

Price Waterhouse & Co Chartered Accountants LLP

Independent auditor's report

To the Members of TCC Construction Private Limited

Report on the audit of the financial statements

Opinion

1. We have audited the accompanying financial statements of TCC Construction Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and total comprehensive income (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

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

Emphasis of matter

4. We draw your attention to Note 21 to the financial statements which explains the uncertainties and the management's assessment of the financial impact due to the lock-downs and other restrictions and conditions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve.

Our opinion is not modified in respect of this matter.

Other Information

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

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

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

We have nothing to report in this regard.

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Price Waterhouse & Co. (a Partnership Firm) converted into Price Waterhouse & Co Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-4362) with effect from July 7, 2014. Post its conversion to Price Waterhouse & Co Chartered Accountants LLP, its ICAI registration number is 304026E/E-300009 (ICAI) registration number before conversion was 304026E)



Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of TCC Construction Private Limited
Report on audit of the financial statements

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

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report



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INDEPENDENT AUDITOR'S REPORT

To the Members of TCC Construction Private Limited
Report on audit of the financial statements

to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

11. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
12. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company has long-term contracts as at March 31, 2020 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2020.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2020.



Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of TCC Construction Private Limited
Report on audit of the financial statements

- iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2020.
13. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, reporting under Section 197(16) of the Act is not applicable to the Company.

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



Sunit Kumar Basu
Partner
Membership Number: 55000
UDIN: 20055000AAAACE7235

Place: Hyderabad
Date: May 14, 2020

Price Waterhouse & Co Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 12(f) of the Independent Auditors' Report of even date to the members of TCC Construction Private Limited on the financial statements for the year ended March 31, 2020

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of TCC Construction Private Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.



Price Waterhouse & Co Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 12(f) of the Independent Auditors' Report of even date to the members of TCC Construction Private Limited on the financial statements for the year ended March 31, 2020

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. Also refer paragraph 4 of our main audit report.

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



Sunit Kumar Basu
Partner
Membership Number: 55000
UDIN: 20055000AAAACE7235

Place: Hyderabad
Date: May 14, 2020

Price Waterhouse & Co Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of TCC Construction Private Limited on the financial statements as of and for the year ended March 31, 2020

- i. The Company does not own any fixed assets. Therefore, the provisions of Clauses 3(i)(a), 3(i)(b) and 3(i)(c) of the said Order are not applicable to the Company.
- ii. The Company does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of goods and service tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including sales tax, income tax, service tax, duty of customs, duty of excise, value added tax, cess, and other material statutory dues, as applicable, with the appropriate authorities.
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, duty of customs, or goods and service tax which have not been deposited on account of any dispute.
- viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.



Price Waterhouse & Co Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of TCC Construction Private Limited on the financial statements for the year ended March 31, 2020

- xi. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the provisions of Clause 3(xiii) of the Order are not applicable to the Company.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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



Sunit Kumar Basu
Partner
Membership Number: 55000
UDIN: 20055000AAAACE7235

Place: Hyderabad
Date: May 14, 2020

TCC Construction Private Limited
Balance Sheet as at March 31, 2020
All amounts are in ₹ Lakhs unless otherwise stated

	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
(a) Deferred tax assets (net)	3	8.96	-
(b) Non-current tax assets (net)	4	249.88	234.89
Total non-current assets		258.84	234.89
Current assets			
(a) Financial assets			
(i) Cash and cash equivalents	5	2,097.49	11,509.38
(ii) Other financial assets	6	7,641.08	5,588.20
(b) Other current assets	7	2,754.70	1,791.50
Total current assets		12,493.27	18,889.08
Total Assets		12,752.11	19,123.97
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	8	100.00	-
(b) Other equity	9	(38.23)	(31.09)
Total equity		61.77	(31.09)
Liabilities			
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	10	-	-
(a) Total outstanding dues of micro and small enterprises		3.03	6,063.26
(b) Total outstanding dues of other than (i)(a) above		943.04	5.05
(ii) Other financial liabilities	11	11,744.27	13,086.75
(b) Other current liabilities	12	12,690.34	19,155.06
Total current liabilities		12,690.34	19,155.06
Total liabilities		12,690.34	19,155.06
Total Equity and Liabilities		12,752.11	19,123.97
See accompanying notes forming part of the financial statements	1-27		

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

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

For and on behalf of the Board of Directors


Sunit Kumar Basu
Partner
Membership Number : 55000


Rahul Shah
Director


Rahul Ramnath Katyal
Director


Arvind Chokhany
Director


Kishor Kumar Jha
Director



Place : Hyderabad
Date : May 14, 2020

Place: Mumbai
Date : May 14, 2020


TCC Construction Private Limited
Statement of Profit and Loss for the year ended March 31, 2020
All amounts are in ₹ Lakhs unless otherwise stated

	Note No.	For the year ended March 31, 2020	For the period September 20, 2018 to March 31, 2019
I Revenue from operations	13	2,063.02	5,616.28
II Other income	14	157.98	-
III Total Income (I+II)		<u>2,221.00</u>	<u>5,616.28</u>
IV Expenses			
(a) Contract execution expenses	15	1,144.67	5,611.24
(b) Finance costs	16	943.77	5.05
(c) Other expenses	17	148.66	31.08
Total expenses (IV)		<u>2,237.10</u>	<u>5,647.37</u>
V Loss before tax (III - IV)		(16.10)	(31.09)
VI Tax expense	18		
(a) Deferred tax credit		(8.96)	-
Total tax expense (VI)		<u>(8.96)</u>	-
VII Loss for the year/period (V-VI)		<u>(7.14)</u>	<u>(31.09)</u>
VIII Other comprehensive income		-	-
IX Total comprehensive income for the year/period (VII + VIII)		<u>(7.14)</u>	<u>(31.09)</u>
Earnings per equity share (of ₹ 1 each)	19		
Basic (₹)		(0.13)	-
Diluted (₹)		(0.13)	-
See accompanying notes forming part of the financial statements	1-27		

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

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

For and on behalf of the Board of Directors


Sunit Kumar Basu
Partner
Membership Number : 55000


Rahul Shah
Director


Rahul Ramnath Katyal
Director


Arvind Chokhany
Director


Kishor Kumar Jha
Director

Place : Hyderabad
Date : May 14, 2020

Place: Mumbai
Date : May 14, 2020



TCC Construction Private Limited
Statement of Cash Flows for the year ended March 31, 2020
All amounts are in ₹ Lakhs unless otherwise stated

	For the year ended March 31, 2020	For the period September 20, 2018 to March 31, 2019
Cash flow from operating activities		
Loss before tax	(16.10)	(31.09)
Adjustments for:		
Interest income	(155.69)	-
Provision for doubtful receivables	10.32	28.08
Finance costs	943.77	5.05
	782.30	2.04
Movements in working capital:		
Increase in other current assets	(963.20)	(1,791.50)
Increase in other financial assets	(2,063.20)	(5,616.28)
Increase/(decrease) in other current liabilities	(1,342.48)	13,086.75
Increase in trade payables	(6,060.23)	6,063.26
Cash generated from/(used in) operations	(9,646.81)	11,744.27
Income taxes paid	(14.99)	(234.89)
Net cash generated from/(used in) operating activities	(9,661.80)	11,509.38
Cash flows from investing activities		
Interest received	155.69	-
Net cash generated from investing activities	155.69	-
Cash flows from financing activities		
Interest paid	(5.78)	-
Proceeds from issue of share capital	100.00	-
Net cash generated from financing activities	94.22	-
Net increase in cash and cash equivalents	(9,411.89)	11,509.38
Cash and cash equivalents at the beginning of the year/period (refer note 5)	11,509.38	-
Cash and cash equivalents at the end of the year/period (refer note 5)	2,097.49	11,509.38

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

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


Sunit Kumar Basu
Partner
Membership Number : 55000

Place: Hyderabad
Date: May 14, 2020

For and on behalf of the Board of Directors


Rahul Shah
Director


Rahul Rannath Katyal
Director


Arvind Chokhany
Director


Kishor Kumar Jha
Director

Place: Mumbai
Date: May 14, 2020



TCC Construction Private Limited
 Statement of Changes in Equity for the year ended March 31, 2020
 All amounts are in ₹ Lakhs unless otherwise stated

A. Equity share capital


	Amount
Balance as at March 31, 2018	-
Changes in equity share capital during the period	-
Balance as at March 31, 2019	-
Changes in equity share capital during the year	100.00
Balance as at March 31, 2020	100.00

B. Other equity

Particulars	Reserves and Surplus	Total
	Retained earnings	
Balance as at March 31, 2018	-	-
Loss for the period	(31.09)	(31.09)
Balance as at March 31, 2019	(31.09)	(31.09)
Loss for the year	(7.14)	(7.14)
Balance as at March 31, 2020	(38.23)	(38.23)

This is the 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


 Sunit Kumar Basu
 Partner
 Membership Number : 55000

For and on behalf of the Board of Directors


 Rahul Shah
 Director


 Rahul Ramnath Katyal
 Director


 Arvind Chokhany
 Director


 Kishor Kumar Jha
 Director

Place : Hyderabad
 Date : May 14, 2020

Place: Mumbai
 Date : May 14, 2020



1. General Information

TCC Construction Private Limited ("Company") is a Special Purpose Vehicle ("SPV") between Tata Projects Limited, CAPACIT'E Infraprojects Ltd and CITIC Construction Co Ltd. The SPV is to undertake and implement the project awarded by the Mumbai Housing & Area Development Board (MHADA) for Technical Designing, Coordination & construction of rehabilitation/sale/commercial/amenities/any other structure along with construction of habitable temporary transit camps, work of onsite/offsite Infrastructure & landscape & performing various co-ordination activities of the project & obtaining all relevant permission & approval from all concerned authorities on lump-sum basis for redevelopment project on BDD chawls. In terms of the agreement, the participating interest of each partner is TPL-36.9%, CIL-37.1% and CCL - 26 %.

1.1. Standards issued but not yet effective :

There is no such notification which would have been applicable from April 1, 2020.

2. Significant Accounting Policies

2.1 Statement of compliance

The financial statements comply in all material aspects with Indian Accounting Standards (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 as amended from time to time.

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments 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 company 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 share based payment transactions that are within the scope of Ind AS 102, 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 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements 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 year. 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. Significant estimates like contract estimate are made by way of project budget in respect of the project to compute project profitability with various assumptions and judgements. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. 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.

2.4 Revenue Recognition

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

Determination of transaction price and its subsequent assessment:

The Company 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 . Where consideration is not specified within the contract and is variable , the Company estimates the amount of consideration to be received from its customer. The consideration recognised is the amount which the Company assesses to be highly probable not to result in a significant reversal in future years.

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 Company considers the retention moneys held by customer to be protection money in the hands of the entity 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 customer, also are not subjected to discounting, as the entity considers the objective behind the transaction to be that of ensuring and protecting timely execution of the project and not deriving financial benefit in the nature of interest.

The Company deploys revenue recognition over a period of time as considered appropriate to the nature of product/service delivered to the customer.



Revenue from operations:

(i) Revenue from construction and services activities is recognised over a period of time and the entity uses the input method to measure progress of delivery.

Performance obligations in a contract with customer:

The Company determines the performance obligations, considering the nature and scope of each contract.

Measuring Progress of a construction contract

When the outcome of contract 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.

No profit is recognized till a minimum of 10% progress is achieved on the contract. Revenue is recognised to the extent of recoverable costs incurred with reference to the percentage of completion.

Costs are recognised as incurred and revenue is recognised on the basis of the proportion of total actual costs as at the reporting date, to the estimated total costs of the contract.

2.5 Earnings Per Share

The Company 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 for the effects of all dilutive potential equity shares.

2.6 Taxation

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

2.6.1 Current tax

Current tax expense comprises taxes on income from operations in India. 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 authorities using the applicable tax rates.

2.6.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. 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 Company 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.

2.7 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 Company 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 neither recognizers working with the customer.

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.



2.8 Financial Instruments

Financial assets and financial liabilities are recognised when the company 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

(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 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** :- Financial liabilities are measured at amortized cost using the effective interest method at cost.

Impairment of Financial Assets

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

2.9 Leasing

The Company's lease asset classes primarily consist of leases for premises and equipments. The Company assess whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (1) The contract involves the use of an identified asset;
- (2) The Company has substantially all the economic benefits from use of the asset through the period of the lease and
- (3) The Company has the right to direct the use of the asset.

At the date of commencement of the lease, The Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, The Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the balance lease term of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

2.10 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.



2.11 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 Company or the counterparty.

2.12 Trade and Other Payables

These amounts represent liabilities for goods and services provided to the company 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 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

2.13 Segment Reporting

The Company operates in only one business segment. Therefore, segment wise reporting under IND AS 108 is not applicable.

2.14 Operating cycle

The Company has selected the duration of the project as its operating cycle wherever appropriate, for classification of its assets and liabilities as current and non-current.

2.15 Rounding off 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.



TCC Construction Private Limited
Notes forming part of the financial statements for the year ended March 31, 2020
All amounts are in ₹ Lakhs unless otherwise stated

	As at March 31, 2020	As at March 31, 2019	
3. Deferred tax assets (net)			
Deferred tax assets	8.96	-	
Total	8.96	-	
Movement in deferred tax assets (net)			
Financial year 2019-20	Opening balance	Recognised in the statement of profit and loss	Closing balance
Deferred tax assets in relation to Allowance for doubtful debts	-	8.96	8.96
Total	-	8.96	8.96
4. Non-current tax assets (net)			
Non-current tax assets			
TDS receivable	249.88	234.89	
	249.88	234.89	
Current tax liabilities			
Income-tax payable	-	-	
	249.88	234.89	
Non-current tax assets (net)			
5. Cash and cash equivalents			
Balances with banks in current accounts	2,097.49	11,509.38	
Total	2,097.49	11,509.38	

Note: There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.

6. Other financial assets

Current

Security deposits	0.18	-
Unbilled revenue	7,679.30	5,616.28
Less: Allowance for doubtful debts (expected credit loss allowance) (Refer notes 6.1 and 6.2 below)	(38.40)	(28.08)
Total	7,641.08	5,588.20

6.1 Expected credit loss allowance on other financial assets

Expected credit loss allowance is determined on the closing balance of all applicable financial assets as at each reporting date at a rate of 0.50%.

No expected credit loss provision, other than specific provisions, has been created for cash and cash equivalents and other financial assets (other than unbilled revenue), since the company considers the lifetime credit risk of these financial assets to be very low.

6.2 Movement in the expected credit loss allowance :

Balance at the beginning of the year/period	28.08	-
Movement in expected credit loss allowance (refer note 17)	10.32	28.08
Balance at the end of the year/period	38.40	28.08

7. Other current assets

Others		
Balances with government authorities	26.87	1,791.50
GST credit receivable	11.58	-
TDS receivable	-	-
-Project related advances to others	2,716.25	-
Unsecured, considered good	-	-
Total	2,754.70	1,791.50



TCC Construction Private Limited
Notes forming part of the financial statements for the year ended March 31, 2020
All amounts are in ₹ Lakhs unless otherwise stated

8. Equity share capital

	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount ₹ Lakhs	Number of shares	Amount ₹ Lakhs
Authorised share capital				
Equity shares of ₹ 1 each with voting rights	1,00,00,000	100.00	1,00,00,000	100.00
Issued, subscribed and fully paid-up				
Equity shares of ₹ 1 each with voting rights	1,00,00,000	100.00	-	-
Total	1,00,00,000	100.00	-	-

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

	Number of shares	Equity share capital Amount (₹ Lakhs)
Balance as at March 31, 2018	-	-
Shares issued during the period	-	-
Balance as at March 31, 2019	-	-
Shares issued during the year	1,00,00,000	100.00
Balance as at March 31, 2020	1,00,00,000	100.00

(ii) Terms and rights attached to the equity shares

The Company has only one class of equity shares having a par value of ₹ 1 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 Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) There are no shares issued and allotted as fully paid up pursuant to contracts without payment being received in cash during five years immediately preceding March 31, 2020.

(iv) Shares of the company held by holding company

	As at March 31, 2020		As at March 31, 2019	
	Number of Shares	% age of holding	Number of Shares	% age of holding
Equity shares of ₹ 1 each				
Tata Projects Limited	36,90,000	36.90%	-	-

(v) Details of shareholders holding more than 5% shares in the company

	As at March 31, 2020		As at March 31, 2019	
	Number of Shares	% age of holding	Number of Shares	% age of holding
Equity shares of ₹ 1 each				
Tata Projects Limited	36,90,000	36.90%	-	-
CAPACITE INFRAPROJECTS LIMITED	37,10,000	37.10%	-	-
CITIC Construction Co. Ltd	26,00,000	26.00%	-	-

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



TCC Construction Private Limited
Notes forming part of the financial statements for the year ended March 31, 2020
All amounts are in ₹ Lakhs unless otherwise stated

	As at March 31, 2020	As at March 31, 2019
9. Other equity		
Retained earnings	(38.23)	(31.09)
Total	(38.23)	(31.09)
9.1 Retained earnings		
Balance at the beginning of the year/period	(31.09)	-
Loss for the year/period	(7.14)	(31.09)
Balance at the end of the year/period	(38.23)	(31.09)
10. Trade payables		
(a) Total outstanding dues of micro and small enterprises	-	-
(b) Total outstanding dues of other than the above	3.03	6,063.26
Total	3.03	6,063.26
<p>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 Company 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 Company has a well defined process for ensuring regular payments to the vendors.</p> <p>For the year ended March 31, 2020 and March 31, 2019, there are no micro and small enterprises to which the Company owes dues based on the information available with the entity. This has been relied upon by the auditors.</p>		
11. Other financial liabilities		
Current		
Interest accrued on mobilisation advance received	943.04	5.05
Total	943.04	5.05
12. Other current liabilities		
Advances from customer including mobilisation advances	11,744.27	11,744.27
Other payables		
-Statutory remittances	-	1,342.48
Total	11,744.27	13,086.75



TCC Construction Private Limited
Notes forming part of the financial statements for the year ended March 31, 2020
All amounts are in ₹ Lakhs unless otherwise stated

	For the year ended March 31, 2020	For the period September 20, 2018 to March 31, 2019
13. Revenue from operations		
Income from contracts - Civil and erection works	2,063.02	5,616.28
Total	2,063.02	5,616.28
 Unsatisfied performance obligation : The Company expects that the transaction price allocated to partially unsatisfied performance obligation of ₹1,166,747.12 lakhs (March 31, 2019 : ₹1,168,810.14 lakhs) will be recognised as revenue over the project life cycle.		
14. Other income		
Interest income from financial assets carried at amortised cost		
Bank deposits	155.69	-
 Other gains and losses		
Net foreign exchange gains	2.29	-
Total	157.98	-
15. Contract execution expenses		
Cost of supplies/erection and civil works	1,126.80	5,610.00
Insurance premium	17.87	1.24
Total	1,144.67	5,611.24
16. Finance costs		
Interest expense on :		
(i) Mobilisation advance received	937.99	5.05
(ii) Delayed payment of income tax	3.39	-
(iii) Others	2.39	-
Total	943.77	5.05
17. Other expenses		
Repairs and maintenance	0.24	-
Power and fuel	0.30	-
Legal and professional	134.71	-
Payment to auditors (refer note below)	3.09	3.00
Provision for doubtful receivables and unbilled revenue	10.32	28.08
Total	148.66	31.08
Note:		
Payment to auditors comprises :		
To statutory auditors		
Statutory audit fees	2.75	2.75
Tax audit fees	0.25	0.25
Reimbursement of expenses	0.09	-
Total	3.09	3.00



TCC Construction Private Limited
Notes forming part of the financial statements for the year ended March 31, 2020
All amounts are in ₹ Lakhs, unless otherwise stated

	For the year ended March 31, 2020	For the period September 20, 2018 to March 31, 2019
18. Tax expense		
18.1 Income taxes recognised in the statement of profit and loss		
Current tax		
Current tax on loss for the year/period	-	-
Deferred tax		
Increase in deferred tax assets	(8.96)	-
Total income tax expense recognised in the current year	(8.96)	-
18.2 The income tax expense for the year can be reconciled to the accounting profit as follows:		
Loss before tax	(16.10)	(31.09)
Income tax expense calculated*	(4.05)	-
Effect of expenses that are not deductible in determining taxable profit	0.85	-
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	(5.76)	-
Income tax expense recognised in the statement of profit and loss	(8.96)	-

*The tax rate used for the year 2019-2020 reconciliation above is the corporate tax rate of 25.17% (including surcharge and education cess) payable by corporate entities in India on taxable profits under the Indian tax law.



TCC Construction Private Limited

Notes forming part of the financial statements for the year ended March 31, 2020

All amounts are in ₹ Lakhs unless otherwise stated

19. Earnings per share

		For the year ended March 31, 2020	For the period September 20, 2018 to March 31, 2019
Loss for the year/period	A	(7.14)	(31.09)
Basic and Diluted			
Weighted average number of equity shares of ₹ 1/- each outstanding during the year/period	B	53.55	-
Earnings per share (face value of ₹ 1/- each)			
Earnings per share - Basic and Diluted	A/B	(0.13)	-



20. Financial Instruments

20.1 Capital Management

The company's business model is working capital centric. The company manages its working capital needs and long term capital expenditure, through capital. The capital structure of the Company comprises of equity.

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

The company reviews its capital requirements on an annual basis, in the form of Annual Operating Plan (AOP). The AOP of the company aggregates the capital required for execution of project and the financing mechanism of such requirements is determined as part of AOP.

20.2 Categories of Financial instruments

Particulars	As at March 31, 2020	As at March 31, 2019
Financial assets		
Current		
Cash and cash equivalents	2,097.49	11,509.38
Other financial assets	7,641.08	5,588.20
Total	9,738.57	17,097.58

Particulars	As at March 31, 2020	As at March 31, 2019
Financial liabilities		
Current		
Trade payables	3.03	6,063.26
Other financial liabilities	943.04	5.05
Total	946.07	6,068.31

20.3 Financial Risk Management Objectives

The Company manages its financial risk by regular monitoring of its financial instruments. The financial liabilities other than borrowings are negotiated, generally on a back to back basis, whereby the financial liabilities are discharged on realisation of financial assets. The company monitors the project progress on regular basis to ensure regular rotation of working capital within acceptable timelines.

20.4 Market risk

The company's activities are exposed to market risks in the form of escalation in material and other direct costs. This risk is mitigated by the price variation clause in the contract where the company is allowed to claim the price variations in certain identified materials.

20.5 Credit Risk Management

The credit risk to the company arises from two sources:

- a) Customer, who default on their contractual obligations, thus resulting in financial loss to the company.
- b) Non certification by the customer, 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.

a) Customer:

The company has been formed to execute the project awarded by Mumbai Housing & Area Development Board (MHADA), the sole customer of the company. The customer evaluation is carried out by the company partners during the bidding stage, wherein, the following criterion were evaluated,

- (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 company, the rating of the customer by a reputed agency like Dun and Bradstreet.
- (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.

Company makes provision on its financial assets, on every reporting period, as per Expected Credit Loss Method. The provision is made separately for each financial asset. 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.

b) Non certification of works:

The Company has contract claims from the customer 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 of Tata Projects Limited (Holding Company) with similar claims as well as legal opinion obtained from internal and external experts, wherever necessary. Changes in facts of the case or the legal framework may impact realisability of these claims.

20.6 Liquidity Risk Management

The company being an EPC contractor, has a constant liquidity pressure 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 project on monthly basis and the same is 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 for the project. The Company has an established practice of prioritising the site level payments and regulatory payments above other requirements.

20.7 Fair Value Measurement

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

Cash and cash equivalents and other financial assets are at carrying values that approximate fair value. 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.



21. Impact assessment of the global health pandemic- COVID-19 and related estimation uncertainty

During the last few months the global Pandemic Covid-19 has had significant impact on the economic activity globally and in India and is disrupting supply chains with closing of national and state borders and also imposing lock down and the economic activity have come to a grinding halt except in the areas of health and food. Post announcement by WHO as a global pandemic, numerous steps have been taken by the Government and the companies to contain the spread of virus. The extent to which the business/operations of the entity shall be impacted will depend on future developments that are highly uncertain.

The extent to which the business/operations of the Company shall be impacted will depend on future developments that are difficult to predict.

While the Company has been formed to undertake and implement the project awarded by Mumbai Housing & Area Development Board (MHADA) , there is an uncertainty to the extent that Covid-19 shall affect the business and operations of the entity due to:

To address the execution challenges, the Company has initiated following actions.

- a) assessment of contractual rights and obligations and engaging with customers to get extensions
- b) focus on reducing fixed costs
- c) managing customer exposure and continuous monitoring of their financial health
- d) re-engineering the operations to achieve efficiencies
- e) evaluating the supply chain risks and working with vendors to ensure they honour the contractual commitments.

Further, the Company has based on certain assumptions, cumulative knowledge and understanding of the business, current indicators of future economic conditions made assessments around:

- a) Going concern based on cash flows as per approved Annual operating plan
- b) Recoverability of receivables including unbilled receivables
- c) Recovery of contract assets
- d) carrying value of property, plant and equipment

and has made adjustments wherever necessary and it expects to recover the carrying amount of these assets as at the balance sheet date.

However, the actual impact may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to the assumptions made or future economic conditions.



22. Segment Information

The SPV has been formed to execute and perform the project awarded by the Mumbai Housing & Area Development Board (MHADA) for Technical Designing, Coordination & construction of rehabilitation/sale/commercial/amenities/any other structure along with construction of habitable temporary transit camps, work of onsite/offsite infrastructure & landscape & performing various co-ordination activities of the project & obtaining all relevant permission & approval from all concerned authorities on lump-sum basis for redevelopment project on BDD chawls. Hence, there are no reportable segments under Indian Accounting Standard - 108 "Segment Reporting".

23. Details on derivative instruments and unhedged foreign currency exposures

- (i) There are no outstanding forward exchange contracts as at the end of the reporting period and prior period.
(ii) There is no foreign currency exposure as at the end of the reporting period and prior period.
(iii) The net foreign exchange gain to the statement of profit and loss is ₹ 2.29 lakhs (March 31, 2019 : Nil).

24. Related party transactions :

24.1 Details of related parties:

Description of relationship	Names of related parties
(i) Member (Holding company)	Tata Projects Limited
(ii) Member	CITIC Construction Co Ltd
(iii) Member	CAPACITE INFRAPROJECTS LIMITED
(iv) Entity in which the holding company exercises control	TPL-CIL Construction LLP
(v) Key Managerial Personnel	Rahul Shah (Director) Rohit Ramnath Katyal (Director upto March 25, 2020) Rahul Ramnath Katyal (Director)(w.e.f March 25, 2020) Srilatha Cherukuri (Director upto July 17, 2019) Gautam Balakrishnan (Director upto July 17, 2019) Himanshu Chalurvedi (Director upto July 17, 2019) Arvind Chokhany (Director) (w.e.f July 17, 2019) Kishor Kumar Jha (Director) (w.e.f July 17, 2019)


24.2 Details of related party transactions during the year ended March 31, 2020 and balance outstanding as at March 31, 2020

Particulars	Transactions during the year		Balances outstanding at the end of the	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
TPL-CIL Construction LLP				
Contract execution expenses	1,126.60	5,610.00	-	-
Trade payables	-	-	-	6,058.80
Project related advances given	-	-	2,274.09	-
Tata Projects Limited				
Issue of Shares	36.90	-	36.90	-
Guarantees given on behalf of the Company*	-	-	46,566.01	46,566.01
CAPACITE INFRAPROJECTS LIMITED				
Issue of Shares	37.10	-	37.10	-
Guarantees given on behalf of the Company*	-	-	25,074.00	25,074.00
CITIC Construction Co. Ltd				
Issue of Shares	26.00	-	26.00	-


* The amount relates to guarantee given by Tata Projects Limited against the mobilisation advance received from the customer based on the requirement of the project. The balance of mobilisation advance received from customer as at March 31, 2020 is ₹ 11,744.27 lakhs.(March 31, 2019 : ₹ 11,744.27 lakhs).Additionally performance guarantees were given by Tata Projects Limited and CAPACITE INFRAPROJECTS LIMITED to the customer.

25. During the year ended March 31, 2019, the Company had not received share subscription money from the shareholders and hence securities could not be allotted as at March 31, 2019. Subsequently, the share subscription money has been realised and allotted during the current year.
26. The financial statements were approved for issue by the Board of Directors on May 14, 2020.
27. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

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


Sunit Kumar Basu
Partner
Membership Number : 55000

For and on behalf of the Board of Directors


Rahul Shah
Director


Rahul Ramnath Katyal
Director


Arvind Chokhany
Director


Kishor Kumar Jha
Director

