

MEHTA & PAI

CHARTERED ACCOUNTANTS

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CA. SURESH S. MEHTA

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Independent Auditor's Report

To the Members of HCC Construction Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of HCC Construction Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2020, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing 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 ('ICAI') 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 attention to Note 19 of the Financial Statements as regards to the management's assessment of the financial impact due to restrictions and conditions related to Covid-19 pandemic situation. Our opinion is not modified in respect of this matter.

Information other than the Financial Statements and Auditor's Report thereon

5. The Company's Board of Directors is responsible for preparation of other information. Other information 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 on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. Reporting under this section is not applicable as no other information is obtained at the date of this auditor's report.

Responsibilities of Management for the Standalone 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 standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS 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.
8. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

9. 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 Standards on Auditing 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.
10. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
11. 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.
12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

13. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order.
14. Further to our comments in Annexure B, 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 purpose 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 standalone financial statements dealt with by this report are in agreement with the books of account
 - d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
 - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 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 over Financial Reporting of the company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'. Our Report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's Internal Financial Controls over financial reporting.
- g) We report that the Company has not paid any remuneration to its directors during the year to which the provisions and limits laid down under section 197 read with Schedule V to the Act are applicable.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position as at 31 March 2020;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 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 31 March 2020.

For Mehta & Pai
Chartered Accountants
Firm's Registration No.: 113591W



Suresh Mehta
Partner
Membership No.: 032230

Place: Mumbai
Date: 24-06-2020

UDIN-20032230AAAAAL7576



ANNEXURE A TO THE AUDITOR'S REPORT

(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our Report of even date on the financial statements for the year ended on March 31, 2020 of HCC Construction Limited)

- (i) The company doesn't have any Fixed Assets and accordingly, the provisions of sub-clauses (a), (b) and (c) clause (i) of the Order are not applicable to the Company.
- (ii) In absence of inventories clauses (ii) of the Order is not applicable to the Company.
- (iii) As informed, 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 Companies Act, 2013. Accordingly, sub-clause (a), (b) and (c) are not applicable.
- (iv) In the absence of loans, investments, guarantees and security provided, provisions of section 185 and 186 of the Companies Act, 2013 are not applicable.
- (v) The Company has not accepted any deposits from the public to which the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 or the Companies (Acceptance of Deposit) Rules 2014 or the directives issued by the Reserve Bank of India apply.
- (vi) We have been informed that the Company is not required to maintain cost records under sub-section (1) of section 148 of the Companies Act, 2013, which has been relied upon.
- (vii) During the year there were no employees in the employment of the Company. Accordingly the directions relating to Provident Fund and Employee's State Insurance are not applicable to the Company. Further, based on our examination of the records maintained during the year, the Company is not liable to make any payments towards duty of customs, duty of excise, cess, sales tax, value added tax and goods & service tax (GST). The Company has been generally regular in depositing income tax and service tax dues along with cess thereon with the appropriate authority and there are no undisputed amounts payable there of which are outstanding, as at March 31, 2020 for a period of more than six months from the date they became payable.
- (viii) According to the records of the Company, there are no dues of income tax, sales tax, service tax, custom duty, excise duty, value added tax, goods and service tax (GST) and cess which have not been deposited on account of any dispute.
- (ix) According to the information and explanations given to us, the Company has not taken any money from any financial institution, bank or debenture holder, and hence clause 3(viii) is not applicable to the Company.



- (x) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- (xi) According to the information and explanations furnished by the management which have been relied upon by us, there were no frauds on or by the Company noticed or reported during the course of our audit.
- (xii) In absence of any managerial personnel, no managerial remuneration is paid and therefore the provisions of clause 3 (xi) of the Order are not applicable to the Company.
- (xiii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- (xiv) According to the information and explanation given to us and based on our examination of records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence clause 3 (xiv) is not applicable to the Company.
- (xvi) The Company has not entered into any non-cash transactions with directors or persons connected with him and hence clause 3(xv) is not applicable to the Company.
- (xvii) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Mehta & Pai
Chartered Accountants
Firm's Registration No.: 113591W

Suresh Mehta
Partner

Membership No.: 032230

Place: Mumbai

Date: 24.06.2020

VDIN-20032230 AAAAAL4576



Annexure-B to Auditor's report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **HCC Construction Limited** ("the Company") as of 31 March 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

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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

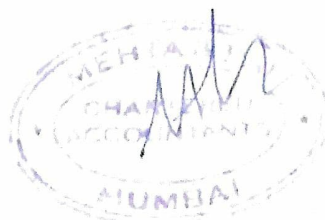
Opinion

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

For Mehta & Pai
Chartered Accountants
Firm's Registration No.: 113591W

Suresh Mehta
Partner
Membership No.: 032230
Place: Mumbai
Date: 24.06.2020

UDIN - 20032230ABAAA4576



HCC CONSTRUCTION LIMITED

BALANCE SHEET AS AT 31ST MARCH 2020

PARTICULARS	Note No.	For the Year ended 31st March 2020	For the Year ended 31st March 2019
		Rs.	Rs.
ASSETS			
NON CURRENT ASSETS			
CURRENT ASSETS			
<u>Financial Assets</u>			
Cash and Cash Equivalents	2	3,87,776	4,09,746
Other Current Assets	3	21,133	21,133
TOTAL		4,08,909	4,30,879
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	5	5,00,000	5,00,000
OTHER EQUITY			
Reserve and surplus	6	(3,84,886)	(3,55,414)
LIABILITIES			
NON CURRENT LIABILITY			
CURRENT LIABILITY			
<u>Other Current Liabilities</u>			
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	7	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,49,570	2,49,570
Provisions	8	44,224	36,721
TOTAL		4,08,909	4,30,879
Significant Accounting Policies and Notes to Accounts	1		

As per our report of even date

For MEHTA & PAI
Chartered Accountants
Registration No. 113591W

(SURESH MEHTA)
Partner
Membership No. 32230



PLACE : Mumbai
DATED : 24th June 2020

For HCC Construction Ltd

S.D.JEUR Director

R.V.R.KISHORE Director

S. Sridewi Director
SRIDEVI IYENGAR

DATED : 24th June 2020

HCC CONSTRUCTION LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2020

Particulars	Note No.	For the Year ended	For the Year ended
		31st March 2020	31st March 2019
		Rs.	Rs.
I <u>REVENUE FROM OPERATIONS</u>			
II <u>OTHER INCOME</u>	9	-	-
Total Income (I+II+III)		-	-
IV <u>EXPENSES</u>			
Other Expenses	10	29,472	55,816
Total Expenses (IV)		29,472	55,816
V Profit / (Loss) before exceptional items and Tax		(29,472)	(55,816)
VI Exceptional Items		-	-
VII Profit Before Tax(IV - V)		(29,472)	(55,816)
VIII <u>TAX EXPENSE</u>			
Current Tax		-	-
MAT Cr. Entitlement		-	-
IX Profit(Loss) for the year from the continuing operations		(29,472)	(55,816)
X Profit / (Loss) for the year from the discontinuing operations		-	-
XI Tax Expense from discontinuing operations		-	-
XII Profit / (Loss) for the year from the discontinuing operations		-	-
XIII <u>LOSS FOR THE YEAR</u>		(29,472)	(55,816)
Earning per Share (Basic & Diluted) (Face Value of Rs. 10/- per Share)		(0.59)	(1.12)
Significant Accounting Policies and Notes to Accounts	1		

As per our report of even date

For MEHTA & PAI
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Registration No. 113591W

(SURESH MEHTA)
Partner
Membership No. 32230



PLACE : Mumbai
DATED : 24th June 2020

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DATED : 24th June 2020

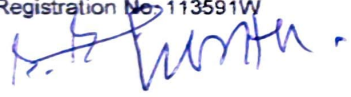
HCC CONSTRUCTION LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

Particulars		YEAR ENDED	YEAR ENDED
		31.03.2020	31.03.2019
		Rs.	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Loss before tax as per Statement of Profit & Loss		(29,472)	(55,816)
Operating loss before working capital changes		(29,472)	(55,816)
Adjustments for :			
Trade & Other receivable	-		
Other payables	7,503		
		7,503	(3,228)
Cash generated from operations		(21,968)	(59,043)
Direct Taxes Paid		-	-
Net cash flow from operating activities		(21,968)	(59,043)
B. CASH FLOW FROM INVESTING ACTIVITIES		-	-
C. CASH FLOW FROM FINANCING ACTIVITIES		-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		(21,968)	(59,043)
CASH AND CASH EQUIVALENTS AS AT 01/04/2019 (OPENING BALANCE)		4,09,747	4,68,791
CASH AND CASH EQUIVALENTS AS AT 31/03/2020 (CLOSING BALANCE)		3,87,776	4,09,747

As per our report of even date

For **MEHTA & PAI**
Chartered Accountants
Registration No. 113591W



(**SURESH MEHTA**)
Partner
Membership No. 32230



PLACE : Mumbai
DATED : 24th June 2020

For HCC Construction Ltd

S.D.JEUR Director



R.V.R.KISHORE Director

S. Sridevi
SRIDEVI IYENGAR Director

DATED : 24th June 2020

HCC CONSTRUCTION LIMITED**Statement of Changes in Equity for the year ended 31 March 2020****A) Equity share capital**

Particulars	Number	Amount Rs.
Equity shares of Rs 10 each issued, subscribed and paid up		
As at 31 March 2018	50000	500000
Changes in equity share capital during 2018-19	-	-
As at 31 March 2019	50000	500000
Changes in equity share capital during 2019-20	-	-
As at 31 March 2020	50000	500000

B) Other equity**Amount (Rs)**

Particulars	Reserves and Surplus	Total
	Retained Earnings	
Balance as of April 1, 2019	(3,55,414)	(3,55,414)
Changes in equity for the Year ended 31.03.2020		
Profit / (Loss) during the year	(29,472)	(29,472)
Balance at the end of 31.03.2020	(3,84,886)	(3,84,886)

As per our report of even date

For **MEHTA & PAI**

Chartered Accountants

Registration No. 113591W

(SURESH MEHTA)

Partner

Membership No. 32230



PLACE : Mumbai

DATED : 24th June 2020

11 Disclosure In accordance with Ind-AS 24 Related Party Transactions

A. Names of Related Parties & Nature of Relationship

No.	Name of the Company	Country of Incorporation	Relationship
1	Hindustan Construction company	India	Holding Company

B. Transactions with related parties

(Amount in Rs.)

Particulars of Transaction	Fellow Subsidiary		Holding Company	
	2019-20	2018-19	2019-20	2018-19
Payable to Hindustan Construction Co. Limited- Holding Company			2,49,870	2,49,870

12 The Current Financial statement are prepared on going concern basis, since the networth of company has exceeded the accumulated losses.

13 The Micro Small and Medium enterprises, to whom the amount outstanding for more than 30 days is Nil. The information has been compiled to the extent they could be identified as small scale and ancillary undertakings on the basis of information available with the Company & relied upon by the auditors.

14 Earnings per Share

Particulars	2019-20	2018-19
i. Net Profit /(Loss) as per Statement of Profit & Loss Account available for Equity Shareholders (Rupees)	(29,472)	(55,818)
ii. No. of Shares of Equity Shares for EPS Computation	60,000	60,000
iii. EPS (Basic & Diluted) (Rupees) (Face Value Rs.10/- per Share)	(0.59)	(1.12)

15 Company operates a single segment namely "Business of an Construction Company". Therefore, the company business does not fall under different business segment as defined by AS - 17, "Segmental Reporting" notified under the Companies (Accounting Standards) Rules, 2006.

16 There are no items having timing differences, therefore deferred tax asset / liability is not recognised.

17 During the year, there are no employees on payroll; hence disclosures under Accounting Standard 19 "Employee Benefits" are not applicable.

18 There are no reportable contingent liabilities as on Balance Sheet Date.

19 Estimation of uncertainties relating to the global health pandemic COVID-19

The company has used the principles of prudence in applying judgments, estimates and assumptions and based on the current estimates. The Company expects to recover the carrying amount of trade receivables including investments and other assets. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements. The Company will continue to monitor developments to identify significant uncertainties in future periods, if any.

20 Previous year's figures have been regrouped / recast, wherever necessary.

As per our report of even date

For MEHTA & PAI
Chartered Accountants
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PLACE : Mumbai
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