incurred losses during the current year and the previous year it has not made any brand contribution in both these years. Effective from the next financial year, there has been a revision to this agreement and from the next year Parent Company would have to make brand equity/contribution payments even in case they incur losses.
- During the month of March 2023, the Parent Company has offered equity shares under rights issue to the existing shareholders of the Parent Company at an issue price of ₹ 164.16 each per share (₹ 159.16 each per share towards securities premium and ₹ 5 each per share towards paid up capital). The existing shareholders were offered 55,607 equity shares for every 1,00,000 shares held by them as a part of the rights issue. Against this offer, the Parent Company received ₹ 1,50,000 as share application money from Tata Sons Private Limited. In case the entire shares are subscribed by Tata Sons Private Limited the Parent Company would become an associate of Tata Sons Private Limited.

### 35.08 Employee benefit plan

#### (i) Defined Contribution plan

- In respect of defined contribution plan i.e. superannuation plan with Life Insurance Corporation ('LIC'), an amount of ₹ 567.74 (31<sup>st</sup> March 2022: ₹ 594.64) has been recognised as expense in the Statement of Profit and Loss during the year.
- The Parent Company also pays pension fund contributions to publicly administered pension funds as per local regulations and in case of one jointly controlled operation - Gulermak TPL Pune Metro JV and subsidiaries remittances of provident fund contributions are made to government administered provident fund as per local regulations.

Below is the expense recognised in the Statement of Profit and Loss in this regard.

Entity Name	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Tata Projects Limited	867.08	798.78
Gulermak TPL Pune Metro JV	41.72	59.18
Subsidiaries	81.89	66.03

#### (ii) Defined benefit plans

##### a) Provident Fund

Employees of the Parent Company receive benefits from a provident fund, which is a defined benefit plan. Both, the employees and the Parent Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Parent Company contributes to the Tata Projects Provident Fund Trust except in Gulermak TPL Pune Metro JV, where contribution is made to The Employees' Provident Fund Organisation (EPFO) administered by government. The trust invests a portion in specific designated instruments as permitted by Indian Law. The remaining portion is contributed to the government administered pension fund. The rate at which the annual interest is payable to the beneficiaries by the trust is administered by the government. The Parent Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the administered interest rate.

The Provident fund administered by the Tata Projects Provident Fund Trust, in addition to the contributions of on-roll employees, also includes the contributions of contract employees engaged through sub-contractors for execution of various jobs in the construction/project sites of the Group. The contract employees are engaged through sub-contractors on casual and day wage basis. Most of the said sub-contractors do not have the required registrations and hence these contract workers are engaged through the licences/registrations of the Group. Accordingly the compliance with all the required labour laws (including provident fund compliances) are ensured by the Group.

## Notes forming part of consolidated financial statements

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The contract employees are generally engaged for a period ranging between 6 to 12 months hence the requirements of the Payment of Gratuity Act are not applicable to these contract employees (as they did not complete continuous service of 5 years). Additionally these employees will not be eligible for leave encashment as per the requirements of Factories Act and the Shops and Establishment Act as the contract employees do not generally complete 240 days of service in the first year of their service.

The actuary has provided a valuation for provident fund liabilities and based on the valuation, there is a shortfall as at 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2022.

Change in Defined Benefit Obligation (DBO) during the year	Year ended 31 <sup>st</sup> March 2023	Year ended 31 <sup>st</sup> March 2022
Opening defined benefit obligations	65,845.12	53,884.44
Current service cost	4,376.79	3,908.68
Interest cost	4,640.65	3,557.70
Actuarial (Gains)/losses arising from changes in financial assumptions	1,577.66	136.46
Actuarial (Gains)/losses arising from experience assumptions	135.03	2,189.02
Employers Contribution	8,856.17	8,021.26
Benefits paid	(10,776.63)	(6,511.14)
Liabilities assumed	4,380.44	658.70
<b>Closing defined benefit obligation</b>	<b>79,035.23</b>	<b>65,845.12</b>

Change in fair value of plan assets during the year	Year ended 31 <sup>st</sup> March 2023	Year ended 31 <sup>st</sup> March 2022
Opening fair value of plan assets	64,140.46	49,051.26
Interest on plan assets	4,526.44	3,255.63
Remeasurement due to:		
Actual return on plan assets less Interest on plan assets	(424.06)	5,756.07
Contribution from the employer	4,376.79	3,437.68
Actual Employer Contributions towards interest rate guarantee	-	471.00
Employees Contribution during the period	8,856.17	8,021.26
Benefits paid	(10,776.63)	(6,511.14)
Assets acquired	4,380.44	658.70
<b>Closing fair value of plan assets</b>	<b>75,079.61</b>	<b>64,140.46</b>

Amount recognised in Balance sheet	Year ended 31 <sup>st</sup> March 2023	Year ended 31 <sup>st</sup> March 2022
Present value of benefit obligation at year end	79,035.23	65,845.12
Plan assets at period end, at fair value*	75,079.61	64,140.46
<b>Funded status</b>	<b>3,955.62</b>	<b>1,704.66</b>
<b>Net liability arising from defined benefit obligation</b>	<b>3,955.62</b>	<b>1,704.66</b>
Net Defined benefit obligation bifurcated as follows:		
Current (refer note 20)	3,955.62	1,704.66
<b>Total</b>	<b>3,955.62</b>	<b>1,704.66</b>

\* The plan assets have been primarily invested in the following categories

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for the year ended March 31, 2023

All amounts are in ₹ Lakhs unless otherwise stated

Fair values of major categories of plan assets are as follows:

	As at 31 <sup>st</sup> March 2023			As at 1 <sup>st</sup> March 2022		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Debt instruments - Central government bonds	24,032.77	-	24,032.77	17,446.38	-	17,446.38
Debt instruments - State government bonds	20,146.42	-	20,146.42	22,075.34	-	22,075.34
Debt instruments - PSU bonds	24,756.23	-	24,756.23	20,832.80	262.60	21,095.40
Debt instruments - Others	-	262.60	262.60	-	-	-
Equity Instruments - ETF	5,841.30	-	5,841.30	3,487.39	-	3,487.39
Other (payables)/receivables	-	40.29	40.29	-	35.95	35.95
<b>Closing balance of the plan assets</b>	<b>74,776.72</b>	<b>302.89</b>	<b>75,079.61</b>	<b>63,841.91</b>	<b>298.55</b>	<b>64,140.46</b>

### Risk exposure

The primary risk faced by companies maintaining exempt provident funds is the potential inability of its investment portfolio to match the guaranteed RPF rate set by the Employers' Provident Fund Organization in the future for its own members. The other risks pertain to the unrealized losses that can arise on the investment portfolio of the exempt provident fund or any impairment in assets values. These risks essentially emanate from:

**Interest Rate Risk** arising due to exposure of the portfolio to changes in the interest rates in the market.

**Equity Risk** pertaining to the volatility associated with the equity market within which the portfolio would have invested.

**Default Risk** arising due to the possibility of a counter-party not meeting its contractual obligations due to inability or unwillingness.

**Credit Risk** from the risk of fluctuating asset values due to an actual or perceived change in the credit worthiness of the issuer of a bond.

Components of employer expense	Year ended 31 <sup>st</sup> March 2023	Year ended 31 <sup>st</sup> March 2022
Current service cost	4,376.79	3,908.68
Net Interest Cost on net defined benefit liability	114.21	302.07
<b>Components of defined benefit costs recognised in statement of profit and loss</b>	<b>4,491.00</b>	<b>4,210.75</b>
<b>Remeasurements:</b>		
Return on plan assets	424.06	(5,756.07)
Actuarial (Gains)/losses arising from changes in financial assumptions	1,577.66	136.46
Actuarial (Gains)/losses arising from experience assumptions	135.03	2,189.02
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>2,136.75</b>	<b>(3,430.59)</b>

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Discount rate (%)	7.55	6.70
Future derived return on assets (%)	7.82	8.55
Discount Rate of the Remaining Term to Maturity of the investment (%)	7.30	6.18
Average historic yield on the investment portfolio (%)	7.57	8.03
Guaranteed rate of return (%)	8.15	8.10

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All amounts are in ₹ Lakhs unless otherwise stated

Sensitivity Analysis	Year ended 31 <sup>st</sup> March 2023	Year ended 31 <sup>st</sup> March 2022
<b>Discount rate</b>		
Impact of increase in 100 bps on DBO	-2.18%	-0.85%
Impact of decrease in 50 bps on DBO	4.00%	2.48%
<b>RPFC Guaranteed Rate of Return</b>		
Impact of increase in 100 bps on DBO	3.78%	2.38%
Impact of decrease in 100 bps on DBO	-2.16%	-0.85%

The Parent company contributed ₹ 4,460.81 and ₹ 4,099.86 during the years ended 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2022 respectively and the same has been recognized in the Statement of Profit and Loss under the head contribution to provident fund (refer note 30 (b)).

The expected contribution payable to the plan next year is ₹ 4,726.93. The weighted average duration to the payment is 6.51 years.

b) Gratuity, Pension and Post retirement Benefits

The following tables set out the funded status of Gratuity and the amounts of Gratuity, Pension and Postretirement medical benefits recognized in the Group's financial statements as at 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2022.

Change in Defined Benefit Obligation (DBO) during the year	Year ended 31 <sup>st</sup> March 2023			Year ended 31 <sup>st</sup> March 2022		
	Gratuity (funded)	Pension (unfunded)	Post Retirement Medical Benefits (unfunded)	Gratuity (funded)	Pension (unfunded)	Post Retirement Medical Benefits (unfunded)
Opening defined benefit obligations	10,045.35	502.93	60.25	8,373.33	544.19	65.18
Current service cost	1,543.29	-	-	1,178.34	-	-
Interest Cost	617.77	31.98	3.87	483.13	32.41	3.92
Remeasurement (gains)/ losses :						
Actuarial (Gains)/losses arising from changes in demographic assumptions	-	-	-	(12.41)	-	-
Actuarial (Gains)/losses arising from changes in financial assumptions	(589.51)	(22.13)	(3.05)	939.10	(13.56)	(1.91)
Actuarial (Gains)/losses arising from experience assumptions	(487.88)	14.38	(5.22)	372.82	(8.05)	(6.47)
Benefits paid	(1152.38)	(54.70)	(1.44)	(1288.96)	(52.06)	(0.47)
<b>Closing defined benefit obligation</b>	<b>9,976.64</b>	<b>472.46</b>	<b>54.41</b>	<b>10,045.35</b>	<b>502.93</b>	<b>60.25</b>

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All amounts are in ₹ Lakhs unless otherwise stated

Change in fair value of plan assets during the year	Year ended 31 <sup>st</sup> March 2023			Year ended 31 <sup>st</sup> March 2022		
	Gratuity (funded)	Pension (unfunded)	Post Retirement Medical Benefits (unfunded)	Gratuity (funded)	Pension (unfunded)	Post Retirement Medical Benefits (unfunded)
Opening fair value of plan assets	7,983.79	-	-	6,236.64	-	-
Interest income	560.31	-	-	386.63	-	-
Return on plan assets (excluding amounts included in net interest expense)	34.27	-	-	197.72	-	-
Contribution from the employer	2,206.54	54.70	1.44	2,451.76	52.06	0.47
Benefits paid	(1215.34)	(54.70)	(1.44)	(1288.96)	(52.06)	(0.47)
<b>Closing fair value of plan assets</b>	<b>9,569.57</b>	<b>-</b>	<b>-</b>	<b>7,983.79</b>	<b>-</b>	<b>-</b>

Amount recognised in Balance sheet	Year ended 31 <sup>st</sup> March 2023			Year ended 31 <sup>st</sup> March 2022		
	Gratuity (funded)	Pension (unfunded)	Post Retirement Medical Benefits (unfunded)	Gratuity (funded)	Pension (unfunded)	Post Retirement Medical Benefits (unfunded)
Present value of funded defined benefit obligation	9,976.64	-	-	10,045.35	-	-
Fair value of plan assets	9,569.57	-	-	7,983.79	-	-
<b>Funded status</b>	<b>407.07</b>	<b>-</b>	<b>-</b>	<b>2,061.56</b>	<b>-</b>	<b>-</b>
Present value of unfunded defined benefit obligation	-	472.46	54.41	-	502.93	60.25
<b>Net liability arising from defined benefit obligation</b>	<b>407.07</b>	<b>472.46</b>	<b>54.41</b>	<b>2,061.56</b>	<b>502.93</b>	<b>60.25</b>
Net Defined benefit obligation bifurcated as follows						
Current (refer note 20)	384.53	53.89	5.00	2,060.87	51.23	5.00
Non-Current (refer note 20)	17.74	418.57	49.41	0.69	451.70	55.25
<b>Total</b>	<b>402.27</b>	<b>472.46</b>	<b>54.41</b>	<b>2,061.56</b>	<b>502.93</b>	<b>60.25</b>

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All amounts are in ₹ Lakhs unless otherwise stated

Components of employer expense	Year ended 31 <sup>st</sup> March 2023			Year ended 31 <sup>st</sup> March 2022		
	Gratuity (funded)	Pension (unfunded)	Post Retirement Medical Benefits (unfunded)	Gratuity (funded)	Pension (unfunded)	Post Retirement Medical Benefits (unfunded)
Current service cost	1,553.48	-	-	1,178.34	-	-
Interest Cost on net defined benefit liability	57.48	31.98	3.87	96.50	32.41	3.92
<b>Components of defined benefit costs recognised in statement of profit and loss</b>	<b>1,610.96</b>	<b>31.98</b>	<b>3.87</b>	<b>1,274.84</b>	<b>32.41</b>	<b>3.92</b>
<b>Remeasurement:</b>						
Return on plan assets	(34.26)	-	-	(197.72)	-	-
Actuarial (Gains)/losses arising from changes in demographic assumptions	-	-	-	(12.41)	-	-
Actuarial (Gains)/losses arising from changes in financial assumptions	(589.51)	(22.13)	(3.04)	939.10	(13.56)	(1.91)
Actuarial (Gains)/losses arising from experience assumptions	(487.88)	14.38	(5.22)	372.82	(8.05)	(6.47)
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>(1111.65)</b>	<b>(7.75)</b>	<b>(8.26)</b>	<b>1,101.79</b>	<b>(21.61)</b>	<b>(8.38)</b>

The remeasurement of the net defined liability is included in other comprehensive income.

The gratuity plan of the group is administered through a trust formed by the group and the trustees of the fund have outsourced the investment management of the fund to Life Insurance Corporation (LIC). The insurance company in turn manages gratuity fund as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations.

The principal assumptions used for the purposes of the actuarial valuations in parent company were as follows:

	Year ended 31 <sup>st</sup> March 2023			Year ended 31 <sup>st</sup> March 2022		
	Gratuity (funded)	Pension (unfunded)	Post Retirement Medical Benefits (unfunded)	Gratuity (funded)	Pension (unfunded)	Post Retirement Medical Benefits (unfunded)
Discount rate	7.55%	7.55%	7.55%	6.70%	6.70%	6.70%
Expected rate of salary increase	8.00%	-	-	8.00%	-	-
Expected rate of pension increase	-	5.00%	-	-	5.00%	-
Medical Inflation rate	-	-	5.00%	-	-	5.00%
Retirement Age*	60 yrs.	60 yrs.	-	60 yrs.	60 yrs.	-
Average leaving service	12.50%	-	-	12.50%	-	-

\* Mortality (applicable to Gratuity): Published rates under the Indian Assured Lives Mortality (2012-14) Ult table.

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All amounts are in ₹ Lakhs unless otherwise stated

The principal assumptions used for the purposes of the actuarial valuations in one of the subsidiary company - Artson Engineering Limited ('AEL'/Artson) were as follows:

	Year ended 31 <sup>st</sup> March 2023	Year ended 31 <sup>st</sup> March 2022
	Gratuity (funded)	Gratuity (funded)
Discount rate	7.15%	6.78%
Expected rate of salary increase	8.00%	8.00%

Sensitivity Analysis of Parent Company	Year ended 31 <sup>st</sup> March 2023			Year ended 31 <sup>st</sup> March 2022		
	Gratuity (funded)	Pension (unfunded)	Post Retirement Medical Benefits (unfunded)	Gratuity (funded)	Pension (unfunded)	Post Retirement Medical Benefits (unfunded)
<b>Discount rate</b>						
Impact of increase in 50 bps on DBO	-3.23%	-2.58%	-3.05%	-3.22%	-2.85%	-3.33%
Impact of decrease in 50 bps on DBO	3.42%	2.71%	3.23%	3.42%	3.00%	3.53%
<b>Life Expectancy</b>						
Life Expectancy 1 year decrease	-	-8.86%	-6.77%	-	-8.36%	-6.59%
Life Expectancy 1 year increase	-	8.49%	6.52%	-	8.08%	6.39%
<b>Salary Escalation Rate</b>						
Impact of increase in 50 bps on DBO	3.38%	-	-	3.36%	-	-
Impact of decrease in 50 bps on DBO	-3.22%	-	-	-3.19%	-	-
<b>Pension Increase Rate</b>						
Impact of increase in 100 bps on DBO	-	5.64%	-	-	6.22%	-
Impact of decrease in 100 bps on DBO	-	-5.19%	-	-	-5.69%	-
<b>Medical Inflation Rate</b>						
Impact of increase in 100 bps on DBO	-	-	6.74%	-	-	7.33%
Impact of decrease in 100 bps on DBO	-	-	-6.14%	-	-	-6.62%

Sensitivity Analysis of Artson Engineering Limited:

	Year ended 31 <sup>st</sup> March 2023	Year ended 31 <sup>st</sup> March 2022
	Gratuity	Gratuity
<b>Discount rate</b>		
Impact of 1% increase to the defined benefit obligation	(90.36)	(5.46)
Impact of 1% decrease to the defined benefit obligation	103.24	6.18
<b>Salary escalation rate</b>		
Impact of 1% increase to the defined benefit obligation	102.79	5.75
Impact of 1% decrease to the defined benefit obligation	(90.65)	(5.19)

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### Projected Plan Cash Flow

The expected cash flow profile of the benefits to be paid to the current membership of the plan, are as follows:

Maturity Profile	Year ended 31 <sup>st</sup> March 2023			Year ended 31 <sup>st</sup> March 2022		
	Gratuity (funded)	Pension (unfunded)	Post Retirement Medical Benefits (unfunded)	Gratuity (funded)	Pension (unfunded)	Post Retirement Medical Benefits (unfunded)
Expected Benefits for year 1	1,430.24	53.89	5.00	1,746.68	51.23	5.00
Expected Benefits for year 2	1,145.88	54.11	5.13	1,043.96	51.76	5.14
Expected Benefits for year 3	1,139.94	53.96	5.25	1,053.41	51.99	5.28
Expected Benefits for year 4	1,071.63	53.41	5.34	1,087.05	51.89	5.39
Expected Benefits for year 5	1,074.96	52.44	5.42	1,014.34	51.43	5.49
Expected Benefits for year 6*	1,125.44	51.07	5.47	938.50	50.61	5.56
Expected Benefits for year 7*	1,130.66	49.30	5.48	996.94	49.42	5.61
Expected Benefits for year 8*	1,036.79	47.18	5.46	1,020.34	47.86	5.62
Expected Benefits for year 9*	931.81	44.72	5.40	851.11	45.94	5.60
Expected Benefits for year 10 and above*	8,555.81	304.22	48.57	7,710.13	348.71	55.27
Weighted average duration to the payment of these cash flows for parent company	6.64 Years	5.28 Years	6.28 Years	6.64 Years	5.85 Year	6.85 Years
Weighted average duration to the payment of these cash flows for subsidiary company (AEL)	6.25 Years			6.57 Years		

\* Expected benefit for the years 6 and above included ₹ 44.15 (31<sup>st</sup> March 2022: ₹ 37.31) every year relating to Artson Engineering Limited

**Gratuity:** The expected contribution payable to the gratuity plan next year is ₹ 2,500.

Expected contribution to be made to plan assets in the Financial Year 2023-24 includes ₹ 10.09 lakhs (31<sup>st</sup> March 2022: ₹ 6.27 lakhs) relating to Artson Engineering Limited.

- c) Employee benefits expense includes expenditure in relation to compensated absences (privileged and sick leave) aggregating to ₹ 1,635.48 (31<sup>st</sup> March 2022 - ₹ 1,506.99).

The leave obligations cover the company's liability for earned leave which are classified as other long-term benefits.

The company does not have an unconditional right to defer settlement of any of these obligations. However, based on past experience, the group does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months.

	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Leave obligations not expected to be settled within the next 12 months	3,664.74	3,667.15

### 35.09 Movement in provision for litigation

Particulars	Amount (in ₹)
Balance as 01 <sup>st</sup> April 2022	-
Provision created during the year	2,222.20
<b>Balance as at 31<sup>st</sup> March 2023</b>	<b>2,222.20</b>

During the current year ended 31<sup>st</sup> March 2023, a provision for litigation of ₹ 2,222.20 was created towards an arbitral award received by the Parent Company in the month of March 2023 relating to a dispute with the customer Hazel International FZE.

## Notes forming part of consolidated financial statements

for the year ended March 31, 2023

All amounts are in ₹ Lakhs unless otherwise stated

### 35.10. Jointly Controlled Operations-Share of Parent Company

The Parent Company along with the Joint operators enters into contracts with the customers for execution of the projects. The Parent Company as a Joint operator, recognizes assets, liabilities, income and expenditure held/incurred jointly with other partners in proportion to its interest in such joint arrangements in compliance with applicable accounting standards taking into account the related rights and obligations applicable in the respective jointly controlled operations. The operations of the jointly controlled operations have been included in the consolidated financial statements basis the audited annual accounts of the jointly controlled operations, except in the case of two jointly controlled operations (Tata Projects Balfour Beatty JV & LEC-TPL UJV) which have been accounted for based on Management accounts, on line-by-line basis with similar items in the Parent Company's accounts in proportion to its effective ownership interest in such Joint Venture Arrangements.

S. No	Name of the Jointly Controlled Operations (with specific ownership interest in the arrangement)	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
1	SIBMOST-TATA Projects (JV)	100.00%	100.00%
2	TATA-ALDESA (JV)	100.00%	100.00%
3	GIL-TPL (JV)	100.00%	100.00%
4	TPL-SUCG Consortium	100.00%	100.00%
5	TPL- JBTPJL Joint Venture	100.00%	100.00%
6	Tata Projects - Balfour Beatty JV	100.00%	100.00%
7	GYT-TPL Joint Venture	100.00%	100.00%
8	GULERMAK - TPL Joint Venture	100.00%	100.00%
9	CEC-ITD Cem-TPL Joint Venture	40.00%	40.00%
10	CCECC -TPL JV	100.00%	100.00%
11	TPL-HGIEPL Joint Venture	100.00%	100.00%
12	Tata Projects Brookfield Multiplex Joint Venture	50.00%	50.00%
13	JV of Tata Projects Limited and CHINT Electric Company Limited	100.00%	100.00%
14	TPL-SSGIPL Joint Venture	100.00%	100.00%
15	TPL - KIPL Joint Venture	100.00%	100.00%
16	TPL Gulermak Karimnagar JV	100.00%	100.00%
17	Daewoo-TPL JV	40.00%	40.00%
18	ANGELIQUE - TPL JV	41.94%	41.94%
19	Joint Venture of Tata Projects Limited & Raghava Constructions	100.00%	100.00%
20	CHEC-TPL LINE 4 Joint Venture	100.00%	100.00%
21	Gulermak-TPL Pune Metro Joint Venture	50.00%	50.00%
22	TPL-AGE HIRAKUD JV	100.00%	100.00%
23	TPL-PCIPL Joint Venture	100.00%	100.00%
24	LEC-TPL UJV	100.00%	100.00%
25	TPL-IAV VOZ CPRR Joint Venture	100.00%	100.00%
26	TPL-CAI-JV	100.00%	NA

## Notes forming part of consolidated financial statements

for the year ended March 31, 2023

All amounts are in ₹ Lakhs unless otherwise stated

35.11 Disclosure of additional information as required by the Schedule III in respect of subsidiaries and associate  
(a) As at and for the year ended 31<sup>st</sup> March 2023

Name of the entity in the Group	Net assets, i.e., total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (in ₹ lakhs)	As % of consolidated profit or loss"	Amount (in ₹ lakhs)	As % of consolidated other comprehensive income	Amount (in ₹ lakhs)	As % of consolidated total comprehensive income	Amount (in ₹ lakhs)
<b>Parent</b>								
Tata Projects Limited (excluding Jointly controlled operations)	101.73%	2,85,311.08	90.44%	(77,384.36)	125.92%	(738.79)	90.70%	(78,123.15)
Jointly Controlled operations	-5.71%	(16,006.35)	4.84%	(4,138.96)	-0.08%	0.47	4.80%	(4,138.49)
<b>Indian Subsidiaries</b>								
1. Artson Engineering Limited	-0.11%	(308.80)	9.92%	(8,484.48)	0.02%	(0.11)	9.85%	(8,484.59)
2. Ujjwal Pune Limited	0.26%	736.76	-0.70%	602.14	-	-	-0.70%	602.14
3. TQ Cert Services Private Limited	0.38%	1,071.39	0.19%	(165.71)	-	-	0.19%	(165.71)
4. TP Luminaire Private Limited	1.65%	4,631.60	-1.55%	1,325.63	-	-	-1.54%	1,325.63
5. TCC Construction Private Limited	0.13%	357.66	-19.14%	16,373.47	-	-	-19.01%	16,373.47
6. TPL-CIL Construction LLP	1.02%	2,870.99	14.22%	(12,165.17)	-	-	14.12%	(12,165.17)
<b>Associate</b>								
1. Arth Designbuild India Private Limited	-	-	-0.08%	64.73	-	-	-0.08%	64.73
<b>Foreign Subsidiaries</b>								
1. TQ Services Europe, GmbH	-0.05%	(147.47)	0.39%	(336.57)	-2.11%	12.41	0.38%	(324.16)
2. Industrial Quality Services LLC Oman	0.39%	1,081.03	-0.29%	249.75	-16.21%	95.08	-0.40%	344.83
3. Ind Projects Engineering (Shanghai) Co., Ltd	0.13%	364.43	1.36%	(1,159.38)	-0.60%	3.50	1.34%	(1,155.88)
<b>Minority Interests in all subsidiaries</b>	0.18%	506.61	0.40%	(346.49)	-6.94%	40.71	0.35%	(305.78)
<b>Total</b>	<b>100.00%</b>	<b>2,80,468.93</b>	<b>100.00%</b>	<b>(85,565.40)</b>	<b>100.00%</b>	<b>(586.73)</b>	<b>100.00%</b>	<b>(86,152.13)</b>

(b) As at and for the year ended 31<sup>st</sup> March 2022

## Notes forming part of consolidated financial statements

for the year ended March 31, 2023

All amounts are in ₹ Lakhs unless otherwise stated

Name of the entity in the Group	Net assets, i.e., total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (in ₹ lakhs)	As % of consolidated profit or loss"	Amount (in ₹ lakhs)	As % of consolidated other comprehensive income	Amount (in ₹ lakhs)	As % of consolidated total comprehensive income	Amount (in ₹ lakhs)
<b>Parent</b>								
Tata Projects Limited (excluding Jointly controlled operations)	100.34%	2,03,428.27	65.41%	(40,594.97)	90.36%	1,322.26	64.83%	(39,272.71)
Jointly Controlled operations	-4.83%	(9,792.36)	17.66%	(10,957.14)	0.50%	7.32	18.07%	(10,949.82)
<b>Indian Subsidiaries</b>								
1. Artson Engineering Limited	0.25%	516.71	14.00%	(8,686.07)	0.08%	1.20	14.34%	(8,684.87)
2. Ujjwal Pune Limited	-0.04%	(89.47)	3.15%	(1,953.57)	-	-	3.22%	(1,953.57)
3. TQ Cert Services Private Limited	0.46%	940.64	0.45%	(277.00)	-	-	0.46%	(277.00)
4. TP Luminaire Private Limited	2.60%	5,266.84	-1.60%	994.24	-	-	-1.64%	994.24
5. TCC Construction Private Limited	0.06%	113.22	-7.73%	4,797.75	-	-	-7.92%	4,797.75
6. TPL-CIL Construction LLP	0.24%	482.20	7.14%	(4,430.39)	-	-	7.31%	(4,430.39)
<b>Associate</b>								
1. Arth Designbuild India Private Limited	-0.24%	(489.71)	0.24%	(147.76)	-	-	0.24%	(147.76)
<b>Foreign Subsidiaries</b>								
1. TQ Services (Mauritius) Pty Limited	-	-	-0.01%	3.31	0.14%	2.04	-0.01%	5.35
2. TPL-TQA Quality Services South Africa (Pty) Limited	-	-	-	-	0.43%	6.31	-0.01%	6.31
3. TQ Services Europe, GmbH	0.03%	50.94	0.21%	(129.84)	-0.13%	(1.85)	0.22%	(131.69)
4. Industrial Quality Services LLC Oman	0.47%	944.95	0.12%	(72.55)	2.04%	29.81	0.07%	(42.74)
5. Ind Projects Engineering (Shanghai) Co., Ltd	0.22%	453.81	0.87%	(538.77)	5.68%	83.17	0.75%	(455.60)
<b>Minority Interests in all subsidiaries</b>	0.44%	892.43	0.09%	(53.36)	0.90%	13.17	0.07%	(40.19)
<b>Total</b>	<b>100.00%</b>	<b>2,02,718.47</b>	<b>100.00%</b>	<b>(62,046.12)</b>	<b>100.00%</b>	<b>1,463.43</b>	<b>100.00%</b>	<b>(60,582.69)</b>

## Notes forming part of consolidated financial statements

for the year ended March 31, 2023

All amounts are in ₹ Lakhs unless otherwise stated

(c) Unrecognised share of losses of joint ventures

	Year ended 31 <sup>st</sup> March 2023	Year ended 31 <sup>st</sup> March 2022
<b>Unrecognised share of losses of joint ventures for the year</b>		
Al-Tawleed for Energy & Power Company	9.98	9.01
Nesma Tata Projects Limited	37.23	10.15
	<b>47.21</b>	<b>19.16</b>

Cumulative share of loss of joint ventures

	Year ended 31 <sup>st</sup> March 2023	Year ended 31 <sup>st</sup> March 2022
Al-Tawleed for Energy & Power Company	259.53	249.55
Nesma Tata Projects Limited	746.52	709.29
	<b>1,006.05</b>	<b>958.84</b>

Note : The above mentioned Joint Ventures are not considered for consolidation purposes. Refer note no 3.3.

35.12 The accumulated losses (including other comprehensive income) of Artson Engineering Limited, subsidiary company as at 31<sup>st</sup> March 2023 stood at ₹ 7,566.85. On account of the operating losses during the current year, previous periods and other indicators, the Management including the Board of Directors of the subsidiary company performed an assessment of the subsidiary companies ability to continue as a going concern. Considering the following aspects, the Management and the Board of Directors have assessed that the Subsidiary Companies would be able to meet its cash flow requirements for the next twelve months from the date of its financial statements and have accordingly, prepared their financial statements on a going concern basis.

- Tata Projects Limited, Parent Company has provided a letter of support to provide adequate business, financial and operational support to the subsidiary company, to enable it to meet its financial obligations and to continue its operations.
- Review of the approved business plan and the future cash flow projections.

### 35.13 Significant estimates - Artson Engineering Limited, Subsidiary

Critical judgements in recognising revenue

In the Subsidiary Company (AEL), following are the critical estimates while determining the Revenue from construction activities: Estimated Total Costs – Management determines the Estimated Total Costs for the project, which is used to determine the stage of completion of the contract. These estimates may depend on the outcome of future events and may need to be reassessed at the end of each reporting period.

Refer note 3.5 for the accounting policy on Revenue from Construction activities.

35.14 During the current year ended 31<sup>st</sup> March 2023, one of the Jointly Controlled Operations (JCO) (i.e. CEC-ITD Cem-TPL Joint Venture) had changed the useful lives of Property, plant and equipment by extending the expected period of usage from 30<sup>th</sup> June 2023 to 31<sup>st</sup> December 2023 to reflect the expected pattern of consumption of the future economic benefits based on internal technical and commercial assessment. These changes have resulted in decrease in depreciation expense amounting to ₹ 3.39 for the year ended 31<sup>st</sup> March 2023.

## Notes forming part of consolidated financial statements

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All amounts are in ₹ Lakhs unless otherwise stated

35.15 The Group has following transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956:-

S. No	Name of Struck off Company	Nature of Transaction	Relationship with Struck off Company	Balance Outstanding as on 31-03-2023	Balance Outstanding as on 31-03-2022
1	Ankurampeeth Enterprises (OPC) Private Limited	Advances Given	NA	(0.01)	-
2	Arisen Syscon Private Limited	Advances Given	NA	(1.72)	(1.72)
3	Bashinda Infratech Private Limited	Accounts Payables	NA	0.44	0.44
4	Imperial Foundation Private Limited	Accounts Payables	NA	1.45	1.45
5	Plinth Construction Private Limited	Accounts Payables	NA	0.02	0.67
6	Radhanath Infra (OPC) Private Limited	Accounts Payables	NA	3.28	2.64
7	Raj Unique Developers Private Limited	Accounts Payables	NA	3.35	3.35
8	Rmp Engicon Private Limited	Accounts Payables	NA	2.16	-
9	Vibhash Constructions Private Limited	Accounts Payables	NA	0.93	0.93

35.16 The Group has no income surrendered or disclosed as income during the current and previous year in the tax assessments under Income Tax Act, 1961, that has not been recorded in the books of account.

35.17 During the current year, the Group has no charges or satisfaction of charges which are yet to be registered with the Registrar of Companies beyond the statutory period. Charge created on assets of the Parent company in favour of Grindlays Bank for ₹ 15 on 05<sup>th</sup> October 1982 could not be satisfied as the Bank has wound up its operations in India and no longer exists.

35.18 No proceedings have been initiated on or are pending against the Group for holding any benami property under the Prohibition of Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) (formerly Benami Transactions (Prohibition) Act, 1988) (45 of 1988) and Rules made thereunder.

35.19 None of the entities in the Group have been declared wilful defaulter by any bank or financial institution or government or any government authority during the current year and previous year.

35.20 The Group has not traded or invested in crypto currency or virtual currency during the current and previous year.

35.21 The Group has borrowings from banks which are secured by a charge on the current assets of the Group. As per the terms of the sanction letters, the Group has filed the quarterly statements containing the financial details after the end of each quarter. The Quarterly returns filed by the group with the banks are in agreement with the books of accounts except for the following table and remarks pertaining to the Parent Company. Further, the Group is yet to submit the quarterly returns for 31<sup>st</sup> March 2023 to the Banks.

Period	Nature of the return or statement	Particulars	Amount submitted by the Parent Company	Amount to be submitted by the Parent Company	Difference	Remarks
Quarter ended 30 <sup>th</sup> June 2022	Drawing Power (DP)	Net Sales for the quarter ended 30 <sup>th</sup> June 2022	3,55,023.23	3,53,563.83	1,459.40	The Parent Company has disclosed the Net Sales amount including Other Income.
Quarter ended 30 <sup>th</sup> September 2022	Drawing Power (DP)	Net Sales for the period ended 30 <sup>th</sup> September 2022	7,69,114.07	7,66,630.31	2,483.76	The Parent Company has disclosed the Net Sales amount including Other Income.

## Notes forming part of consolidated financial statements

for the year ended March 31, 2023

All amounts are in ₹ Lakhs unless otherwise stated

Period	Nature of the return or statement	Particulars	Amount submitted by the Parent Company	Amount to be submitted by the Parent Company	Difference	Remarks
Quarter ended 31 <sup>st</sup> December 2022	Drawing Power (DP)	Net Sales for the period ended 31 <sup>st</sup> December 2022	11,80,782.82	11,73,883.16	6,899.66	The Parent Company has disclosed the Net Sales amount including Other Income.
Half year ended 30 <sup>th</sup> September 2022	Financial Follow-up report (FFR II)	Increase/ (Decrease) in Capital and Reserves	(44,693.83)	(46,581.90)	1,888.07	The Parent Company has disclosed the 'Increase / (Decrease) in Capital and Reserves' including the balance pertaining to the "Debentures - liability component of compound financial instruments" which is disclosed in the standalone financial statements under 'Current maturities of long - term debt in Current Borrowings'.

35.22 The Parent company and its subsidiaries are part of the TATA Group. The TATA Group includes the following companies as Core Investment Companies (CIC) in its structure:

- Tata Sons Private Limited
- Tata Industries Limited
- Panatone Finvest Limited
- Tata Capital Limited
- TMF Holdings Limited
- T S Investments [Unregistered]

35.23 The Parent Company has some inter entity transactions with the jointly controlled operations. These transactions and the unrealised gains on these transactions are eliminated to the extent of the parent company's interest in such Jointly Controlled Operations. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

35.24 The Group has received whistle blower complaints during the year and of those there are still some matters in respect of which investigations are on-going. Based on management's initial review of ongoing investigations, they do not consider the impact of these matters to be material to the financial statements.

35.25 The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013, read with companies (Restriction on number of Layers) Rules 2017, and there are no Companies beyond the specified layers.

35.26 The Group has not entered into any scheme of arrangement which has an accounting impact on current and previous financial year.

35.27 The Group has not advanced or given loans or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
- provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

35.28 The Group has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

## Notes forming part of consolidated financial statements

for the year ended March 31, 2023

All amounts are in ₹ Lakhs unless otherwise stated

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

35.29 The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current and previous year.

35.30 In the 1<sup>st</sup> week of July, 2022, one public sector undertaking ("PSU") official was taken into custody by a law enforcement agency in relation to power system improvement projects in the north-eastern region for which the Parent Company is one of the EPC Contractors. In connection with the investigation, five executives of Parent Company were taken into custody by the law enforcement agency in the 1<sup>st</sup> week of July 2022 and have been subsequently released on bail.

The law enforcement agency has filed Final report Form (chargesheet) before the local court in the first week of January 2023, the copy of the same was served on the employees of Parent Company on 20<sup>th</sup> February 2023. Parent Company has not been served any charge sheet by the law enforcement agency or the court. Parent Company has not been named a party in the chargesheet however it has been mentioned that investigation in respect of the role of Parent Company is open and the report will be submitted after conclusion of further investigation.

Parent Company adheres to strong norms in all its business transactions and has zero tolerance to any compromise on the same. As the matter is currently under investigation by the law enforcement agency, the full impact of the same on the financial results would be dependent on the outcome of the investigation.

The operations of the Parent Company were not impacted in any manner during the period gone by (including its ongoing EPC contracts with the PSU undertaking). Parent Company is of the view that there would not be any significant impact on the operations and financials of the Parent Company because of the matter.

35.31 During the year, the Parent Company performed a detailed review of the financial information of the Quality Services division. Based on the review performed, the Parent Company identified ₹ 8,095.93 towards provision to be made/expenses to be booked against various asset balances and provision to be made for expenses identified through reconciliation of balances.

Management has assessed the amount to be not material and based on their preliminary assessment, is of the view that there is no indication at this stage that there any additional such cases or if this issue extends to other divisions of the Parent Company. However, management is taking necessary steps to strengthen controls in the division and assess for any instances of any potential misconduct or violation of processes/ internal controls. To assist them on the same the Parent Company has engaged the services of an external expert to ascertain the veracity and appropriateness of the transactions identified by the management including performing additional procedures to identify any potential misconduct or violation of processes/ internal controls. The work of the external expert is currently under progress and the full impact of the same on the financial results and controls would be dependent on the final report of the external expert.

### 35.32 Approval of financial statements

The financial statements were approved for issue by the Board of Directors on 26<sup>th</sup> April 2023.

35.33 The financial statements have been prepared and presented in accordance with the amended Division II of Schedule III to the Companies Act, 2013 issued vide notification dated 24<sup>th</sup> March 2021 (the "Notification").

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

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

**Dibyendu Majumder**  
Partner  
Membership Number : 057687  
Place: Bengaluru

**Praveer Sinha**  
Chairman  
DIN: 01785164  
Place: Mumbai

**Vinayak Pai**  
Managing Director  
DIN: 03637894  
Place: Mumbai

**Sanjay Sharma**  
Chief Financial Officer  
Place: Mumbai

**B S Bhaskar**  
Company Secretary  
Place: Mumbai

Date: 26<sup>th</sup> April 2023

Date: 26<sup>th</sup> April 2023